

April 30, 2024

To Louisiana Legislative Auditor:

Re: Annual Financial Report - The Town of Winnsboro 2023

A revision was made to the Town of Winnsboro's 2023 annual report to present the LCDBG Fund expenditures clearly. Initially, the LCDBG fund expenditures were recognized as miscellaneous expenses in the Sales Tax fund. However, after discussing with the Louisiana Office of Community Development, we agreed that the audit report needs to be updated to identify the program expenditures in the LCDBG fund separately with the other funds. This was added to the SEFA for the LCDBG fund that was expensed during the 2023 period. Therefore, no further revisions were made to the original report.

Bruno & Tervalon LLP

Lake Charles, Louisiana
April 30, 2024

TOWN OF WINNSBORO, LOUISIANA

ANNUAL FINANCIAL REPORT

June 30, 2023

TOWN OF WINNSBORO, LOUISIANA
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INDEPENDENT AUDITORS' REPORT

To the Honorable Alice Wallace, Mayor
and the Members of the City Council
Town of Winnsboro, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Winnsboro, Louisiana ("The Town") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve (12) months beyond the financial statement

date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the

basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and notes to schedule of expenditures of federal awards, the schedule of compensation, benefits, and other payments to agency head, and the justice system funding schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, the schedule of compensation, benefits, and other payments to the agency head, and the justice system funding schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of compensation paid to the members of the board of aldermen, and the schedule of insurance in force, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2024, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Bruno & Tervalon LLP

New Orleans, Louisiana

March 4, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF WINNSBORO, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2023

As management of the Town of Winnsboro, we offer readers of the Town of Winnsboro's financial statements this narrative overview and analysis of the financial activities of the Town of Winnsboro for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the Town's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Town's financial performance.

FINANCIAL HIGHLIGHTS Our financial statements provide these insights into the results of this year's operations:

- The assets and deferred outflows of resources of the Town of Winnsboro exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$8,561,515 of this amount; (\$3,931,627) represents unrestricted net position (deficit).
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balances of \$3,802,013, an increase of \$1,662,602 or 78% in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance (deficit) for the general fund was \$368,800, a decrease of \$161,316 or 30% in comparison with the prior year.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad view of the Town's finances, in a manner similar to a private sector business.

The Statement of Net Position presents information on all of the Town's assets, liabilities and deferred outflows/inflows of resources with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

The Statement of Activities is designed to distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Town's governmental activities include general government, public safety, public works, health and welfare, and recreation and culture functions.

TOWN OF WINNSBORO, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended June 30, 2023

The business-type activities of the Town include sewer, water, and gas utilities.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town's funds are classified into two categories: governmental funds and proprietary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

The Town maintains three governmental funds that are grouped for management purposes into various fund types. Information is presented separately in the governmental fund Balance Sheet and in the governmental Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, which is the only major fund. Data from the other governmental funds are combined into a single, aggregated presentation.

Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided to demonstrate compliance or lack thereof with the budget.

Proprietary funds

The Town maintains one type of proprietary fund - Enterprise. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses its Enterprise Funds to account for its sewer, water, and gas utilities. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

TOWN OF WINNSBORO, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED) For the Year Ended June 30, 2023

The Town as a Whole

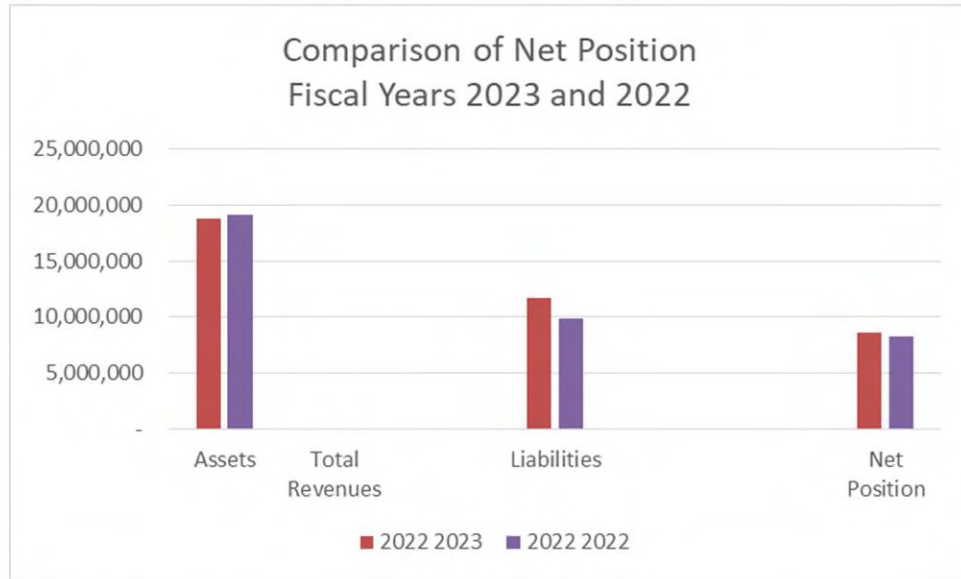
As noted earlier, net position may serve over time as a useful indicator of a government's financial condition. In the case of the Town of Winnsboro, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$8,326,252 at the close of the fiscal year ended June 30, 2023.

Table 1
Schedule of Net Position
June 30, 2023

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<u>ASSETS</u>						
Current and other assets	\$ 4,016,270	\$ 641,939	\$ (235,263)	\$ 143,860	\$ 3,781,007	\$ 785,799
Noncurrent assets	11,165,349	13,240,010	3,909,730	5,095,501	15,075,079	18,335,511
TOTAL ASSETS	15,181,619	13,875,949	3,674,467	5,239,361	18,856,086	19,121,310
Deferred outflows of resources	2,672,542	2,035,708	438,959	157,244	3,111,501	2,192,952
<u>LIABILITIES</u>						
Current and other liabilities	214,257	57,669	206,999	201,673	421,256	259,342
Noncurrent liabilities	7,173,086	5,803,662	4,154,645	3,783,823	11,327,731	9,587,485
Total liabilities	7,387,343	5,861,331	4,361,644	3,985,496	11,748,987	9,846,857
Deferred inflows of resources	1,887,972	2,938,225	4,376	237,925	1,892,348	3,176,180
<u>NET POSITION</u>						
Net investment in capital assets	11,165,349	11,656,216	1,181,574	1,195,666	12,346,923	12,851,882
Restricted	-	-	146,219	140,878	146,219	140,878
Unrestricted	(2,586,503)	(4,544,145)	(1,345,124)	(163,360)	(3,931,627)	(4,707,505)
Total net position	8,578,846	7,112,071	(17,331)	1,173,184	8,561,515	8,285,255
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 17,854,161	\$ 15,911,687	\$ 4,348,689	\$ 5,396,605	\$ 22,202,850	\$ 21,308,292

TOWN OF WINNSBORO, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED) For the Year Ended June 30, 2023



By far, the largest amount of the Town's net position reflects its investment in capital assets of \$11,165,349 (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves can't be used to liquidate these liabilities.

Table 2 takes the information from that statement and rearranges it slightly so that readers can see the total revenues for the year.

TOWN OF WINNSBORO, LOUISIANA

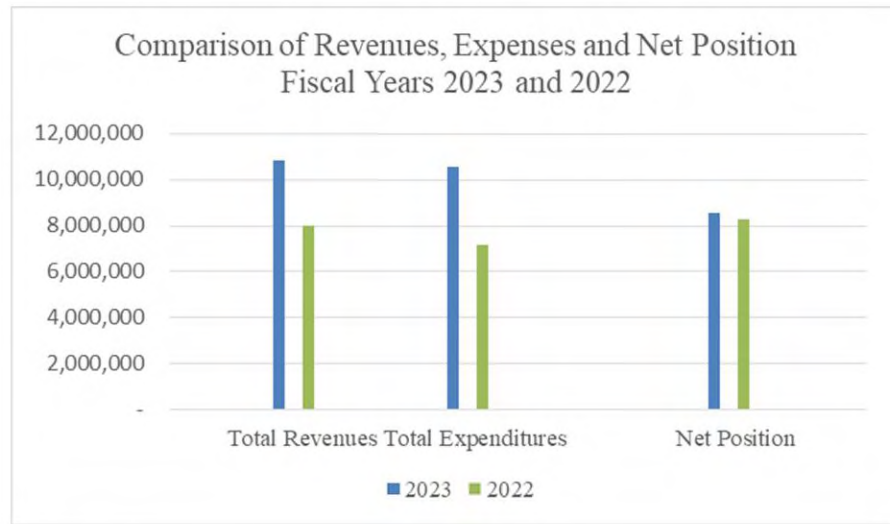
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED) For the Year Ended June 30, 2023

Table 2
Changes in Net Position
For the Years Ended June 30, 2023

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<u>REVENUES</u>						
Program Revenues:						
Charges for Services	\$ 230,230	\$ 254,217	\$ 2,018,233	\$ 2,021,305	\$ 2,248,463	\$ 2,275,522
Operating grants	2,390,184	1,016,280	-	-	2,390,184	1,016,280
General Revenues:						
Taxes	4,469,862	3,709,527	-	-	4,469,862	3,709,527
License and permits	582,648	320,884	-	-	582,648	320,884
Intergovernmental	586,084	-	-	-	586,084	-
Fines and Forfeitures	33,308	51,652	-	-	33,308	51,652
Rent Income	36,000	37,900	-	-	36,000	37,900
Nonemployer pension contribution	178,050	82,549	-	-	178,050	82,549
Interest income	2,729	3,996	-	6,444	2,729	10,440
Miscellaneous	911,178	490,901	10,584	8,326	921,762	499,227
Total Revenues	<u>9,420,273</u>	<u>5,967,906</u>	<u>2,028,817</u>	<u>2,036,075</u>	<u>11,449,090</u>	<u>8,003,981</u>
<u>EXPENDITURES</u>						
Current:						
General government	5,459,020	2,846,802	2,373,171	1,064,012	7,832,191	3,910,814
Public safety	1,264,491	1,093,112	-	-	1,264,491	1,093,112
Public works	-	-	-	-	-	-
Street department	955,424	619,821	-	-	955,424	619,821
Recreation department	90,852	45,801	-	-	90,852	45,801
Animal control department	55,506	71,236	-	-	55,506	71,236
NP USDA community center	-	22,013	-	-	-	22,013
Airport	128,205	58,003	-	-	128,205	58,003
Water plant	-	-	-	195,965	-	195,965
WWTP	-	-	48,639	49,199	48,639	49,199
Water department	-	-	466,133	450,330	466,133	450,330
Sewer department	-	-	179,722	516,240	179,722	516,240
Shop department	-	-	25,999	43,857	25,999	43,857
Interest	-	-	125,668	116,639	125,668	116,639
Total Expenditures	<u>7,953,498</u>	<u>4,756,788</u>	<u>3,219,332</u>	<u>2,436,242</u>	<u>11,172,830</u>	<u>7,193,030</u>
						-
NET CHANGE IN NET POSITIONS	1,466,775	1,211,118	(1,190,515)	(400,167)	276,260	810,951
Net Position, Beginning	7,112,071	5,900,953	1,173,184	1,573,351	8,285,255	7,474,304
Net Position, Ending	<u>\$ 8,578,846</u>	<u>\$ 7,112,071</u>	<u>\$ (17,331)</u>	<u>\$ 1,173,184</u>	<u>\$ 8,561,515</u>	<u>\$ 8,285,255</u>

TOWN OF WINNSBORO, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED) For the Year Ended June 30, 2023



Governmental activities

In the current year, governmental activities had an increase of \$1,466,775 in net position, compared to a \$1,211,118 increase in the prior year.

Taxes, which provided \$4,469,862 or 47% of revenue, were the largest source of general revenues for the Town's governmental activities. Licenses and permits experienced an increase in collections of \$582,648 over the amounts reported in 2023. Charges for services provided \$230,230 of revenue for governmental activities for fiscal year 2023.

Business-type activities

The decrease in net position for business-type operations for the current year was \$1,190,515 compared to a decrease of \$400,167 in the prior year. Charges for services decreased by \$3,072 for the current year.

General Fund Budgetary Highlights

In accordance with Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA - R.S. 39:1301 et seq.), the Town must adopt a budget for the General Fund and all Special Revenue funds prior to June 30. The original budget for the Town was adopted on June 24, 2022, and amendment in current year. The budgeted revenue does exceed actual amounts by \$488,006 for the year ending June 30, 2023. This difference was primarily because expected revenue collected exceeds actual collections. The actual expenditure exceeds budgeted expenditure by \$2,049,445 primarily because of increased capital outlay.

