

**TOWN OF WINNSBORO, LOUISIANA**

**ANNUAL FINANCIAL REPORT**

**June 30, 2022**

**TOWN OF WINNSBORO, LOUISIANA**  
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## **INDEPENDENT AUDITORS' REPORT**

To the Honorable Alice Wallace  
And Members of the Board of Alderman  
Town of Winnsboro, Louisiana

### **Report on Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Winnsboro, Louisiana, as of and for the year ended June 30, 2022, and the related notes to the 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, 2022, 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 State 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 of Winnsboro, Louisiana, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to 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 of Winnsboro, Louisiana's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **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 auditor's 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 of Winnsboro, Louisiana'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 of '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 management's discussion and analysis and budgetary comparison information 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 of Winnsboro, Louisiana's basic financial statements. The combining and individual nonmajor fund financial statements 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 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The schedule of insurance in force has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. The schedule of compensation paid to the members of the board of aldermen and the schedule of insurance in force are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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.

The schedule of compensation, benefits and other payments to agency head, and the justice system funding schedules are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

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.

*Bruno & Tervalon LLP*  
Lake Charles, Louisiana  
December 20, 2022

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# TOWN OF WINNSBORO, LOUISIANA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2022

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, 2022. 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 \$8,285,255 of this amount, (\$4,707,505) 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 \$2,139,411 an increase of \$390,233 or 22.30% in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance (deficit) for the general fund was \$530,116, an increase of \$710,984 or 393% 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.

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

## TOWN OF WINNSBORO, LOUISIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended June 30, 2022

#### **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.

#### **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 \$7,613,270 at the close of the fiscal year ended June 30, 2022.

**TOWN OF WINNSBORO, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
For the Year Ended June 30, 2022

**Table 1**  
**Schedule of Net Position**  
**June 30, 2022**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b><u>ASSETS</u></b>						
Current and other assets	\$ 641,939	\$ 1,803,280	\$ 143,860	\$ 109,332	\$ 785,799	\$ 1,912,612
Noncurrent assets	13,240,010	10,946,255	5,095,501	5,696,183	18,335,511	16,642,438
<b>TOTAL ASSETS</b>	13,875,949	12,749,535	5,239,361	5,805,515	19,121,310	18,555,050
Deferred outflows of resources	2,035,708	2,822,152	157,244	333,935	2,192,952	3,156,087
<b><u>LIABILITIES</u></b>						
Current and other liabilities	57,699	54,102	201,673	181,272	259,372	235,374
Noncurrent liabilities	5,803,662	8,816,718	3,783,823	4,459,425	9,587,485	13,276,143
<b>Total liabilities</b>	5,861,361	8,870,820	3,985,496	4,640,697	9,846,857	13,511,517
Deferred inflows of resources	2,938,255	799,914	237,925	13,855	3,176,180	813,769
<b><u>NET POSITION</u></b>						
Net investment in capital assets	11,656,216	10,946,255	1,195,666	1,680,881	12,851,882	12,627,136
Restricted	-	-	140,878	136,753	140,878	136,753
Unrestricted	(4,544,145)	(5,045,302)	(163,360)	(332,736)	(4,707,505)	(5,378,038)
<b>Total net position</b>	7,112,071	5,900,953	1,173,184	1,484,898	8,285,255	7,385,851
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	\$ 15,911,687	\$ 15,571,687	\$ 5,396,605	\$ 6,139,450	\$ 21,308,292	\$ 21,711,137

**Comparison of Net Position**  
**Fiscal Years 2022 and 2021**



By far, the largest amount of the Town's net position reflects its investment in capital assets of \$16,087,631 (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

**TOWN OF WINNSBORO, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

For the Year Ended June 30, 2022

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.