TOWN OF WINNSBORO, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED) For the Year Ended June 30, 2023

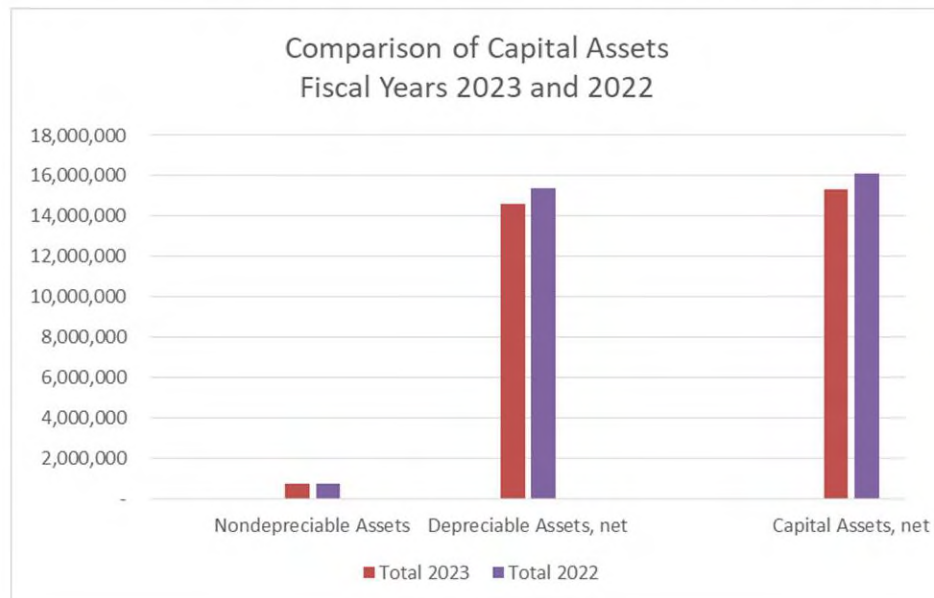
Capital Assets and Debt Administration

Capital assets

As for the year ended June 30, 2023, the Town had \$15,301,061 (net of accumulated depreciation) invested in a broad range of capital assets including land, buildings, improvements, machinery and equipment for its governmental and business-type activities.

The following is a summary of the Town's capital assets:

	Capital Assets June 30, 2023					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Nondepreciable assets:						
Land	\$ 704,058	\$ 704,058	\$ 16,033	\$ 16,033	\$ 720,091	\$ 720,091
Total nondepreciable assets	<u>704,058</u>	<u>704,058</u>	<u>16,033</u>	<u>16,033</u>	<u>720,091</u>	<u>720,091</u>
Depreciable assets, net:						
Buildings	779,641	1,372,704	-	-	779,641	1,372,704
Land Improvements	3,284,002	3,259,179	-	-	3,284,002	3,259,179
Machinery and Equipment	801,903	748,895	-	-	801,903	748,895
Other/General Government	3,881,878	4,049,804	-	-	3,881,878	4,049,804
Construction in progress	1,713,867	1,521,576	240,500	-	1,954,367	1,521,576
Water Distribution system	-	-	2,376,086	2,701,102	2,376,086	2,701,102
Gas Distribution system	-	-	1,503,093	1,714,280	1,503,093	1,714,280
Total depreciable assets, net	<u>10,461,291</u>	<u>10,952,158</u>	<u>4,119,679</u>	<u>4,415,382</u>	<u>14,580,970</u>	<u>15,367,540</u>
Total capital assets, net	<u>\$ 11,165,349</u>	<u>\$ 11,656,216</u>	<u>\$ 4,135,712</u>	<u>\$ 4,431,415</u>	<u>\$ 15,301,061</u>	<u>\$ 16,087,631</u>



TOWN OF WINNSBORO, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended June 30, 2023

Long-term Debt

The Town's business-type activities have three long-term bond debts on June 30, 2023, which was a \$840,000 Sewer revenue bond - USDA dated 1996, \$3,054,000 Water revenue bonds - USDA dated in 2004, and \$1,000,000 Sewer revenue bonds – LA Department of Environmental Quality dated 1996. Installment for Sewer revenue bond - USDA is due monthly payments of \$4,091 through May 6, 2034, with interest at 5%. Installment for Water revenue bonds – USDA is due monthly payments of 13,866 through May 6, 2041, with an interest at 4.5%. Installment for Sewer revenue bonds – LA Department of Environmental Quality is due monthly payments of \$4,547 through March 1, 2031, with interest at 4.5%. The outstanding balance as of June 30, 2023, is \$3,100,357.

Another obligation for both the governmental and business-type activities is the net pension liability. The total pension liability was \$4,018,458 for the June 30, 2023, an increase of \$1,728,687 compared to the prior year.

More detailed information about the Town's long-term liabilities is presented in Note 7, Note 8, and Note 9 to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of the Town of Winnsboro's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to Julia Jackson, Town Clerk, Town of Winnsboro; 3814 Front Street, Winnsboro, Louisiana 71295-2953.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

TOWN OF WINNSBORO, LOUISIANA

STATEMENT OF NET POSITION
For the Year Ended June 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash	\$ 3,512,358	\$ 58,165	\$ 3,570,523
Receivables, net	55,795	154,689	210,484
Internal balances	448,117	(448,117)	-
Total current assets	4,016,270	(235,263)	3,781,007
Noncurrent assets:			
Capital assets, net	11,165,349	4,135,712	15,301,061
Other noncurrent assets	-	9,281	9,281
Total noncurrent assets	11,165,349	4,144,993	15,310,342
Total assets	15,181,619	3,909,730	19,091,349
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pension	1,497,602	438,959	1,936,561
Deferred outflows of resources related to OPEB	1,174,940	-	1,174,940
Total deferred outflows of resources	2,672,542	438,959	3,111,501
Total assets and deferred outflows of resources	\$ 17,854,161	\$ 4,348,689	\$ 22,202,850
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 73,854	\$ 30,480	\$ 104,334
Accrued liabilities	102,461	30,300	132,761
Current portion of bond payable	-	146,219	146,219
Other current liabilities	37,942	-	37,942
Total current liabilities	214,257	206,999	421,256
Noncurrent liabilities:			
Customers deposits	-	203,337	203,337
Noncurrent portion of bond payable	-	2,954,138	2,954,138
Compensated absences	22,654	7,368	30,022
Net pension liability	3,028,656	989,802	4,018,458
OPEB liability	4,121,776	-	4,121,776
Total noncurrent liabilities	7,173,086	4,154,645	11,327,731
Total liabilities	7,387,343	4,361,644	11,748,987
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pension	290,809	4,376	295,185
Deferred inflows of resources related to OPEB	1,597,163	-	1,597,163
Total deferred inflows of resources	1,887,972	4,376	1,892,348
NET POSITION			
Invested in capital asset, net of related debt	11,165,349	1,181,574	12,346,923
Restricted for debt service	-	146,219	146,219
Unrestricted	(2,586,503)	(1,345,124)	(3,931,627)
Total net position	8,578,846	(17,331)	8,561,515
Total liabilities, deferred inflows of resources, and net position	\$ 17,854,161	\$ 4,348,689	\$ 22,202,850

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

TOWN OF WINNSBORO, LOUISIANA

STATEMENT OF ACTIVITIES

For Year Ended June 30, 2023

Activities	Expense	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contribution	Governmental Activities	Business-Type Activates	Total
Governmental activities:							
General government	\$ 5,459,020	\$ 230,230	\$ 2,390,184	\$ -	\$ (2,838,606)	\$ -	\$ (2,838,606)
Public safety:							
Police	838,796	-	-	-	(838,796)	-	(838,796)
Fire	425,695	-	-	-	(425,695)	-	(425,695)
Street department	955,424	-	-	-	(955,424)	-	(955,424)
Recreation department	90,852	-	-	-	(90,852)	-	(90,852)
Animal control department	55,506	-	-	-	(55,506)	-	(55,506)
Airport	128,205	-	-	-	(128,205)	-	(128,205)
Total governmental activities	7,953,498	230,230	2,390,184	-	(5,333,084)	-	(5,333,084)
Business-type activities:							
General government	2,373,171	-	-	-	-	(2,373,171)	(2,373,171)
WWTP	48,639	17,350	-	-	-	(31,289)	(31,289)
Water department	466,133	1,160,297	-	-	-	694,164	694,164
Sewer department	179,722	840,586	-	-	-	660,864	660,864
Shop department	25,999	-	-	-	-	(25,999)	(25,999)
Interest	125,668	-	-	-	-	(125,668)	(125,668)
Total business-type activities	3,219,332	2,018,233	-	-	-	(1,201,099)	(1,201,099)
Total	11,172,830	2,248,463	2,390,184	-	(5,333,084)	(1,201,099)	(6,534,183)
General revenues:							
Taxes					4,469,862	-	4,469,862
Licenses and permits					582,648	-	582,648
Intergovernmental					586,084	-	586,084
Fines & forfeitures					33,308	-	33,308
Rent income					36,000	-	36,000
Interest income					2,729	-	2,729
Nonemployer pension contribution					178,050	-	178,050
Miscellaneous					911,178	10,584	921,762
Total general revenues					6,799,859	10,584	6,810,443
Change in net position					1,466,775	(1,190,515)	276,260
Net position - July 1, 2022					7,112,071	1,173,184	8,285,255
Net position - June 30, 2023					\$ 8,578,846	\$ (17,331)	\$ 8,561,515

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

FUND FINANCIAL STATEMENTS (FFS)

TOWN OF WINNSBORO, LOUISIANA

BALANCE SHEET GOVERNMENTAL FUNDS

For the Year Ended June 30, 2023

	General Fund	Industrial Fund	Sales Tax Fund	LCDBG Fund	Total Governmental Funds
ASSETS					
Cash	\$ 1,376,801	\$ 143,757	\$ 1,991,800	\$ -	\$ 3,512,358
Receivables, net	55,795	-	-	-	55,795
Due from other funds	<u>354,184</u>	<u>520,845</u>	<u>782,699</u>	<u>-</u>	<u>1,657,728</u>
Total assets	<u>\$ 1,786,780</u>	<u>\$ 664,602</u>	<u>\$ 2,774,499</u>	<u>\$ -</u>	<u>\$ 5,225,881</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 73,854	\$ -	\$ -	\$ -	\$ 73,854
Payroll and related liabilities	102,461	-	-	-	102,461
Due to other funds	1,203,723	5,888	-	-	1,209,611
Other liabilities	<u>37,942</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,942</u>
Total liabilities	<u>1,417,980</u>	<u>5,888</u>	<u>-</u>	<u>-</u>	<u>1,423,868</u>
Fund balances					
Unassigned	<u>368,800</u>	<u>658,714</u>	<u>2,774,499</u>	<u>-</u>	<u>3,802,013</u>
Total fund balances	<u>368,800</u>	<u>658,714</u>	<u>2,774,499</u>	<u>-</u>	<u>3,802,013</u>
Total liabilities and fund balances	<u>\$ 1,786,780</u>	<u>\$ 664,602</u>	<u>\$ 2,774,499</u>	<u>\$ -</u>	<u>\$ 5,225,881</u>

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

TOWN OF WINNSBORO, LOUISIANA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
For the Year Ended June 30, 2023**

Total fund balances for governmental funds at June 30, 2023		\$	3,802,013
Total net position reported for governmental activities in the statement of net position is different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The assets consist of:			
Land	704,058		
Building, net of \$3,220,318 accumulated depreciation	779,641		
Land improvements, net of \$2,786,112 accumulated depreciation	3,284,002		
Machinery and equipment, net of \$3,702,842 accumulated depreciation	801,903		
Other/General Government, net of \$5,580,287 accumulated depreciation	3,881,878		
Construction in progress	<u>1,713,867</u>		11,165,349
Compensated absences			(22,654)
Deferred outflows related to pension			1,497,602
Deferred inflows related to pension			(290,809)
Net pension liability			(3,028,656)
OPEB liability			(4,121,776)
Deferred outflows related to OPEB			1,174,940
Deferred inflows related to OPEB			<u>(1,597,163)</u>
Total net position of governmental activities at June 30, 2023		\$	<u>8,578,846</u>

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

TOWN OF WINNSBORO, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS For the Year Ended June 30, 2023

	General Fund	Industrial Fund	Sales Tax Fund	LCDBG Fund	Total
Revenues:					
General Revenue					
Taxes	\$ 2,024,169	\$ -	\$ 2,445,693	\$ -	\$ 4,469,862
Licenses and permits	582,648	-	-	-	582,648
Intergovernmental	393,328	-	-	192,756	586,084
Fees	33,308	36,000	-	-	69,308
Interest income	500	129	2,100	-	2,729
Miscellaneous	305,963	75,072	530,143	-	911,178
Program Revenue					
Charges for services	114,476	45,551	-	-	160,027
Fines and forfeitures	70,203	-	-	-	70,203
Operating grants	1,685,570	704,614	-	-	2,390,184
Total revenues	5,210,165	861,366	2,977,936	192,756	9,242,223
Expenditures:					
General government	3,432,893	223,012	-	-	3,655,905
Employee Benefits	1,014,589	-	-	-	1,014,589
Public safety:					
Police	838,796	-	-	-	838,796
Fire	425,695	-	-	-	425,695
Street department	582,235	-	373,189	-	955,424
Recreation department	90,852	-	-	-	90,852
Animal control department	55,506	-	-	-	55,506
Airport	-	128,205	-	-	128,205
Construction	-	-	-	192,756	192,756
Capital outlay projects	195,848	-	19,906	-	215,754
Other expenses	-	6,139	-	-	6,139
Total Expenditures	6,636,414	357,356	393,095	192,756	7,579,621
Other financing sources (uses):					
Transfers in	1,264,933	-	-	-	1,264,933
Transfers out	-	-	(1,264,933)	-	(1,264,933)
Total other financing sources (uses)	1,264,933	-	(1,264,933)	-	-
Net changes in fund balances	(161,316)	504,010	1,319,908	-	1,662,602
Fund balances, beginning	530,116	154,704	1,454,591	-	2,139,411
Fund balances, ending	<u>\$ 368,800</u>	<u>\$ 658,714</u>	<u>\$ 2,774,499</u>	<u>\$ -</u>	<u>\$ 3,802,013</u>

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

TOWN OF WINNSBORO, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended June 30, 2023

Total net changes in fund balances for the year ended June 30, 2023 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 1,662,602
The change in net position reported for governmental activities in the Statement of Activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	215,754	
Depreciation expense for the year ended June 30, 2023	<u>(706,619)</u>	(490,865)
Change in compensated absences payables		265,788
Change in net pension obligations are reported only in the Statement of Activities		15,478
Change in other post employment benefits obligations		<u>13,772</u>
Total changes in net position at June 30, 2023 per Statement of Activities		<u>\$ 1,466,775</u>

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

TOWN OF WINNSBORO, LOUISIANA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 For the Year Ended June 30, 2023

	Enterprise Fund Utility System Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 58,165
Accounts receivables, net	154,689
Other receivables	-
Total current assets	212,854
Noncurrent assets:	
Capital assets, net	4,135,712
Due from other funds	73,585
Other noncurrent assets	9,281
Total noncurrent assets	4,218,578
Total assets	4,431,432
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pension	438,959
Total assets and deferred outflows of resources	4,870,391
LIABILITIES	
Current liabilities:	
Accounts payable	30,480
Accrued liabilities	30,300
Due to other funds	521,702
Current portion of bonds payable	146,219
Total current liabilities	728,701
Noncurrent liabilities:	
Customers deposits	203,337
Compensated absences	7,368
Net pension liability	989,802
Bonds payable	2,954,138
Total noncurrent liabilities	4,154,645
Total liabilities	4,883,346
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pension	4,376
NET POSITION	
Invested in capital assets, net of related debt	1,181,574
Restricted for debt service	146,219
Unrestricted	(1,345,124)
Total net position	(17,331)
Total liabilities, deferred inflows of resources, and net position	\$ 4,870,391

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

TOWN OF WINNSBORO, LOUISIANA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 For the Year Ended June 30, 2023

	<u>Utility System Fund</u>
Operating revenues:	
Charges for services	\$ 2,018,233
Miscellaneous income	<u>10,584</u>
Total operating revenues	<u>2,028,817</u>
 Operating expenses:	
General government	2,360,121
WWTP	48,639
Shop department	25,999
Water department	466,133
Sewer department	179,722
Capital outlay projects	<u>13,050</u>
Total operating expenses	<u>3,093,664</u>
 Operating loss	<u>(1,064,847)</u>
 Non-operating revenues (expenses):	
Interest income	-
Interest expense	<u>(125,668)</u>
Total non-operating revenues (expenses)	<u>(125,668)</u>
 Change in net position	(1,190,515)
 Net position, beginning	<u>1,173,184</u>
Net position, ending	<u><u>\$ (17,331)</u></u>

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

TOWN OF WINNSBORO, LOUISIANA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2023**

Cash flows from operating activities

Receipts from customers	\$ 1,994,157
Receipts from other funds	(73,585)
Other operating receipts	(9,281)
Payments to employees	499,578
Payments to other funds	521,702
Other operating payments	<u>(3,023,138)</u>
Net cash (used) provided by operating activities	<u>(90,567)</u>

Cash flows from noncapital financing activities

Receipts from debt proceeds	(128,024)
Interest paid from noncapital debt	<u>(189,149)</u>
Net cash (used) provided by noncapital financing activities	<u>(317,173)</u>

Cash flows from capital and related financing activities

Other capital receipts	295,702
Other capital payments	<u>(517,715)</u>
Net cash (used) provided by capital and related financing activities	<u>(222,013)</u>

Cash flows from investing activities

Net cash (used) provided by investing activities	<u>664,087</u>
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Net increase (decrease) in cash and cash equivalents 34,334

Cash and cash equivalents, beginning of year 23,831

Cash and cash equivalents, end of year \$ 58,165

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

TOWN OF WINNSBORO, LOUISIANA

STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
For the Year Ended June 30, 2023

Reconciliation of Operating Loss to Net Cash Provided by Operating Activities

Operating Loss	\$ (1,064,847)
Adjustments to reconcile operating income to net cash provided (used by) operating activities:	
Depreciation and amortization	517,715
(Increase) decrease in:	
Receivables, net	(34,660)
Due from other funds	(73,585)
Increase (decrease) in:	
Accounts payable	30,480
Accrued payable	12,628
Due to other funds	<u>521,702</u>
Net cash (used) provided by operating activities	<u><u>\$ (90,567)</u></u>

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

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS **For the Year Ended June 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement Presentation

The financial statements of the Town of Winnsboro, Louisiana (the “Town”) have been prepared in conformity with generally accepted accounting principles (“GAAP”). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The Town follows GASB Statement No.34 *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain of the significant features of the Statement include the following:

- A Management’s Discussion and Analysis (“MD&A”) section is provided which includes an analysis of the Town’s overall financial position and results of operations;
- Financial statements are prepared using full accrual accounting for all the Town’s activities, including infrastructure (roads, bridges, etc.); and
- Fund financial statements with a focus on the major funds.

Financial Reporting Entity

The Town of Winnsboro was incorporated under the provisions of the Lawrason Act in 1902. The Town operates under the Mayor-Board of Aldermen form of government. The Town of Winnsboro is located in Franklin Parish, Louisiana.

This report includes all funds that are controlled by or dependent on the Town's executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was determined based on budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

GASB Statement 13, *The Reporting Entity*; established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the municipality is considered a primary government, since it is a special purpose government that has separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the municipality may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or changes, and issue bonded debt.

Based on the foregoing criteria, there are no component units’ governmental organizations that are included as part of the Town.

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2023

Basis of Presentation

Government-wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Town are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type and
- Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

All funds of the Town are considered to be major funds and are described below:

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2023

Governmental Funds

- General Funds - This 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 - These funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.
- Debt Service Funds - These funds are used to account for the accumulation of resources for, and the payments of, general long-term debt principal, interest and related costs.
- Capital Projects Funds - These funds are used to account for the financial resources used for the acquisition or construction of major capital facilities.

Proprietary Fund

- Enterprise Fund - This 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 of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Enterprise Fund (Water System) is accounted for on a cost of services or "capital maintenance" basis. This means that all assets and all liabilities (whether current or noncurrent) associated with its activity are included on its balance sheet. Its reported fund equity (net total position) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Measurement Focus, Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements, Basis of accounting refers to "when" revenues, expenditures, expenses, and transfers - and assets, deferred outflows of resources, liabilities, and deferred inflows of resources - are recognized in the accounts and reported in the financial statements.

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2023

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item, below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- All governmental funds utilize a "current financial resources" measurement focus, only current financial assets and liabilities are generally included on their balance sheets, their operating statements present sources and uses of available spendable financial resources during a given period, these funds use fund balance as their measure of available spendable financial resources at the end of the period.
- The proprietary fund utilizes an "economic resources" measurement focus, The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported, Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used.

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2023

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are measurable and available only when cash is received by the government.

Cash and Cash Equivalents

A consolidated bank account has been established into which most monies are deposited and from which most disbursements are made. In addition, investment purchases are charged, and maturities are deposited to the consolidated bank account. The purpose of this consolidation of bank accounts is to provide administrative efficiency and to maximize investment earnings. The account titled "Cash and cash equivalents" is therefore composed of a fund's pro rata share of the cash balance in the consolidated cash account as well as its pro rata share of certificates of deposit with maturities of three months or less. Investment earnings are shared by each fund on a pro rata basis according to its average cash balance.

In addition, separated accounts have been established for certain debt service funds as required by bond resolution and state law.

Investments

The Town invests funds in accordance with L.R.S. 39:21211-1245 and 33:2955 which include, but are not limited to, United States treasury bonds, treasury notes, treasury bills, and fully collateralized interest-bearing checking accounts and certificates of deposit. Other provisions require depositories to insure or collateralize all deposits in accordance with state law and require securities collateralizing deposits to be held by an independent third party with whom the Town has a custodial agreement. The Town primary utilizes the Louisiana Assets Management Pool to invest idle funds and records amounts invested at fair value.

Investments which are certificates of deposit with maturities in excess of three months are stated at cost, which is market value. Investments with maturities of three months or less at the time of purchase are classified as cash equivalents.

Accounts Receivable and Bad Debts

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Uncollectible amounts due for receivables are recognized as bad debts directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. In governmental fund types, the uncollectible amount is charged directly to the revenue reported. On the other hand, in proprietary fund types, uncollectible amounts due from utility billings are recognized as bad debts through the use of an allowance account or are directly charged off at the time information becomes available which indicates that the particular receivable is not collectible.

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2023

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds". Short-term interfund loans are reported as "interfund receivables and payables". Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds". Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business type activities are reported in the government-wide financial statements as "internal balance."

Restricted Cash

Restricted cash on the Statement of Net Position represents (1) amounts which have been designated to meet unexpected contingencies for property repairs and replacements, (2) funds held for customer deposits, and (3) funds held for retirement of water and sewer revenue bonds and /or public improvement bonds.

Inventory

Inventory of the General Fund consists of expendable supplies held for consumption and is reported at cost. Expenditures are recognized when the items are purchased.

Capital Assets

The accounting treatment of property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Governmental activities:	
Land Improvements:	30 Years
Buildings	40 Years
Vehicles	5-15 Years
Machinery and equipment	5-15 Years
Business-type activities/enterprise fund:	
Buildings	25 Years
Infrastructure	20-50 Years
Machinery and equipment	10-15 Years
Vehicles	5 Years

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2023

Fund Balance and Equity Classifications

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds.

- *Non-spendable Fund Balance* - Classification includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact. The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.
- *Restricted Fund Balance* - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance* - These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Town alderman - the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Town aldermen remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- *Assigned Fund Balance* - This classification reflects the amounts constrained by the Town's "intent" to be used for specific purposes but are neither restricted nor committed. The Town's aldermen and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted nor committed.
- *Unassigned Fund Balance* - This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use externally restricted resources first, then unrestricted resources - committed, assigned and unassigned - in order as needed.

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2023

Compensated Absences

Allowable annual vacation and sick leave is prescribed by municipal ordinance, based on length of continuous employment by the Town, accrued on an employment anniversary basis, and accrued to specified maximums. Compensatory time is also granted to supervisory personnel in lieu of overtime pay. Employees may accumulate unused compensatory time which is paid to the employee in the form of time off or at the employee's current rate of pay upon separation from service. Estimated accrued compensated absences resulting from unused vacation and compensatory time at the end of the fiscal year are recorded as long-term liabilities in the government-wide financial statements in accordance with GASB Statement No. 16, Accounting for Compensated Absences. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Compensated absences are paid from the General Fund that is responsible for all employees' compensation and are recorded in the fund financial statements only when payment is made.

Long-Term Obligations

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pension and pension expense, information about the fiduciary net position of the municipal employees' retirement system, and additions to/deductions from the system's fiduciary net position have been determined on the same basis as they are reported by the system. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a further period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2023

Accounting and Financial Reporting for Pensions

GASB approved Statement No. 68, Accounting and Financial Reporting for Pensions and Statement No. 71, Pension Transition for Contributions Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68. GASB Statement No. 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements that meet the criteria established by this standard. GASB Statement 71 requires a government employer to recognize a net pension liability measured as of a date (“measurement date”) no earlier than the end of its prior fiscal year. If the government employer makes a contribution to a defined benefit plan between the measurement date of the reported net pension liability and the end of the government’s reporting period, the government is required to recognize its contribution as a deferred outflow of resources. The provisions of GASB Statement No. 68 and GASB Statement No. 71 were implemented by the Town during the fiscal year ending June 30, 2023.

The Statement established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures.

Balance and Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

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

Restricted assets - consists of assets with constraints placed on their use either by (1) external groups such as creditors, grantor, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions of enabling legislation.

Unrestricted assets - all other assets that do not meet the definition of "restricted" or "net investment in capital assets."

Budget Policy and Budgetary Accounting

A proposed budget is prepared by the Mayor and submitted to the Town Council prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to the adoption of the budget year.

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2023

The annual operating budget, prepared on the accrual basis covers the general, special revenue, debt service, and enterprise funds. At the end of the fiscal year unexpended appropriations automatically lapse. Budget amendments are approved by the Town Council and are included in the financial statements.

Estimates

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

Leases

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 – Leases (GASB 87). GASB 87's objectives are to better meet the information needs of financial statement users by improving how governments report leases, enhancing the relevance, reliability and consistency of information about governments' leasing activities. GASB 87 is effective for governments with a June 30 year-end for the year ending June 30, 2023. The Town of Winnsboro, Louisiana's management has not evaluated the potential impact of this guidance on its financial statements.

NOTE 2 – CASH AND INVESTMENTS

The Town may invest in United States bonds, treasury notes, or certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana or other qualifying federally insured investments.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public investments.

Custodial credit risk is the risk that in the event of the financial institution failure, the Town's deposits may not be returned to them. To mitigate this risk, state law requires deposit to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of June 30, 2023, the Town was not exposed to any custodial credit risk.