The results of this year's operations for the Town as a whole are reported in the Statement of Activities. Table 2 takes the information from that statement and rearranges it slightly so that readers can see the total revenues for the year

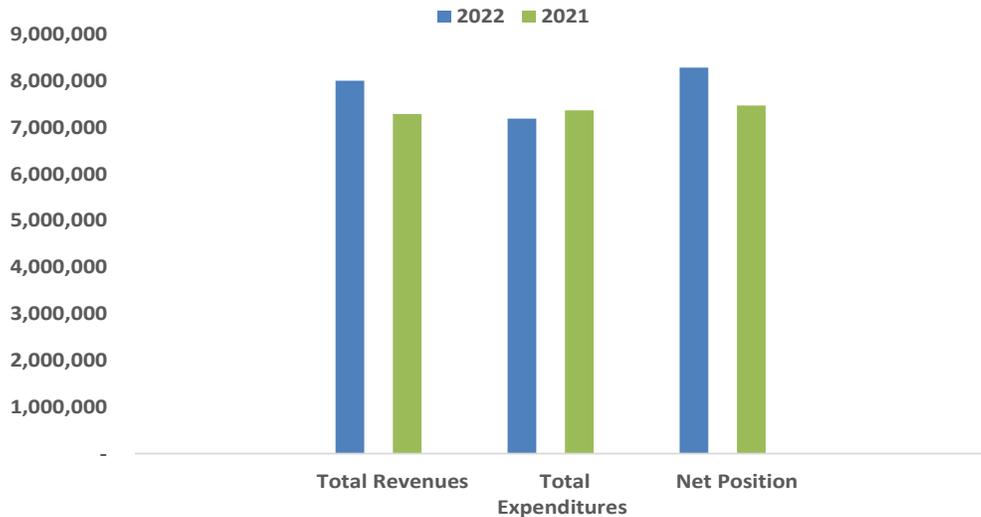
**Table 2  
Changes in Net Position  
For the Years Ended June 30, 2022**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b><u>REVENUES</u></b>						
Program Revenues:						
Charges for Services	\$ 254,217	\$ 157,308	\$2,021,305	\$2,036,409	\$ 2,275,522	\$ 2,193,717
Operating grants	1,016,280	219,760	-	-	1,016,280	219,760
General Revenues:						
Taxes	3,709,527	3,720,518	-	-	3,709,527	3,720,518
License and permits	320,884	433,108	-	-	320,884	433,108
Intergovernmental	-	352,490	-	-	-	352,490
Fines and Forfeitures	51,652	69,803	-	-	51,652	69,803
Rent Income	37,900	51,000	-	-	37,900	51,000
Nonemployer pension contribution	82,549	156,293	-	-	82,549	156,293
Interest income	3,996	3,640	6,444	2,170	10,440	5,810
Miscellaneous	490,901	69,634	8,326	17,902	499,227	87,536
<b>Total Revenues</b>	<b>5,967,906</b>	<b>5,233,554</b>	<b>2,036,075</b>	<b>2,056,481</b>	<b>8,003,981</b>	<b>7,290,035</b>
<b><u>EXPENDITURES</u></b>						
Current:						
General government	2,846,802	2,601,008	1,375,821	984,880	4,222,623	3,585,888
Public safety	1,093,112	1,171,718	-	-	1,093,112	1,171,718
Street department	619,821	970,038	-	-	619,821	970,038
Recreation department	45,801	47,198	-	-	45,801	47,198
Animal control department	71,236	49,498	-	-	71,236	49,498
NP USDA community center	22,013	20,812	-	-	22,013	20,812
Airport	58,003	211,522	-	-	58,003	211,522
Water plant	-	-	138,522	139,912	138,522	139,912
WWTP	-	-	49,199	22,274	49,199	22,274
Water department	-	-	195,965	514,422	195,965	514,422
Sewer department	-	-	516,240	457,761	516,240	457,761
Shop department	-	-	43,856	41,364	43,856	41,364
Interest	-	-	116,639	135,607	116,639	135,607
<b>Total Expenditures</b>	<b>4,756,788</b>	<b>5,071,794</b>	<b>2,436,242</b>	<b>2,296,220</b>	<b>7,193,030</b>	<b>7,368,014</b>
NET CHANGE IN NET POSITION	1,211,118	161,760	(400,167)	(239,739)	810,951	(77,979)
<b>Net Position, Beginning</b>	<b>5,900,953</b>	<b>5,739,193</b>	<b>1,573,351</b>	<b>1,813,090</b>	<b>7,474,304</b>	<b>7,552,283</b>
<b>Net Position, Ending</b>	<b>\$ 7,112,071</b>	<b>\$ 5,900,953</b>	<b>\$ 1,173,184</b>	<b>\$ 1,573,351</b>	<b>\$ 8,285,255</b>	<b>\$ 7,474,304</b>

**TOWN OF WINNSBORO, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
For the Year Ended June 30, 2022

**Comparison of Revenues, Expenses  
and Net Position**



**Governmental activities**

In the current year, governmental activities had an increase of \$1,211,118 in net position, compared to a \$161,760 increase in the prior year.