At June 30, 2023, the Town had cash and investments totaling \$3,570,523 as follows:

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) For the Year Ended June 30, 2023

	Governmental Activities	Business-Type Activities	Totals
Demand deposits	\$ 3,512,358	\$ 58,165	\$ 3,570,523
Time deposits	-	-	-
Restricted cash	-	-	-
Total	<u>\$ 3,512,358</u>	<u>\$ 58,165</u>	<u>\$ 3,570,523</u>

Deposit balances (bank balances) at June 30, 2023, were secured as follows:

	<u>Bank Balances</u>
Federal deposit insurance	\$ 1,250,000
Pledged securities in the Town's name	<u>1,407,084</u>
Bank Balances	<u>\$ 2,657,084</u>

NOTE 3 – PROPERTY TAX

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and payable December 31. The Town collects its own property taxes. Town property tax revenues are recognized when levied to the extent that they result in current receivables.

The Town is permitted by the Municipal Finance Law of the state to levy taxes up to 8.08 mills on the total assessed value for the Town for governmental services other than the payment of principal and interest on long term debt and in required amounts for the payment of principal and interest on long term debt.

For the year ended June 30, 2023 taxes of 8.080 mills were levied on property with taxable assessed valuations totaling \$30,142,073 for a total of \$243,548.08. The taxes were dedicated for general corporate purposes.

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) For the Year Ended June 30, 2023

NOTE 4 – RECEIVABLES

Receivables at June 30, 2023 consisted of the following:

Class of Receivables	Governmental Activities	Business-type Activities	Total
Accounts receivable	\$ -	\$ 159,145	\$ 159,145
Fines	5,951	-	5,951
Garbage fees	7,164	-	7,164
Other receivables	42,680	-	42,680
Less: Allowance for bad debts	-	(4,456)	(4,456)
Total	<u>\$ 55,795</u>	<u>\$ 154,689</u>	<u>\$ 210,484</u>

NOTE 5 – CAPITAL ASSETS

	Balance 07/01/22	Additions	Deletions	Balance 06/30/23
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 704,058	\$ -	\$ -	\$ 704,058
Other capital assets:				
Building	3,999,958	-	-	3,999,958
Land improvements	6,070,114	-	-	6,070,114
Machinery and equipment	4,497,685	7,060	-	4,504,745
Other/general government	9,445,763	16,403	-	9,462,166
Construction in progress	1,521,576	192,291	-	1,713,867
Totals	<u>26,239,154</u>	<u>215,754</u>	<u>-</u>	<u>26,454,908</u>
Less accumulated depreciation				
Building	(3,154,162)	(66,156)	-	(3,220,318)
Land improvements	(2,597,854)	(188,258)	-	(2,786,112)
Machinery and equipment	(3,626,203)	(76,639)	-	(3,702,842)
Other/general government	<u>(5,204,721)</u>	<u>(375,566)</u>	<u>-</u>	<u>(5,580,287)</u>
Total accumulated depreciation	<u>(14,582,940)</u>	<u>(706,619)</u>	<u>-</u>	<u>(15,289,559)</u>
Governmental activities, capital assets, net	<u>\$ 11,656,214</u>	<u>\$ (490,865)</u>	<u>\$ -</u>	<u>\$ 11,165,349</u>

Depreciation expense was charged to functions of the primary government as follows:

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) For the Year Ended June 30, 2023

General government	\$ 151,876
Police	13,357
Fire	32,564
Streets	466,138
Recreation	<u>42,684</u>
Total Depreciation	<u>\$ 706,619</u>

Capital assets of business-type activities for the year ended June 30, 2023 was as follows:

Business-type activities:

	Balance 07/01/22	Additions	Deletions	Balance 06/30/23
Capital assets not being depreciated:				
Land	\$ 16,033	\$ -	\$ -	\$ 16,033
Other capital assets:				
Water distribution system	11,031,124	-	(21,272)	11,009,852
Sewer distribution system	11,349,316	-	-	11,349,316
Construction in Progress	<u>-</u>	<u>240,500</u>	<u>-</u>	<u>240,500</u>
Totals	22,396,473	240,500	(21,272)	22,615,701
Less accumulated depreciation				
Water distribution system	(8,330,022)	(306,529)	(2,785)	(8,633,766)
Sewer distribution system	<u>(9,635,037)</u>	<u>(211,186)</u>	<u>-</u>	<u>(9,846,223)</u>
Total accumulated depreciation	<u>(17,965,059)</u>	<u>(517,715)</u>	<u>(2,785)</u>	<u>(18,479,989)</u>
Business-type activities, capital assets, net	<u>\$ 4,431,414</u>	<u>\$ (277,215)</u>	<u>\$ (24,057)</u>	<u>\$ 4,135,712</u>

Depreciation expenses were charged to business-type activities as follows:

Water	\$ 306,529
Sewer	<u>211,186</u>
Total depreciation expense	<u>\$ 517,715</u>

NOTE 6 – ACCRUED PAYROLL AND RELATED LIABILITIES

The payables of \$71,866 at June 30, 2023, were as follows:

	Governmental Activities	Business - Type Activities	Total
Accrued payroll and related liabilities	<u>\$ 102,461</u>	<u>\$ 30,300</u>	<u>\$ 132,761</u>

NOTE 7 – LONG -TERM DEBT

The following is a summary of the business-type activities long- term liabilities for the year ended June 30, 2023:

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) For the Year Ended June 30, 2023

Business - Type Activities

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Due Within one Year
Water and Sewer Note	\$3,241,254	\$ -	\$ 140,897	\$ 3,100,357	\$ 146,219
Total	<u>\$3,241,254</u>	<u>\$ -</u>	<u>\$ 140,897</u>	<u>\$ 3,100,357</u>	<u>\$ 146,219</u>

Long- term debt as of June 30, 2023, is comprised of the following in business:

Sewer revenue bonds – USDA- \$840,000 in 1996 bonds due in monthly installments totaling \$49,092 annually through May 6, 2034, bearing interest rate of 5%.

\$ 406,640

Water revenue bonds – USDA - \$3,054,000 in 2004 bonds due in monthly installments totaling \$166,392 annually through May 6, 2041, bearing interest rate of 4.5%.

2,274,131

Sewer revenue bonds – Louisiana Department of Environmental Quality- \$1,000,000 in 2010 bonds due in monthly installments totaling \$54,561 annually through March 1, 2031, bearing interest rate of 0.45%.

419,586

Total

\$ 3,100,357

	Principal
2024	146,219
2025	151,727
2026	156,471
2027-2031	813,816
2032-2037	690,770
2038-2042	645,028
2043-2045	<u>496,326</u>
Totals	<u>\$ 3,100,357</u>

The annual requirements to amortize all outstanding debt as of June 30, 2023 including interest payments, are as follows:

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2023

The Town of Winnsboro's proprietary fund bonds are governed by the terms of indenture agreements, under the following terms:

1. The Town shall maintain a sinking fund into which monthly deposits totaling \$22,504 shall be made.
2. The Town shall maintain a reserve fund which when fully funded shall have a total of \$270,045 balance.

At June 30, 2023, the Town of Winnsboro was in compliance with these requirements.

NOTE 8 – COMPENSATED ABSENCES

Compensated absences are absences for which employees will be paid, such as vacation, sick leave. GASB Statement No.16 requires the compensated absences liability generally to be measured using the pay or salary rates in effect at the balance sheet date. It also requires additional amounts to be accrued for certain salary-related payments associated with the payment of compensated absences, for example, the employer's share of social security and Medicare taxes. Under the Town's personnel policies, the Town compensated absences are as follows:

	Governmental Activities	Business - Type Activities	Total
Compensated absences	\$ 22,654	\$ 7,368	\$ 30,022

NOTE 9 – PENSION PLANS

The Town of Winnsboro (the "Town") is a participating employer in three cost sharing defined benefit pension plans. These plans are administered by the Municipal Employee's Retirement System of Louisiana (MERS), Municipal Police Employee's Retirement System (MPERS) and Firefighters' Retirement System (MFRS). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the State Legislature. Each system is administered by a separate board of trustees. Each of System issues an annual financial report that is available to the public which includes financial statements and required supplementary information for the Systems. These reports may be obtained by writing, calling, or downloading the reports as follows:

MERS: 7937 Office Park Boulevard | Baton Rouge, Louisiana 70809 | www.mersla.com
MPERS: 7722 Office Park Boulevard | Baton Rouge, Louisiana 70809 | www.lampers.org
MFRS: 3100 Brentwood Drive | Baton Rouge, Louisiana 70809 | www.ffret.com

Town employees currently participate in one of three retirement systems, which are described in the following paragraphs:

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) **For the Year Ended June 30, 2023**

Municipal Employees' Retirement System of Louisiana (System) ("MERS")

Plan Description:

Employees of the Town are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:1731 to provide retirement, disability, and survivor benefits to employees of all incorporated villages, towns and cities throughout the State of Louisiana. Municipal Employees' Retirement System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Town employees participate are members of Plan A.

Benefits provided:

The following is a description of the Plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement Benefits:

Any member of Plan A, who was hired before January 1, 2013, can retire providing the member meets one of the following criteria:

1. Any age with twenty-five (25) or more years of creditable service.
2. Age 60 with a minimum often (10) years of creditable service.
3. Any age with 20 years of creditable service, exclusive of military service with an actuarially reduced early benefit.

Eligibility for retirement for Plan A members hired on or after January 1, 2013, is as follows:

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

Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to three percent of the member's monthly average final compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. An additional regular retirement benefit can be received for any city marshal or deputy city marshal. See Plan Booklet for further details.

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2023

Survivor Benefits:

Upon death of any member of Plan A with five (5) or more years of creditable service, not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children as outlined in the statutes.

Any member of Plan A who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

DROP Benefits:

In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A or B who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the Board of Trustees. If a participant dies during participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in the System.

Disability Benefits:

For Plan A, a member shall be eligible to retire and receive a disability benefit if he has at least five years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of (1) an amount equal to three percent of his final compensation multiplied by his years of creditable service, but not less than forty-five percent of his final compensation, or (2) an amount equal to what the member's normal retirement benefit would be based on the member's current final compensation, but assuming the member remained in continuous service until his earliest normal retirement age and using those retirement benefit computation factors which would be

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2023

applicable to the member's normal retirement.

Deferred Benefits:

Both plans provide for deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable. Benefits are based on statutes in effect at time of withdrawal.

Cost of Living Adjustments:

The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant additional cost of living increases to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

Contributions:

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2023, the actual employer contribution rate was 29.50% for Plan A. The actuarially determined rate is the rate calculated to provide employer contributions that, when combined with employee contributions, is expected to finance the cost of benefits earned by the employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. The Town's contributions to the System under Plan A for the years ending June 30, 2023 and 2022 were \$431,048 and 325,908 respectively.

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) For the Year Ended June 30, 2023

Actuarial Assumptions:

A summary of the actual methods and assumptions used in determining the total pension liability as of the measurement date are as follows:

Actuarial Assumptions

Valuation date	June 30, 2022
Actuarial cost method	Entry age normal
Expected remaining service lives	3 years
Investment rate of return	6.85% net of pension plan investment expense, including inflation
Inflation rate	2.50%
Salary increase, including inflation and merit increases:	
-1 to 4 years of service	6.4%-Plan A and 7.4%-Plan B
-More than 4 years of service	4.5%-Plan A and 4.9%-Plan B
Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Employee mortality	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Disabled lives mortality	PubG-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational male MP2018 scales.

Discount rate:

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

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

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) For the Year Ended June 30, 2023

Asset Class	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Public equity	53.00%	2.31%
Public fixed income	38.00%	1.65%
Alternatives	<u>9.00%</u>	<u>0.39%</u>
Totals	<u>100.00%</u>	<u>4.35%</u>
Inflation		<u>2.60%</u>
Expected arithmetic nominal return		<u>6.95%</u>

The discount rate used to measure the total pension liability was 6.95% for the year ended June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Municipal Police Employees' Retirement System of Louisiana (System) ("MPERS")

Plan Description

The Municipal Police Employees' Retirement System is the administrator of a cost-sharing multiple-employer plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, provided he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Membership Prior to January 1, 2013:

A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2023

reduced benefit. Benefit rates are $3\frac{1}{3}\%$ of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Membership Commencing January 1, 2013:

Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55. Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are 3% and $2\frac{1}{2}\%$, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Cost-of-Living Adjustments:

The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

A COLA may only be granted if funds are available from interest earnings in excess of normal requirements, as determined by the actuary.

Deferred Retirement Option Plan:

A member is eligible to elect to enter the deferred retirement option plan "DROP" when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is 36

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2023

months or less. If employment is terminated after the three-year period, the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account.

Employer Contribution:

Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay. For the year ended June 30, 2023, contributions due from employers and employees were 32.25% and 10%, respectively. The Town's contributions to the system for the years ending June 30, 2023 and 2022 were \$189,886 and \$121,768, respectively.

Actuarial Methods and Assumptions:

The actuarial assumptions used in the June 30, 2022 valuation were based on the assumptions used in the June 30, 2022 actuarial funding valuation and were based on the results of an actuarial experience study for the period of July 1, 2009 through June 30, 2014. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022, are as follows:

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TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) For the Year Ended June 30, 2023

Valuation date	June 30, 2022	
Actuarial cost method	Entry age normal	
Investment rate of return	6.750% net of investment expense	
Expected remaining service lives	2022 - 4 years	
	2021 - 4 years	
	2020 - 4 years	
	2019 - 4 years	
Inflation rate	2.50%	
Salary increase, including inflation and merit increases:	Years of Service	Salary Growth Rate
	1-2	12.30%
	Above 2	4.70%
Mortality	For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retiree multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.	
	For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.	
	For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.	
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period of July 1, 2014 through June 30, 2021, and review of similar law enforcement mortality. A change was made full generational mortality which combines the use of a base mortality table with appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to produce current levels of mortality.

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2023

The best estimates of the arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Equity	55.50%	3.60%
Fixed Income	30.50%	0.85%
Alternatives	14.00%	0.95%
Totals	100.00%	5.40%
Inflation		2.66%
Expected arithmetic nominal return		8.06%

Discount Rate:

The discount rate used to measure the total pension liability was 6.750%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Firefighters' Retirement System of Louisiana (System) ("MFRS")

Plan Description:

The System is the administrator of a cost-sharing, multiple-employer, defined benefit pension plan. The System provides retirement, disability, and death benefits for its members. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 434 of 1979 and amended by Louisiana Revised Statutes (R.S.) 11:2251-11:2272. The following is a brief description of the plan and its benefits and is provided for general information purpose only. Participants should refer to the appropriated statutes for more complete information.

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2023

Eligibility Requirements

Any person who becomes an employee as defined in R.S. 11:2252 on and after January 1, 1980, shall become a member as a condition of employment. Membership in the System is a condition of employment for any full-time firefighters (or any person in a position as defined in the municipal fire and police civil service system) who earn at least \$375 per month, excluding state supplemental pay and are employed by a fire department of any municipality, parish, or fire protection district of the state of Louisiana, excepting Orleans and Lafayette parishes, in addition to employees of the Firefighters' Retirement System.

Employees with 20 or more years of service who have attained age 50, or employees who have 12 years of service who have attained age 55, or 25 years of service at any age are entitled to annual pension benefits equal to 3.333% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.

If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions.

Disability Benefits

A member who acquires a disability, and who files for disability benefits while in service, and who upon medical examination and certification as provided for in Title 11, is found to have a total disability solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least five years of creditable service and provided that the disability was incurred while the member was an active contributing member in active service, shall be entitled to disability benefits under the provisions of R.S.11:2258(B).

Death Benefits

Benefits shall be payable to the surviving eligible spouse or designated beneficiary of a deceased member as specified in R.S. 11:2256(B) & (C).

Deferred Retirement Option Plan:

After completing 20 years of creditable service and attaining the age of 50 years, or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months.

Upon commencement of participation in DROP, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the member's DROP account. Upon termination of employment, a participant in the program has several options to receive their DROP benefit. A member may (1) elect to roll over all or a

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2023

portion of their DROP balance into another eligible qualified plan, (2) receive a lump-sum payment from the account, (3) receive single withdrawals at the discretion of the member. (4) receive monthly or annual withdrawals, or (5) receive an annuity based on the DROP account balance. These withdrawals are in addition to his regular monthly benefit.

Cost-of-Living Adjustments (COLAs):

Under the provisions of R.S. 11:246 and 11:2260(A)(7), the board of trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of up to 3% of their current benefit, and all retired members and widows who are 65 years of age and older a 2% increase in their original benefit. In order for the board to grant either of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings (R.S. 11:243). In lieu of these COLAs, pursuant to R.S. 11:241, the board may also grant an increase based on a formula equal to up to \$1 times the total number of years of credited service accrued at retirement or at death of the member or retiree plus the number of years since retirement or since death of the member or retiree to the system's fiscal year end preceding the payment of the benefit increase. If there are not sufficient funds to fund the benefit at the rate of one dollar per year for such total number of years, then the rate shall be reduced in proportion to the amount of funds that are available to fund the cost-of living adjustment.

Contribution:

According to state statute, employer contributions are actuarially-determined each year. For the year ended June 30, 2023, employer and employee contribution rates for members above the poverty line were 33.25% and 10.00%, respectively. The Town's contributions to the system for the years ending June 30 2023 and 2022, were \$106,803 and \$38,773, respectively.

Actuarial Assumptions:

A summary of the actual methods and assumptions used in determining the total pension liability as of the measurement date are as follows:

Valuation date	June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return (discount rate)	6.90% per annum (net of investment expenses, including inflation)
Expected remaining service lives	7 years, closed period
Inflation rate	2.50% per annum
Salary Increases	14.10% in the first two years of service and 5.20% with 3 or more years of service; includes inflation and merit increases.
Cost of Living Adjustments	For the purpose of determining the present value of benefits, COLAs were deemed not to be substantively automatic and only those previously granted were included.

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) For the Year Ended June 30, 2023

The mortality rate assumptions were updated in fiscal year 2022 to reflect changes from the recent experience study and rates set in the Pub-2010 Public Retirement Plans mortality tables, as compared to the RP-2000 Combined Healthy and Disabled Lives tables that were used for the previous valuation. For the June 30, 2022 valuation, assumptions for mortality rates were based on the following:

- For active members, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees.
- For annuitants and beneficiaries, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees.
- For disabled retirees, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees.
- In all cases the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP2019 scale.

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, 2.50%.

Best estimates of arithmetic real rates of return for each major class included in the System's target asset allocation as of June 30, 2022, is summarized in the following table:

	Asset Class	Target Asset Allocation	Long-term Expected Real Rate of Return
Equity	U.S. Equity	27.50%	5.64%
	Non-U.S. Equity	11.50%	5.89%
	Global Equity	10.00%	5.99%
	Emerging Market Equity	7.00%	7.75%
Fixed Income	U.S. Core Fixed Income	18.00%	0.84%
	U.S. TIPS	3.00%	0.51%
	Emerging Market Debt	5.00%	2.99%
Multi-Asset Strategies	Global Tactical Asset Allocation	0.00%	3.14%
	Risk Parity	0.00%	3.14%
Alternatives	Private Equity/Private Debt	9.00%	8.99%
	Real Estate	6.00%	4.57%
	Real Assets	3.00%	4.89%
	Totals	<u>100.00%</u>	

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates, and that contributions from participating employers and

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2023

non-employer contributing entities will be made at the actuarially-determined rates approved by the Board of Trustees and by the Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

At June 30, 2023, the Town reported a liability of \$2,526,209, \$919,755, and \$572,494 for its proportionate share of the net pension liability for MERS, MPERS, and MFRS, respectively. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Town's proportion was 0.608251% for MERS, 0.089980% for MPERS, and 0.081190% for MFRS. At June 30, 2021, the Town's proportion was 0.614466% for MERS, 0.121303% for MPERS, and 0.096532% for MFRS. The Town's proportion was decreased by 0.006215% for MERS, decreased by 0.031323% for MPERS, and decreased by 0.015342% for MFRS.

The following schedule lists each pension plan's recognized pension expense (benefit) for the Town for the year ended June 30, 2023:

	<u>MERS</u>	<u>MPERS</u>	<u>MFRS</u>	<u>TOTAL</u>
Pension expense (benefit)	\$ 344,036	\$252,317	\$ 94,965	\$ 691,318

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

Deferred Outflows of Resources:	<u>MERS</u>	<u>MPERS</u>	<u>MFRS</u>	<u>TOTAL</u>
Differences between expected and actual experience	\$ 3,444	\$ 4,536	\$ 3,422	\$ 11,402
Net difference between projected and actual investment earnings on pension plan investments	485,303	164,205	129,685	779,193
Changes of assumptions	28,254	31,726	47,206	107,186
Changes in proportion	172,279	47,101	91,663	311,043
Town contributions subsequent to the measurement date	<u>431,048</u>	<u>189,886</u>	<u>106,803</u>	<u>727,737</u>
Total deferred outflows of resources	<u>\$ 1,120,328</u>	<u>\$ 437,454</u>	<u>\$ 378,779</u>	<u>\$ 1,936,561</u>

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) For the Year Ended June 30, 2023

Deferred Inflows of Resources:	<u>MERS</u>	<u>MPERS</u>	<u>MFRS</u>	<u>TOTAL</u>
Differences between expected and actual experience	\$ 11,168	\$ 7,495	\$ 26,984	\$ 45,647
Net difference between projected and actual investment earnings on investments	-	-	-	
Changes of assumptions	-	6,841	-	6,841
Changes in proportion	-	137,802	104,895	242,697
Total deferred inflows of resources	<u>\$ 11,168</u>	<u>\$ 152,138</u>	<u>\$ 131,879</u>	<u>\$ 295,185</u>

The Town reported a total of \$727,737 as deferred outflows of resources related to pension contributions made subsequent to the measurement date will be recognized as reduction in net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	<u>MERS</u>	<u>MPERS</u>	<u>MFRS</u>
2023	\$ 102,537	\$ 18,747	\$ 37,464
2024	136,995	(21,968)	34,439
2025	40,225	12,521	14,103
2026	201,583	86,129	61,044
2027	-	-	(11,290)
2028	-	-	4,337
Total	<u>\$ 481,340</u>	<u>\$ 95,429</u>	<u>\$ 140,097</u>

Sensitivity to changes in discount rate.

The following presents the Town's total net pension liability, as well as what the Town's total net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

MERS: (Plan A)	<u>Changes in Discount Rate</u>		
	Current		
	1% Decrease	Discount Rate	1% Increase
	<u>5.85%</u>	<u>6.85%</u>	<u>7.85%</u>
Net Pension Liability	\$ 3,360,350	\$ 2,526,209	\$ 1,821,385
 MPERS:	<u>Changes in Discount Rate</u>		
	Current		
	1% Decrease	Discount Rate	1% Increase
	<u>5.75%</u>	<u>6.75%</u>	<u>7.75%</u>
Net Pension Liability	\$ 1,287,481	\$ 919,755	\$ 612,582

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2023

MFRS:	Changes in Discount Rate		
	Current		
	1% Decrease	Discount Rate	1% Increase
	5.90%	6.90%	7.90%
Net Pension Liability	\$ 846,942	\$ 572,494	\$ 343,586

Contributions: Proportionate Share

Differences between contributions remitted to the Fund and the employer's proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the Fund and contributions reported by the participating employer.

Payables to the System

At June 30, 2023, the Town payables to the pension plan for MERS and MFRS were \$34,413 and \$5,948, respectively.

NOTE 10 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

Plan description - The Town of Winnsboro (the Town) provides certain continuing health care and life insurance benefits for its retired employees. The City of Winnsboro's OPEB Plan (the OPEB Plan) is a single employer defined benefit OPEB plan administered by the City. The authority to establish and/or amend the obligation of the employer, employees and retirees' rests with the City. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

Benefits Provided – Medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. Employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007 retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service.

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) For the Year Ended June 30, 2023

Employees covered by benefit terms. At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits payments	25
Inactive employees entitled to but not yet receiving benefit payments	0
Active Employees	<u>56</u>
Total	<u><u>81</u></u>

Total OPEB Liability

The City's total OPEB liability is \$4,121,776 as of the measurement date June 30, 2023, the end of the fiscal year.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary increases	3.0%, including inflation
Discount rate	3.54% annually (Beginning of Year to Determine ADC)
	3.65% annually (As of End of Year Measurement Date)
Healthcare cost trend rates	5.5% annually until year 2032, then 4.5%
Mortality	SOA RP-2014 Table

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2023, the end of the applicable measurement period.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2023.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at 6/30/2022	<u>\$ 3,994,089</u>
Changes for the year:	
Service cost	110,129
Interest cost	143,340
Changes in assumptions	128,797
Difference between actual & expected experience	(56,360)
Benefit payments and net transfers	<u>(198,220)</u>
Net Change:	<u>127,687</u>
Balances at 6/30/2023	<u><u>\$ 4,121,776</u></u>

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) For the Year Ended June 30, 2023

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
Total OPEB Liability	4,720,381	4,121,776	365,241

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1% Decrease 4.5%	Current Trend Rate 5.5%	1% Increase 6.5%
Total OPEB Liability	3,626,534	4,121,776	4,729,164

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the Town recognized OPEB expense of \$190,093. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 339,048	\$ (686,340)
Changes of assumptions	835,892	(910,822)
Total Deferred Outflows and Inflows	\$ 1,174,940	\$ (1,597,163)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2024	\$ (63,376)
2025	(63,376)
2026	(63,376)
2027	(63,376)
2028	(63,376)
Thereafter	(63,376)
Total	\$ (380,256)

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2023

NOTE 11 – INTERFUND TRANSACTIONS

Due to/from other funds

	Interfund	
	Receivable	Payable
Governmental Funds:		
General Fund	\$ 354,184	\$ (1,203,723)
Industrial Fund	520,845	(5,888)
Sales Tax Fund	782,699	-
Proprietary Funds:	73,585	(521,702)
Total	<u>\$ 1,731,313</u>	<u>\$ (1,731,313)</u>

Transfer

Transfers consisted of the following at June 30, 2023:

	Transfers In	Transfers Out
Governmental Funds:		
General Fund	\$ 1,264,933	\$ -
Sales Tax Fund	-	1,264,933
Total	<u>\$ 1,264,933</u>	<u>\$ 1,264,933</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The sales tax funds transferred to the general fund cover expenses of general operations.