Taxes, which provided \$3,605,366 or 61% of revenue, were the largest source of general revenues for the Town's governmental activities. Licenses and permits experienced a decrease in collections of \$121,809 over the amounts reported in 2021. Charges for services provided \$555,480 of revenue for governmental activities for fiscal year 2022.

**Business-type activities**

The decrease in net position for business-type operations for the current year was \$983,699 compared to a decrease of \$239,739 in the prior year. Charges for services decreased by \$15,104 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 \$390,873 for the year ending June 30, 2022. This difference was primarily because expected revenue collected exceeds actual collections. The actual expenditure was less than budgeted expenditure by \$258,737 primarily because of decreased capital outlay.

**TOWN OF WINNSBORO, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

For the Year Ended June 30, 2022

**Capital Assets and Debt Administration**

*Capital assets*

As for the year ended June 30, 2022, the Town had \$16,087,631 (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:

	<b>Capital Assets</b>					
	<b>June 30, 2022</b>					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Nondepreciable assets:						
Land	\$ 704,058	\$ 704,058	\$ 16,033	\$ 16,033	\$ 720,091	\$ 720,091
Total nondepreciable assets	704,058	704,058	16,033	16,033	720,091	720,091
Depreciable assets, net:						
Buildings	1,372,704	1,179,894	-	-	1,372,704	1,179,894
Land Improvements	3,259,179	3,454,847	-	-	3,259,179	3,454,847
Machinery and Equipment	748,895	810,268	-	-	748,895	810,268
Other/General Government	4,049,804	3,266,611	-	-	4,049,804	3,266,611
Construction in progress	1,521,576	1,521,576	-	-	1,521,576	1,521,576
Water Distribution system	-	-	2,701,102	3,017,777	2,701,102	3,017,777
Gas Distribution system	-	-	1,714,280	2,040,845	1,714,280	2,040,845
Total depreciable assets, net	10,952,158	10,233,196	4,415,382	5,058,622	15,367,540	15,291,818
Total capital assets, net	\$ 11,656,216	\$ 10,937,254	\$ 4,431,415	\$ 5,074,655	\$ 16,087,631	\$ 16,011,909

## TOWN OF WINNSBORO, LOUISIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended June 30, 2022

#### *Long-term Debt*

The Town's business-type activities have three long-term bond debts on June 30, 2022, 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, 2022, is \$3,235,749.

Another obligation for both the governmental and business-type activities is the net pension liability. The total pension liability was \$2,289,771 for the June 30, 2022, a decrease of \$2,157,055 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