NOTE 12 – SEGMENT INFORMATION FOR ENTERPRISE FUND

The enterprise fund operated by the Town provides water and sewer utility services. The following is a summary of segment information for enterprise funds:

TOWN OF WINNSBORO, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2023

	<u>Water Utility</u>	<u>Sewer Service</u>	<u>Total</u>
Operating revenue	\$ 1,188,231	\$ 840,586	\$ 2,028,817
Salaries	137,367	90,682	228,049
Administrative	988,615	850,731	1,839,346
Power	85,497	16,109	101,606
Depreciation	306,529	211,186	517,715
Supplies and other expenses	<u>317,908</u>	<u>89,040</u>	<u>406,948</u>
Total Operating expense	<u>1,835,916</u>	<u>1,257,748</u>	<u>3,093,664</u>
Operating loss	\$ <u>(647,685)</u>	\$ <u>(417,162)</u>	\$ <u>(1,064,847)</u>

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Litigation

As of the date of this report, the Town of Winnsboro was a defendant in several lawsuits. The Town's legal counsel has reviewed the claims and lawsuits, in order to evaluate the likelihood of an unfavorable outcome to the Town and to arrive at an estimate, if any, of the amount or range of potential loss to the Town not covered by insurance. As a result of the review, no additional claims payable was required to be recorded as a liability to the Town, which are not considered covered by insurance.

Grants and Loans

The Town receives federal, state and local grants and loans for specific purposes that are subject to audit by the funding agencies. Such audits could lead to requests for reimbursement to the agency for expenditures disallowed under terms of the agreement. It is the opinion of Town management that the Town's compliance with the terms of agreements will result in no disallowed costs

Risk Management

The Town is exposed to risks of loss related to torts; theft of, damaged to, and destruction of assets; errors and omissions; Injuries to employees; and natural disasters. The Town carries commercial insurance for these risks settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF WINNSBORO, LOUISIANA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2023

	Budget			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
General revenue				
Taxes	\$ 2,010,009	\$ 2,014,378	\$ 2,024,169	\$ 9,791
Licenses and permits	475,519	459,124	582,648	123,524
Intergovernmental	90,000	92,795	393,328	300,533
Fees	30,000	30,000	33,308	3,308
Interest income	324	531	500	(31)
Miscellaneous	107,466	311,056	305,963	(5,093)
Program revenue				
Charge for services	84,582	62,763	114,476	51,713
Fines and forfeits	70,000	65,942	70,203	4,261
Operating grants	1,685,570	1,685,570	1,685,570	-
Total Revenues	<u>4,553,470</u>	<u>4,722,159</u>	<u>5,210,165</u>	<u>488,006</u>
Expenditures:				
Current				
General government	1,516,790	1,707,207	3,432,893	(1,725,686)
Employee benefits	974,815	948,673	1,014,589	(65,916)
Public safety:				
Police	805,009	804,523	838,796	(34,273)
Fire	406,050	414,015	425,695	(11,680)
Street department	627,980	544,229	582,235	(38,006)
Recreation department	61,713	89,638	90,852	(1,214)
Animal control department	66,426	53,573	55,506	(1,933)
Capital outlay projects	-	-	195,848	(195,848)
Other Expenses	20,000	25,111	-	25,111
Total Expenditure	<u>4,478,783</u>	<u>4,586,969</u>	<u>6,636,414</u>	<u>(2,049,445)</u>
Other financing sources:				
Transfer in	<u>865,000</u>	<u>1,705,000</u>	<u>1,264,933</u>	<u>(440,067)</u>
Total other financing sources	<u>865,000</u>	<u>1,705,000</u>	<u>1,264,933</u>	<u>(440,067)</u>
Net Changes in fund Balance	939,687	1,840,190	(161,316)	
Fund balances, beginning	<u>530,116</u>	<u>530,116</u>	<u>530,116</u>	
Fund balances, ending	<u>\$ 1,469,803</u>	<u>\$ 2,370,306</u>	<u>\$ 368,800</u>	

See Independent Auditors' Report.

TOWN OF WINNSBORO, LOUISIANA

INDUSTRIAL REVENUE FUND BUDGETARY COMPARISON SCHEDULE For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Charge of Services	\$ 55,000	\$ 39,373	\$ 45,551	\$ 6,178
General Revenue	1,200	-	-	-
Operating Grants	377,775	423,112	704,614	281,502
Rent income	30,000	40,500	36,000	(4,500)
Interest income	90	113	129	16
Miscellaneous	35,115	35,115	75,072	39,957
Total Revenues	<u>499,180</u>	<u>538,213</u>	<u>861,366</u>	<u>323,153</u>
Expenditure:				
General Government	156,707	218,041	223,012	(4,971)
Airport	333,697	308,205	128,205	180,000
Other expenses	-	-	6,139	(6,139)
Total Expenditure	<u>490,404</u>	<u>526,246</u>	<u>357,356</u>	<u>168,890</u>
Net Changes in fund balances	8,776	11,967	504,010	
Fund balances, beginning	<u>154,704</u>	<u>154,704</u>	<u>154,704</u>	
Fund balances, ending	<u>\$ 163,480</u>	<u>\$ 166,671</u>	<u>\$ 658,714</u>	

See Independent Auditors' Report.

TOWN OF WINNSBORO, LOUISIANA

SALES TAX SPECIAL REVENUE FUND BUDGETARY COMPARISON SCHEDULE For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes-sales taxes	\$ 2,447,399	\$ 2,404,378	\$ 2,445,693	\$ 41,315
Interest income	1,437	1,873	2,100	227
Miscellaneous	583,200	214,000	530,143	316,143
Total Revenues	<u>3,032,036</u>	<u>2,620,251</u>	<u>2,977,936</u>	<u>357,685</u>
Expenditure:				
General Government	60,766	251,541	373,189	(121,648)
Capital Outlay	132,207	427,675	19,906	407,769
Total Expenditure	<u>192,973</u>	<u>679,216</u>	<u>393,095</u>	<u>286,121</u>
Other financing uses:				
Transfer out	2,565,000	1,705,000	1,264,933	440,067
Total other financing uses	<u>2,565,000</u>	<u>1,705,000</u>	<u>1,264,933</u>	<u>440,067</u>
Net Changes in Fund Balances	274,063	236,035	1,319,908	
Fund Balances, beginning	<u>1,454,591</u>	<u>1,454,591</u>	<u>1,454,591</u>	
Fund balances, ending	<u>\$ 1,728,654</u>	<u>\$ 1,690,626</u>	<u>\$ 2,774,499</u>	

See Independent Auditors' Report.

TOWN OF WINNSBORO, LOUISIANA

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

For the Year Ended June 30, 2023

As of the fiscal year ended

2023

	MERS (Plan A)	MPERS	MFRS
Employer's Proportion of the Net Pension Liability	0.6082%	0.0899%	0.0811%
Employer's Proportionate Share of the Net Pension Liability	\$ 2,526,209	\$ 919,755	\$ 572,494
Employer's Covered Payroll	\$ 1,165,743	\$ 399,496	\$ 209,183
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	133.55%	118.62%	124.14%
Plan Fiduciary Net Position as a Percentage Of the Total Pension Liability	74.87%	84.30%	80.05%

As of the fiscal year ended

2022

	MERS (Plan A)	MPERS	MFRS
Employer's Proportion of the Net Pension Liability	0.6145%	0.0892%	0.0732%
Employer's Proportionate Share of the Net Pension Liability	\$ 1,556,815	\$ 473,896	\$ 259,690
Employer's Covered Payroll	\$ 1,107,357	\$ 272,870	\$ 198,531
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	133.55%	118.62%	124.14%
Plan Fiduciary Net Position as a Percentage Of the Total Pension Liability	74.87%	84.30%	80.05%

As of the fiscal year ended

2021

	MERS (Plan A)	MPERS	MFRS
Employer's Proportion of the Net Pension Liability	0.6145%	0.1213%	0.0965%
Employer's Proportionate Share of the Net Pension Liability	\$ 2,656,588	\$ 1,121,122	\$ 669,116
Employer's Covered Payroll	\$ 1,172,226	\$ 350,411	\$ 240,328
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	226.63%	319.94%	278.42%
Plan Fiduciary Net Position as a Percentage Of the Total Pension Liability	64.52%	70.94%	72.61%

See Independent Auditors' Report

TOWN OF WINNSBORO, LOUISIANA

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (CONTINUED)

For the Year Ended June 30, 2023

As of the fiscal year ended

2020

	MERS (Plan A)	MPERS	MFRS
Employer's Proportion of the Net Pension Liability	0.6226%	0.1014%	0.0921%
Employer's Proportionate Share of the Net Pension Liability	\$ 2,601,480	\$ 920,945	\$ 576,885
Employer's Covered Payroll	\$ 1,154,099	\$ 315,407	\$ 223,501
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	225.41%	291.99%	258.11%
Plan Fiduciary Net Position as a Percentage Of the Total Pension Liability	64.68%	71.00%	73.96%

As of the fiscal year ended

2019

	MERS (Plan A)	MPERS	MFRS
Employer's Proportion of the Net Pension Liability	0.4403%	0.0402%	0.0813%
Employer's Proportionate Share of the Net Pension Liability	\$ 1,822,946	\$ 339,904	\$ 467,437
Employer's Covered Payroll	\$ 969,999	\$ 241,395	\$ 209,653
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	187.93%	140.81%	222.96%
Plan Fiduciary Net Position as a Percentage Of the Total Pension Liability	65.60%	71.89%	74.76%

As of the fiscal year ended

2018

	MERS (Plan A)	MPERS	MFRS
Employer's Proportion of the Net Pension Liability	0.5459%	0.0860%	0.0702%
Employer's Proportionate Share of the Net Pension Liability	\$ 2,283,579	\$ 750,965	\$ 402,359
Employer's Covered Payroll	\$ 999,713	\$ 295,338	\$ 175,893
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	228.42%	254.27%	228.75%
Plan Fiduciary Net Position as a Percentage Of the Total Pension Liability	62.49%	70.08%	73.55%

TOWN OF WINNSBORO, LOUISIANA

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (CONTINUED)

For the Year Ended June 30, 2023

As of the fiscal year ended	2017		
	MERS (Plan A)	MPERS	MFRS
Employer's Proportion of the Net Pension Liability	0.5686%	0.1038%	0.0786%
Employer's Proportionate Share of the Net Pension Liability	\$ 2,330,572	\$ 972,673	\$ 514,095
Employer's Covered Payroll	\$ 1,015,752	\$ 266,747	\$ 156,476
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	229.44%	364.64%	328.55%
Plan Fiduciary Net Position as a Percentage Of the Total Pension Liability	62.11%	66.04%	68.16%
As of the fiscal year ended	2016		
	MERS (Plan A)	MPERS	MFRS
Employer's Proportion of the Net Pension Liability	0.5707%	0.1051%	0.0740%
Employer's Proportionate Share of the Net Pension Liability	\$ 2,038,766	\$ 823,067	\$ 339,224
Employer's Covered Payroll	\$ 870,681	\$ 266,747	\$ 156,476
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	234.16%	308.56%	216.79%
Plan Fiduciary Net Position as a Percentage Of the Total Pension Liability	66.18%	70.73%	72.45%
As of the fiscal year ended	2015		
	MERS (Plan A)	MPERS	MFRS
Employer's Proportion of the Net Pension Liability	0.4942%	0.1510%	0.0705%
Employer's Proportionate Share of the Net Pension Liability	\$ 1,268,345	\$ 945,187	\$ 313,670
Employer's Covered Payroll	\$ 830,286	\$ 322,774	\$ 144,169
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	152.76%	292.83%	217.57%
Plan Fiduciary Net Position as a Percentage Of the Total Pension Liability	73.99%	75.10%	76.02%

(1) Schedule is intended to show information for 10 years. Additional years will be displayed as available.

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

The three Retirement Systems reported in this schedule are as follows:

MERS (Plan A): Municipal Employees' Retirement System

MPERS: Municipal Police Employees' Retirement System

MFRS: Firefighters' Retirement System of Louisiana

TOWN OF WINNSBORO, LOUISIANA

SCHEDULE OF PENSION CONTRIBUTIONS

For the Year Ended June 30, 2023

	2023		
	MERS (Plan A)	MPERS	MFRS
Contractually Required Contribution	\$ 343,893	\$ 82,640	\$ 70,596
Contributions in Relation to Contractually Required contribuion	<u>321,922</u>	<u>145,656</u>	<u>82,109</u>
Contribution (Excess) Deficiency	\$ 21,971	\$ (63,016)	\$ (11,513)
Employer's Covered Employee Payroll	1,165,743	440,997	250,772
Contributions as a % of Covered Employee Payroll	27.62%	33.03%	32.74%
	2022		
	MERS (Plan A)	MPERS	MFRS
Contractually Required Contribution	\$ 326,817	\$ 92,094	\$ 64,026
Contributions in Relation to Contractually Required contribuion	<u>343,893</u>	<u>129,837</u>	<u>70,596</u>
Contribution (Excess) Deficiency	\$ (17,076)	\$ (37,743)	\$ (6,570)
Employer's Covered Employee Payroll	1,165,743	399,496	209,183
Contributions as a % of Covered Employee Payroll	29.50%	32.50%	33.75%
	2021		
	MERS (Plan A)	MPERS	MFRS
Contractually Required Contribution	\$ 325,908	\$ 121,768	\$ 66,691
Contributions in Relation to Contractually Required contribuion	<u>326,817</u>	<u>92,094</u>	<u>64,026</u>
Contribution (Excess) Deficiency	\$ (909)	\$ 29,674	\$ 2,665
Employer's Covered Employee Payroll	1,107,357	272,870	198,531
Contributions as a % of Covered Employee Payroll	29.51%	33.75%	32.25%

See Independent Auditors' Report

TOWN OF WINNSBORO, LOUISIANA

SCHEDULE OF PENSION CONTRIBUTIONS (CONTINUED)