June 30, 2022

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash	\$ 550,881	\$ 23,831	\$ 574,712
Receivables, net	-	-	-
Accounts receivables, net	13,115	197,972	211,087
Internal balances	77,943	(77,943)	-
Total current assets	<u>641,939</u>	<u>143,860</u>	<u>785,799</u>
Noncurrent assets:			
Restricted cash	1,577,794	-	1,577,794
Restricted investment	-	664,086	664,086
Capital assets, net	11,656,216	4,431,415	16,087,631
Other noncurrent assets	-	-	-
Total noncurrent assets	<u>13,234,010</u>	<u>5,095,501</u>	<u>18,329,511</u>
Total assets	<u>13,875,949</u>	<u>5,239,361</u>	<u>19,115,310</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pension	792,658	157,244	949,902
Deferred outflows of resources related to OPEB	1,243,050	-	1,243,050
Total deferred outflows of resources	<u>2,035,708</u>	<u>157,244</u>	<u>2,192,952</u>
<b>Total assets and deferred outflows of resources</b>	<u>\$ 15,911,657</u>	<u>\$ 5,396,605</u>	<u>\$ 21,308,262</u>
<b>LIABILITIES</b>			
Current liabilities:			
Cash overdraft	\$ -	\$ 43,123	\$ 43,123
Accrued liabilities	42,963	17,672	60,635
Current portion of bond payable	-	140,878	140,878
Other current liabilities	14,706	-	14,706
Total current liabilities	<u>57,669</u>	<u>201,673</u>	<u>259,342</u>
Noncurrent liabilities:			
Customers deposits	-	178,732	178,732
Noncurrent portion of bond payable	-	3,094,871	3,094,871
Compensated absences	22,654	7,368	30,022
Net pension liability	1,786,919	502,852	2,289,771
OPEB liability	3,994,089	-	3,994,089
Total noncurrent liabilities	<u>5,803,662</u>	<u>3,783,823</u>	<u>9,587,485</u>
Total liabilities	<u>5,861,331</u>	<u>3,985,496</u>	<u>9,846,827</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pension	1,137,160	237,925	1,375,085
Deferred inflows of resources related to OPEB	1,801,095	-	1,801,095
Total deferred inflows of resources	<u>2,938,255</u>	<u>237,925</u>	<u>3,176,180</u>
<b>NET POSITION</b>			
Invested in capital asset, net of related debt	11,656,216	1,195,666	12,851,882
Restricted for debt service	-	140,878	140,878
Unrestricted	(4,544,145)	(163,360)	(4,707,505)
Total net position	<u>7,112,071</u>	<u>1,173,184</u>	<u>8,285,255</u>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<u>\$ 15,911,657</u>	<u>\$ 5,396,605</u>	<u>\$ 21,308,262</u>

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

**TOWN OF WINNSBORO, LOUISIANA**

**STATEMENT OF ACTIVITIES**

Year Ended June 30, 2022

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	\$ 2,846,802	\$ 213,240	\$ 939,005	\$ -	\$ (1,694,557)	\$ -	\$ (1,694,557)
Public safety:							
Police	414,351	27,233	-	-	(387,118)	-	(387,118)
Fire	678,761	24,419	-	-	(654,342)	-	(654,342)
Street department	619,821	-	-	-	(619,821)	-	(619,821)
Recreation department	45,801	-	-	-	(45,801)	-	(45,801)
Animal control department	71,236	-	-	-	(71,236)	-	(71,236)
Community center	22,013	-	-	-	(22,013)	-	(22,013)
Airport	58,003	40,977	77,275	-	60,249	-	60,249
Total governmental activities	4,756,788	305,869	1,016,280	-	(3,434,639)	-	(3,434,639)
Business-type activities:							
Water plant	195,965	-	-	-	-	(195,965)	(195,965)
WWTP	49,199	20,700	-	-	-	(28,499)	(28,499)
Water department	450,330	1,169,390	-	-	-	719,060	719,060
Sewer department	516,240	831,215	-	-	-	314,975	314,975
Shop department	43,857	-	-	-	-	(43,857)	(43,857)
Interest	116,639	-	-	-	-	(116,639)	(116,639)
General government	1,064,012	-	-	-	-	(1,064,012)	(1,064,012)
Total business-type activities	2,436,242	2,021,305	-	-	-	(414,937)	(414,937)
Total	7,193,030	2,327,174	1,016,280	-	(3,434,639)	(414,937)	(3,849,576)
General revenues:							
Taxes					3,709,527		3,709,527
Licenses and permits					320,884	-	320,884
Rent income					37,900	-	37,900
Interest income					3,996	6,444	10,440
Nonemployer pension contribution					82,549	-	82,549
Miscellaneous					490,901	8,326	499,227
Total general revenues					4,645,757	14,770	4,660,527
Change in net position					1,211,118	(400,167)	810,951
Net position - July 1, 2021					5,900,953	1,573,351	7,474,304
Net position - June 30, 2022					\$ 7,112,071	\$ 1,173,184	\$ 8,285,255

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

**FUND FINANCIAL STATEMENTS (FFS)**

**TOWN OF WINNSBORO, LOUISIANA**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2022

	General Fund	Industrial Fund	Sales Tax Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash	\$ 747,693	\$ 154,704	\$ 1,226,279	\$ 2,128,676
Receivables, net	13,114	-	-	13,114
Due from other funds	77,944	-	228,312	306,256
Total assets	838,751	154,704	1,454,591	2,448,046
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Payroll and related liabilities	65,616	-	-	65,616
Due to other funds	228,312	-	-	228,312
Other liabilities	14,707	-	-	14,707
Total liabilities	308,635	-	-	308,635
Fund balances				
Unassigned	530,116	154,704	1,454,591	2,139,411
Total fund balances	530,116	154,704	1,454,591	2,139,411
Total liabilities and fund balances	\$ 838,751	\$ 154,704	\$ 1,454,591	\$ 2,448,046