For the Year Ended June 30, 2023

	2020		
	MERS (Plan A)	MPERS	MFRS
Contractually Required Contribution	\$ 299,646	\$ 102,130	\$ 59,150
Contributions in Relation to Contractually Required contribuion	<u>325,908</u>	<u>113,883</u>	<u>66,691</u>
Contribution (Excess) Deficiency	\$ (26,262)	\$ (11,753)	\$ (7,541)
Employer's Covered Employee Payroll	1,172,226	350,411	240,328
Contributions as a % of Covered Employee Payroll	27.80%	32.50%	27.75%
	2019		
	MERS (Plan A)	MPERS	MFRS
Contractually Required Contribution	\$ 199,814	\$ 36,486	\$ 51,271
Contributions in Relation to Contractually Required contribuion	<u>300,228</u>	<u>101,719</u>	<u>59,229</u>
Contribution (Excess) Deficiency	\$ (100,414)	\$ (65,233)	\$ (7,958)
Employer's Covered Employee Payroll	1,154,099	315,407	223,501
Contributions as a % of Covered Employee Payroll	26.01%	32.25%	26.50%
	2018		
	MERS (Plan A)	MPERS	MFRS
Contractually Required Contribution	\$ 225,527	\$ 81,530	\$ 41,402
Contributions in Relation to Contractually Required contribuion	<u>239,482</u>	<u>73,752</u>	<u>56,472</u>
Contribution (Excess) Deficiency	\$ (13,955)	\$ 7,778	\$ (15,070)
Employer's Covered Employee Payroll	969,999	241,395	209,653
Contributions as a % of Covered Employee Payroll	24.69%	30.55%	26.94%

See Independent Auditors' Report

TOWN OF WINNSBORO, LOUISIANA

SCHEDULE OF PENSION CONTRIBUTIONS (CONTINUED)

For the Year Ended June 30, 2023

	2017		
	MERS (Plan A)	MPERS	MFRS
Contractually Required Contribution	\$ 227,435	\$ 96,171	\$ 44,869
Contributions in Relation to Contractually Required contribuion	<u>227,435</u>	<u>96,171</u>	<u>44,869</u>
Contribution (Excess) Deficiency	\$ -	\$ -	\$ -
Employer's Covered Employee Payroll	999,713	295,338	175,893
Contributions as a % of Covered Employee Payroll	22.75%	32.56%	25.51%
	2016		
	MERS (Plan A)	MPERS	MFRS
Contractually Required Contribution	\$ 200,608	\$ 88,518	\$ 48,613
Contributions in Relation to Contractually Required contribuion	<u>200,608</u>	<u>88,518</u>	<u>48,613</u>
Contribution (Excess) Deficiency	\$ -	\$ -	\$ -
Employer's Covered Employee Payroll	1,015,752	266,747	156,476
Contributions as a % of Covered Employee Payroll	19.75%	33.18%	31.07%
	2015		
	MERS (Plan A)	MPERS	MFRS
Contractually Required Contribution	\$ 168,237	\$ 88,519	\$ 48,613
Contributions in Relation to Contractually Required contribuion	<u>168,237</u>	<u>88,519</u>	<u>48,613</u>
Contribution (Excess) Deficiency	\$ -	\$ -	\$ -
Employer's Covered Employee Payroll	870,687	266,747	156,476
Contributions as a % of Covered Employee Payroll	19.32%	33.18%	31.07%

(1) Schedule is intended to show information for 10 years. Additional years will be displayed as available.

The three Retirement Systems reported in this schedule are as follows:

MERS (Plan A): Municipal Employees' Retirement System

MPERS: Municipal Police Employees' Retirement System

MFRS: Firefighters' Retirement System of Louisiana

TOWN OF WINNSBORO, LOUISIANA

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY RELATED RATIOS For the Year Ended June 30, 2023

	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total OPEB Liability			
Service Cost	\$ 165,871	\$ 169,457	\$ 110,129
Interest	114,210	118,276	143,340
Changes of benefit terms	-	-	-
Differences between expected and actual experience	194,328	(485,395)	128,798
Changes in assumptions or other inputs	37,992	(1,011,383)	(56,360)
Benefits payments	<u>(206,331)</u>	<u>(187,885)</u>	<u>(198,219)</u>
Net changes in total OPEB liability	306,070	(1,396,930)	127,688
Total OPEB Liability - Beginning	<u>5,084,948</u>	<u>5,391,018</u>	<u>3,994,088</u>
Total OPEB Liability - Ending	<u><u>5,391,018</u></u>	<u><u>3,994,088</u></u>	<u><u>4,121,776</u></u>
Covered Employee Payroll	\$ 1,982,121	\$ 1,668,669	\$ 1,718,729
Total OPEB Liability as a percentage of covered employee payroll	271.98%	239.36%	239.82%
Notes to Schedule:			
Change of Benefit Terms:	None	None	None
Change of Assumptions:			
Discount Rate:	2.16%	3.54%	3.65%
Mortality:	RP-2014	RP-2014	RP-2014
Trend:	4.5% to 5.5%	4.5% to 5.5%	4.5% to 5.5%

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

See Independent Auditors' Report

TOWN OF WINNSBORO, LOUISIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2023

NOTE 1 – BUDGETS

1. Budgetary and Budgetary Accounting

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

- a. A proposed budget is prepared and submitted to the Town of Winnsboro for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
- b. A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
- d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
- e. All budgetary appropriations lapse at the end of each fiscal year.
- f. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Town. Such amendments, except for capital outlay, were not material in relation to the original appropriations.

2. Basis of Accounting

All the Town's budgets are prepared on the modified accrual basis of accounting.

3. Excess of Expenditures Over Appropriations

The General Fund incurred expenditures in excess of appropriations totaling \$407,909, for the year ended June 30, 2023.

NOTE 2 - NET PENSION LIABILITY

1. Changes of Benefit Terms

Municipal Employees' Retirement System (Plan A)

No Changes.

See Independent Auditors' Report

TOWN OF WINNSBORO, LOUISIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

For the Year Ended June 30, 2023

Municipal Police Employees' Retirement System

No Changes.

Firefighters' Retirement System

No Changes.

2. Changes of Assumptions

Municipal Employees' Retirement System (Plan A)

The investment rate of return decreased from 6.95% to 6.85%. The inflation rate remained as 2.5%.

Municipal Police Employees' Retirement System

The investment rate of return decreased from 6.95% to 6.75%. The inflation rate remained as 2.5%.

Firefighters' Retirement System of Louisiana

The investment rate of return decreased from 6.95% to 6.90%. The inflation rate remained as 2.5%.

SUPPLEMENTARY INFORMATION

TOWN OF WINNSBORO, LA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

<i>Award Information</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Name</i>	<i>Pass-Through Entity #</i>	<i>Passed-through to Subrecipients (\$)</i>	<i>Federal Expenditures (\$)</i>
<i>Other Programs (Treated individually for major program determination)</i>					
<u>Department of Treasury</u>					
Coronavirus State and Local Fiscal Recovery Funds					
Coronavirus State and Local Fiscal Recovery Funds	21.027			\$ -	\$ 1,083,285
Total Coronavirus State and Local Fiscal Recovery Funds				-	1,083,285
<i>Total Department of Treasury</i>					<u>1,083,285</u>
<u>Department of Housing and Urban Development</u>					
Louisiana Office of Community Development Funds (LCDBG)					
Louisiana Office of Community Development Funds (LCDBG)	14.228			<u>192,756</u>	<u>192,756</u>
Total Louisiana Office of Community Development Funds (LCDBG)					
<i>Total Department of Housing and Urban Development</i>					<u>192,756</u>
<i>Total Expenditures of Federal Awards</i>				<u>\$ 192,756</u>	<u>\$ 1,276,041</u>

The accompanying notes are an integral part of this schedule

TOWN OF WINNSBORO, LA

NOTES TO SCHEDULE OF EXPENDITURES FEDERAL AWARDS Year Ended June 30, 2023

Note 1- Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of Town of Winnsboro, and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2- Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3- Sub-recipient of Federal Expenditures

Of the federal expenditures presented in the Schedule, there were no payments to sub-recipients for the year ended June, 30 2023.

Note 4 – Indirect Cost Rate

Town of Winnsboro, has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 5 – Non-Cash Assistance

No federal awards were expended in the form of non-cash assistance during the fiscal year ended June 30, 2023.

Note 6 – Relationship to Financial Statements

Amounts reported in the Schedule of Expenditures of Federal Awards agree with the amounts reported in the related federal financial reports.

TOWN OF WINNSBORO, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
For the Year Ended June 30, 2023

Agency Head	<u>Amount</u>
Alice Wallace, Mayor	
Purpose	
Salary	\$ 59,769
Retirement	17,700
Insurance	8,579
Automobile Allowance	-
Credit Card Allowance	
Food	-
Lodging	-
Cell Phone Allowance	-
Registration for Seminars/Conferences	<u>-</u>
Total	<u><u>\$ 86,048</u></u>

See Independent Auditors' Report.

TOWN OF WINNSBORO, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY

For the Year Ended June 30, 2023

Cash Basis Presentation	First Six Month Period Ended 3/31/2023	Second Six Month Period Ended 09/30/2023
<i>Town Of Winnsboro, Restitution</i>	\$ 679	\$ 985
<i>Town Of Winnsboro, Criminal Fines - Other</i>	29,018	35,204
<i>Town Of Winnsboro, Criminal Court Costs/Fees</i>	8,099	9,573
<i>Town Of Winnsboro, Probation/Parole/Supervision Fees</i>	1,782	-
<i>Town Of Winnsboro, Bond Fees</i>	160	220
Total Receipts	<u>\$ 39,738</u>	<u>\$ 45,982</u>

Other Information:

<i>Ending Balance of Total Amounts Assesed but not yet Collected (Civil Fines)</i>	<u>\$ -</u>	<u>\$ -</u>
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See Independent Auditor's Report

TOWN OF WINNSBORO, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY

For the Year Ended June 30, 2023

Cash Basis Presentation	First Six Month Period Ended 3/31/2023	Second Six Month Period Ended 09/30/2023
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ -	\$ -
Add: Collections		
Civil Fees (<i>including refundable amounts such as garnishments or advance deposits</i>)	4,111	381
Bond Fees	160	220
Subtotal Collections	<u>4,271</u>	<u>601</u>
Less: Disbursements To Governments & Nonprofits:		
<i>Example - City of Walker, Criminal Court Costs/Fees</i>	-	-
<i>Example - City of Walker, Criminal Fines - Other</i>	-	-
<i>Agency name/collection type</i>	-	-
<i>Agency name/collection type</i>	-	-
<i>Agency name/collection type</i>	-	-
<i>Agency name/collection type</i>	-	-
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil Fees (<i>including refundable amounts such as garnishments or advance deposits</i>)	4,111	381
Bond Fees	160	220
Subtotal Disbursements/Retainage	<u>4,271</u>	<u>601</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	<u>\$ -</u>	<u>\$ -</u>

Other Information:

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

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

See Independent Auditor's Report

OTHER INFORMATION

TOWN OF WINNSBORO, LOUISIANA

SCHEDULE OF COMPENSATION PAID TO THE MAYOR AND MEMBERS OF THE BOARD OF ALDERMAN

For the Year Ended June 30, 2023

The schedule of compensation paid to the Mayor and Council Members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the Mayor and Council Members are include in the general administrative expenditures of the General Fund. The Mayor and Council Members receive compensation pursuant to Louisiana Revised Statute 404.1.

<u>Name/Position</u>	<u>Amount</u>
Alice Wallace	59,769
<u>Aldermen:</u>	
Golden Berry	1,250
Eddie Dunn	7,350
Jerry Johnson	7,350
Rex McCarthy	7,400
Marteze Singleton	7,350
Dorothy Swayzer	<u>6,100</u>
Total Mayor and Council Members Compensation	<u>\$ 96,569</u>

See Independent Auditors' Report.

TOWN OF WINNSBORO, LOUISIANA

SCHEDULE OF INSURANCE IN FORCE

For the Year Ended June 30, 2023

Insurance Company	Expiring Date	Policy Description	Policy Limits	Policy Number
Louisiana Municipal Risk Management Agency	7/1/2024	Commercial General Liability - Bodily Injury and Property Damage	\$500,000 per Occurrence Premises Operations \$500,000 Aggregate Products Completed Operations \$1,000 per Person, \$10,000 per Accident Medical Payments \$50,000 per occurrence Fire Legal Liability	100-1295-2023-18802
Louisiana Municipal Risk Management Agency	7/1/2024	Law Enforcement Officer - Personal Injury and Property Damage	\$1,000 Deductible	100-1295-2023-18802
Louisiana Municipal Risk Management Agency	7/1/2024	Errors and Omission	\$1,000 Deductible	100-1295-2023-18802
Louisiana Municipal Risk Management Agency	7/1/2024	Automobile Liability - Bodily Injury and Property Damage	None-Deductible	100-1295-2023-18802
Louisiana Municipal Risk Management Agency	10/4/2024	Workers' Compensation Coverage	\$100, 000 per Each Accident \$500,000 per Policy Limit \$100,000 per Each Employee	70-1295-2023-18828
Western Surety Company	3/14/2024	Bond Coverage	\$100,000	72132435
Western Surety Company	8/24/2023	Bond Coverage	\$260, 000 Peanalty Amount for Each Position	69212610
Employers Mutual Casualty Company	1/1/2025	Commercial Property	\$1,000 Deductible	5X2-40-15-21
Employers Mutual Casualty Company	1/1/2025	Inland Marine	\$1,000 Deductible	5X2-40-15-21
Employers Mutual Casualty Company	1/1/2025	Automobile (Fire Truck)	\$1,000 Deductible on Comp and Collision	5X2-40-15-21

See Independent Auditors' Report.

INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS

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

To Board of Alderman
Town of Winnsboro, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business- type activities, and each major fund of the Town of Winnsboro, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Winnsboro, Louisiana's basic financial statements and have issued our report thereon dated March 4, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Winnsboro, Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Winnsboro, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Winnsboro, Louisiana's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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

accompanying schedule of findings and questioned costs as item 2023-003 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Winnsboro, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned cost as items 2023-002 and 2023-003.

The Town's Response to Findings

The Town's responses to the findings identified in our audit is described in the accompanying schedule of findings and questioned cost. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Bruno & Tervalon LLP

Lake Charles, Louisiana
March 4, 2024

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

To the Honorable Alice Wallace Mayor
and the Members of the City Council
Town of Winnsboro, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the **Town of Winnsboro** (the Towns)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Towns's major federal programs for the year ended June 30, 2023. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the

Town's requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town's federal programs.

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over

compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP

Lake Charles, Louisiana

March 4, 2024

TOWN OF WINNSBORO, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2023

I. Summary of Auditors' Results

a. Financial Statements

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the Town of Winnsboro, Louisiana.
2. There was one material weakness and one significant deficiency disclosed during the audit of the financial statements and reported in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. There were two instances of noncompliance that are reported in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.

b. Federal Awards

1. There was no material weakness, and no significant deficiency was disclosed relating to the audit of the major federal award programs.
2. The Independent Auditors' Report on Compliance for each Major Program and on Internal Control Over Compliance Required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards Uniform Guidance dated March 4, 2024, expressed an unmodified opinion.
3. There were no findings that are required to be reported in accordance with 2 CFR 200.516(a).
4. The program tested as major program was:

Coronavirus State and Local Fiscal Recovery Funds: 21.027
5. The threshold used to distinguish between Type A and Type B Programs is \$750,000.
6. The auditee is not considered a 'low risk' auditee, as defined by Uniform Guidance.

TOWN OF WINNSBORO, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES (Continued)
For the Year Ended June 30, 2023

c. Management Letter

No management letter was issued in connection with the audit for the year ended June 30, 2023.

TOWN OF WINNSBORO, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2023

II. Findings – Financial Statement Audit Findings

2023-001 Bank Reconciliations

Initial Year of the Finding: 2023

Condition: We performed audit procedures on the bank reconciliations we notice many of the bank reconciliations were not prepared timely and the Town did not have evidence that a member of management/ board member reviewed the bank reconciliations in a timely.

Criteria: The Town did not have adequate controls over bank reconciliations to ensure the timely completion of the monthly reconciliations.

Cause: The Town failed to ensure either through the use of an external accountant or assigning staff not involved in the process to prepare bank reconciliations on a monthly basis.

Effect: The Town did not complete bank reconciliations timely which didn't allow the Town to ensure in a timely manner that public funds are being used properly.

Recommendation: We recommend the Town engage an accountant with governmental accounting experience to complete bank reconciliations on a monthly basis.

Views of responsible officials: Management agrees with the findings. See Management's Response letter and corrective action plan.

2021-002 Untimely Submission of Financial Audit Report by Due Date

Initial Year of the Finding: 2023

Condition: The Town did not meet the December 31, 2023, statutory deadline for reporting the required annual audit to the State of Louisiana.

Criteria: Under Louisiana Audit Law, the Town is required to have an annual audit of its financial statements prepared in accordance with U.S. generally accepted accounting principles completed and filed with the Louisiana Legislative Auditor (LLA) of the State of Louisiana within six months of the close of the calendar or fiscal year (June 30th).

Cause: Due to delay time in engaging an external CPA, the Town required additional time to complete its account analysis, reconciliation process and recordation of all the necessary adjustments to their accounting records.

TOWN OF WINNSBORO, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2023

Effect: The Town was not in compliance with Louisiana statute for completion of the annual audit.

Recommendation: The Town should continue in the implementation of the plan already in place to ensure adequate staffing levels to support timely financial reporting and ensure future audits are completed by statutory due dates.

Views of responsible officials: Management agrees with the findings. See Management's Response letter and corrective action plan.

2023-003 Purchase of Gifts for Town Employees

Initial Year of the Finding: 2023

Condition: Town Mayor approved the purchase of \$11,399 in outdoor griddles for Town employees as an "employee appreciation gift" in November 2022. In addition, the Town purchased \$737 in gift cards for employee of the month awards and paid \$1,836 for parties and celebrations from September 2021 to May 2023. By approving the purchase of gifts for employees, Mayor Wallace may have violated state law and the constitution.

Criteria: According to (AG) opinion 09-0238 states that public funds may be used to purchase plaques of moderate cost to honor exceptional employee without violating Article VII, Section 14 of Louisiana Constitution. AG opinion 92-737 provides that a public entity could give plaques of moderate cost to employees for special recognition; however, the granting of gift certificates and savings bonds constituted prohibited donation under the state's constitution.

AG Opinion 09-0238 state that AG's office has historically opined that the use of public funds for payment of or reimbursement for, meals or food served in conjunction with parties and other types of celebratory functions is improper under Article VII, Section 14(A) of the Louisiana Constitution.

Cause: The Legislative Auditor investigated an incident due to complaints received regarding the Town use of public funds.

Effect: The Town was not in compliance with the state's constitution

Recommendation: We recommend the mayor along with board of alderman consult with legal counsel to determine the appropriate actions to take, including recovery of improper payments. In addition, the Mayor and Board should ensure that all practices, policies and procedures resulting in the expenditures of public funds comply with the state constitution and state law.

Views of responsible officials: Management agrees with the findings. See Management's Response letter and corrective action plan.

TOWN OF WINNSBORO, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

III – Federal Award Findings and Questioned Cost

There were no current year findings.

TOWN OF WINNSBORO, LOUISIANA

SUMMARY OF PRIOR YEAR FINDINGS

For the Year Ended June 30, 2023

III. Summary of Prior Year Findings

There were no prior year findings.



Town of Winnsboro

SEAT OF FRANKLIN PARISH
STARS & STRIPES CAPITAL OF LOUISIANA

ALICE WALLACE

MAYOR

JULIA JACKSON, LCMC, LMMC

TOWN CLERK

TYRONE COLEMAN

CHIEF OF POLICE

"Not Grown, but Growing"

3814 Front Street

P.O Box 250

Winnsboro, LA 71295

Phone (318) 435-9087

Fax (318) 435-2308

ALDERMEN:

MARTEZE SINGLETON

LOIS JORDAN

EDDIE DUNN

JERRY JOHNSON

REX McCARTHY

March 4, 2024

Management Responses to II. Findings – Financial Statement Audit

2023-001 – Bank Reconciliations

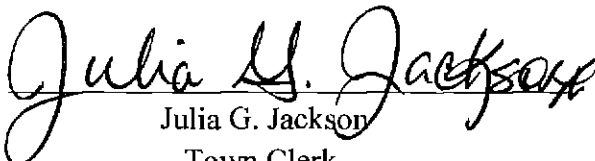
Since the resignation of the Town of Winnsboro's previous external accountant/CPA, the town has hired a new external accountant/CPA as of September 27, 2023, to properly prepare bank reconciliations in a timely manner. The Town of Winnsboro will also ensure that a member of management/board member who does not handle cash, or post to ledgers, or issue checks has reviewed each of the bank reconciliations on a monthly basis.

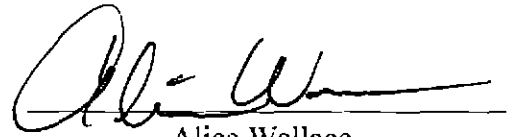
2021-002 Untimely submission of Financial Audit Report by Due Date

The Town of Winnsboro will continue in the implementation of the plan already in place to ensure adequate staffing levels to support timely financial reporting and ensure future audits are completed by statutory due dates.

2023-003 Purchase of Gifts for Town Employees

Administration will recommend that the Board of Aldermen implement policies and procedures to ensure that expenditures comply with the state constitution and state laws at the next council meeting. Also, a discussion will be held between the Mayor and Board of Aldermen to determine the appropriate actions, if any, concerning the expenses of the Town.


Julia G. Jackson
Town Clerk


Alice Wallace
Mayor

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Aldermen of Town of Winnsboro
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. The organization's management is responsible for those C/C areas identified in the SAUPs.

Town of Winnsboro has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report, and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

- 1) Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

- a. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

We performed the above procedures and noted no exceptions.

- b. ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

We performed the above procedures and noted no exceptions.

- c. ***Disbursements***, including processing, reviewing, and approving.

We performed the above procedures and noted no exceptions.

- d. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation.)

We performed the above procedures and noted no exceptions.

- e. **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedule.

We performed the above procedures and noted no exceptions.

- f. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

We performed the above procedures and noted no exceptions.

- g. **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage. (e.g., determining the reasonableness of fuel card purchases).

We performed the above procedures and noted no exceptions.

- h. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

We performed the above procedures and noted no exceptions.

- i. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations and, (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

We performed the above procedures above and noted no exceptions.

- j. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

We performed the above procedures and noted no exceptions.

- k. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available systems and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

We performed the above procedures and noted no exceptions.

1. ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

We performed the above procedures and noted no exceptions

Board or Finance Committee

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

We performed the above procedures and noted no exceptions.

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

We performed the above procedures and noted no exceptions.

Bank Reconciliations

- 3) Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

We performed the above procedures and noted the following exceptions. The town did not have evidence that the bank reconciliations were prepared within 2 months of the closing date.

Response: See Management Response Letter.

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

We performed the above procedures and noted the following exceptions. The town did not have evidence that a member of management/ board member that does not handle cash post ledger or issue checks has reviewed each bank reconciliation.

Response: See Management Response Letter.

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

We performed the above procedures and noted the following exceptions. The town management did not have documentation reflecting it had researched any reconciling items that have been outstanding for more than 12 months from the statement closing date.

Response: See Management Response Letter.

Collections

- 4) Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5) For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are segregated at each collection location such that:
 - a. Employees that are responsible for cash collections do not share cash drawers/registers.

We performed the above procedures and noted no exceptions.

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

We performed the above procedures and noted no exceptions.

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

We performed the above procedures and noted no exceptions.

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

We performed the above procedures and noted no exceptions.

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

We performed the above procedures and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

- b. Trace the deposit slip total to the actual deposit per the bank statement.

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

- d. Trace the actual deposit per the bank statement to the general ledger.

We performed the procedure above and noted no exceptions.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- 9) Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than
- 10) For each location selected under #8 above, obtain a listing of those employees involved with non- payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

We performed the procedure above and noted no exceptions.

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

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions

- 14) Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

We performed the procedure above and noted no exceptions.

Note: For the statements and transactions selected for these procedures no exceptions were noted. However, the LLA performed an investigative examination of the Town's records and discovered improper use of credit card by mayor. See finding 2023-003 in the financial audit report under Findings and Questioned Cost.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- 15) Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration.

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions

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

We performed the procedure above and noted no exceptions

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

We performed the procedure above and noted no exceptions.

Contracts

- 16) Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete.

Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

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

We performed the procedures above and no exceptions noted.

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

We performed the procedures above and no exceptions noted.

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

We performed the procedures above and no exceptions noted.

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

We performed the procedure above and no exceptions noted.

Payroll and Personnel

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

We performed the procedure above and noted no exceptions.

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

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

We performed the procedure above and noted no exceptions.

- a. Observe whether supervisors approved the attendance and leave of the selected employees or officials

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

Ethics

- 21) Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
- Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

Debt Service

- 22) Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

Information Technology Disaster Recovery/Business Continuity

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

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

We performed the procedures above and noted no exceptions noted.

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

Sexual Harassment

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We are required to be independent of Town of Winnsboro and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Bruno & Tervalon LLP

Lake Charles, Louisiana
March 4, 2024



Town of Winnsboro

SEAT OF FRANKLIN PARISH

STARS & STRIPES CAPITAL OF LOUISIANA

ALICE WALLACE

"Not Grown, but Growing"

ALDERMEN:

MAYOR

MARTEZE SINGLETON

JULIA JACKSON, LCMC, LMMC

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LOIS JORDAN

TOWN CLERK

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CHIEF OF POLICE

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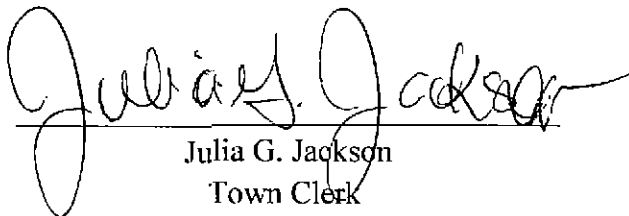
Fax (318) 435-2308


March 4, 2024

Management Responses to Statewide Agreed-Upon Procedures

Bank Reconciliations

Since the resignation of the Town of Winnsboro's previous external accountant/CPA, the town has hired a new external accountant/CPA as of September 27, 2023, to properly prepare bank reconciliations in a timely manner. The Town of Winnsboro will also ensure that a member of management/board member who does not handle cash, or post to ledgers, or issue checks has reviewed each of the bank reconciliations on a monthly basis.


Julia G. Jackson
Town Clerk


Alice Wallace
Mayor