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  
June 30, 2022**

Total fund balances for governmental funds at June 30, 2022	\$	2,139,411
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 \$2,627,254 accumulated depreciation		1,372,704
Land improvements, net of \$1,728,700 accumulated depreciation		3,259,179
Machinery and equipment, net of \$3,637,956 accumulated depreciation		748,895
Other/General Government, net of \$6,589,030 accumulated depreciation		4,049,804
Construction in progress		<u>1,521,576</u>
	11,656,216	11,656,216
Deferred outflows related to pension		792,657
Deferred inflows related to pension		(1,137,160)
Net pension liability		(1,786,919)
OPEB liability		(3,994,089)
Deferred outflows related to OPEB		1,243,050
Deferred inflows related to OPEB		<u>(1,801,095)</u>
Total net position of governmental activities at June 30, 2022	\$	<u><u>7,112,071</u></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  
Year Ended June 30, 2022

	General Fund	Industrial Fund	Sales Tax Fund	Total
Revenues:				
General Revenue				
Taxes	\$ 260,638	\$ -	\$ 3,448,889	\$ 3,709,527
Licenses and permits	320,884	-	-	320,884
Intergovernmental	-	-	-	-
Rent income	8,900	29,000	-	37,900
Interest income	294	116	3,586	3,996
Miscellaneous	231,167	259,734	-	490,901
Program Revenue				
Charges for services	213,240	40,977	-	254,217
Fines and forfeitures	51,652	-	-	51,652
Operating grants	939,005	77,275	-	1,016,280
Total revenues	2,025,780	407,102	3,452,475	5,885,357
Expenditures:				
General government	1,711,403	344,549	45,502	2,101,454
Public safety:				
Police	678,761	-	-	678,761
Fire	414,351	-	-	414,351
Street department	619,821	-	-	619,821
Recreation department	45,801	-	-	45,801
Animal control department	71,263	-	-	71,263
Community center	22,013	-	-	22,013
Airport	42,221	58,113	-	100,334
Capital outlay projects	284,255	-	1,157,071	1,441,326
Total Expenditures	3,889,889	402,662	1,202,573	5,495,124
Other financing sources (uses):		-		
Transfers in	2,575,093			2,575,093
Transfers out			(2,575,093)	(2,575,093)
Total other financing sources (uses)	2,575,093	-	(2,575,093)	-
Net changes in fund balances	710,984	4,440	(325,191)	390,233
Fund balances, beginning	(180,868)	150,264	1,779,782	1,749,178
Fund balances, ending	\$ 530,116	\$ 154,704	\$ 1,454,591	\$ 2,139,411

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  
Year Ended June 30, 2022

Total net changes in fund balances for the year ended June 30, 2022 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 390,233
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	1,441,326
Depreciation expense for the year ended June 30, 2022	<u>(722,366)</u> 718,960
Change in compensated absences payables	2,895
Nonemployer pension contribution	82,549
Change in net pension obligations are reported only in the Statement of Activities	183,842
Change in other post employment benefits obligations	<u>(167,361)</u>
Total changes in net position at June 30, 2022 per Statement of Activities	<u><u>\$ 1,211,118</u></u>

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

**TOWN OF WINNSBORO, LOUISIANA**

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 June 30, 2022

	Enterprise Fund	Utility System Fund
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$	23,831
Accounts receivables, net		197,972
Other receivables		(77,943)
Total current assets		143,860
Noncurrent assets:		
Restricted investments		664,087
Capital assets, net		4,431,414
Other noncurrent assets		
Total noncurrent assets		5,095,501
Total assets		5,239,361
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources related to pension		157,244
Total assets and deferred outflows of resources		5,396,605
<b>LIABILITIES</b>		
Current liabilities:		
Cash overdraft		43,123
Accrued liabilities		17,672
Due to other funds		-
Current portion of bonds payable		140,878
Total current liabilities		201,673
Noncurrent liabilities:		
Customers deposits		178,732
Compensated absences		7,368
Net pension liability		502,852
Bonds payable		3,094,871
Total noncurrent liabilities		3,783,823
Total liabilities		3,985,496
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources related to pension		237,925
<b>NET POSITION</b>		
Invested in capital assets, net of related debt		1,187,767
Restricted for debt service		140,878
Unrestricted		(155,461)
Total net position		1,173,184
Total liabilities, deferred inflows of resources, and net position	\$	5,396,605

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  
 Year Ended June 30, 2022

	Enterprise Fund
	Utility System Fund
Operating revenues:	
Charges for services	\$ 2,028,858
Miscellaneous income	803
Total operating revenues	2,029,661
Operating expenses:	
General government	1,375,821
WWTP	49,199
Water plant	138,522
Shop department	43,856
Water department	195,965
Sewer department	516,240
Total operating expenses	2,319,603
Operating loss	(289,942)
Non-operating revenues (expenses):	
Interest income	6,414
Interest expense	(116,639)
Total non-operating revenues (expenses)	(110,225)
Change in net position	(400,167)
Net position, beginning	1,573,351
Net position, ending	\$ 1,173,184

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, 2022**

<b>Cash flows from operating activities:</b>	
Receipts from customers	\$ 2,029,661
Payments to employees	(784,492)
Other operating payments	<u>(950,033)</u>
Net cash provided by operating activities	295,136
<b>Cash flows from noncapital financing activities:</b>	
Non Capital Transfer	<u>(16,553)</u>
Net cash used for noncapital financing activities	(16,553)
<b>Cash flows from capital and related financing activities:</b>	
Repayment of bonds	(136,753)
Purchase of Investments	(31,889)
Interest paid on capital debt	<u>(116,639)</u>
Net cash used for capital and related financing activities	(285,281)
<b>Cash flows from investing activities:</b>	
Interest	<u>6,414</u>
Net cash (used) provided by investing activities	6,414
Net increase (decrease) in cash and cash equivalents	(284)
Cash, cash equivalents and restricted cash, beginning of period	<u>24,115</u>
Cash, cash equivalents and restricted cash, end of period (Including restricted cash)	<u><u>\$ 23,831</u></u>

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, 2022

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

Operating loss	\$ (289,942)
Adjustments to reconcile operating income to net cash provided (used by) operating activities:	
Depreciation and amortization	643,241
(Increase) decrease in:	
Receivables, net	(40,492)
Increase (decrease) in:	
Cash deficit	(26,755)
Accrued payable	(92)
Customers deposits	3,481
Due To Other Funds	<u>5,695</u>
Net cash (used) provided by operating activities	<u>\$ 295,136</u>

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

# TOWN OF WINNSBORO, LOUISIANA

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

### 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)

June 30, 2022

### **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:

- a. 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
- b. 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:

#### *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.

## TOWN OF WINNSBORO, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

- 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,

#### *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

## TOWN OF WINNSBORO, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

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.

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

## TOWN OF WINNSBORO, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

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.

#### **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:

**TOWN OF WINNSBORO, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

Description	Estimated Lives
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

**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

## TOWN OF WINNSBORO, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

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.

#### **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)

June 30, 2022

#### **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, 2021.

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.

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

**TOWN OF WINNSBORO, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**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, 2022, the Town was exposed to custodial credit risk of \$1,141,687

At June 30, 2022, the Town had cash and investments totaling \$2,816,592 as follows:

	Governmental Activities	Business-Type Activities	Totals
Demand deposits	\$ 551,331	\$ 23,381	\$ 574,712
Time deposits	-	664,086	664,086
Restricted cash	1,577,794	-	1,577,794
Total	\$ 2,129,125	\$ 687,467	\$ 2,816,592

Deposit balances (bank balances) at June 30, 2022, were secured as follows:

Deposit balances (bank balances) at June 30, 2022, were secured as follows:

	Bank Balances
Federal deposit insurance	\$ 1,010,819
Pledged securities in the Town's name	664,086
Bank Balances	\$ 1,674,905

**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.

**TOWN OF WINNSBORO, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

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, 2022 taxes of 8.08 mills were levied on property with taxable assessed valuations totaling \$29,646,127 for a total of \$239,541. The taxes were dedicated for general corporate purposes.

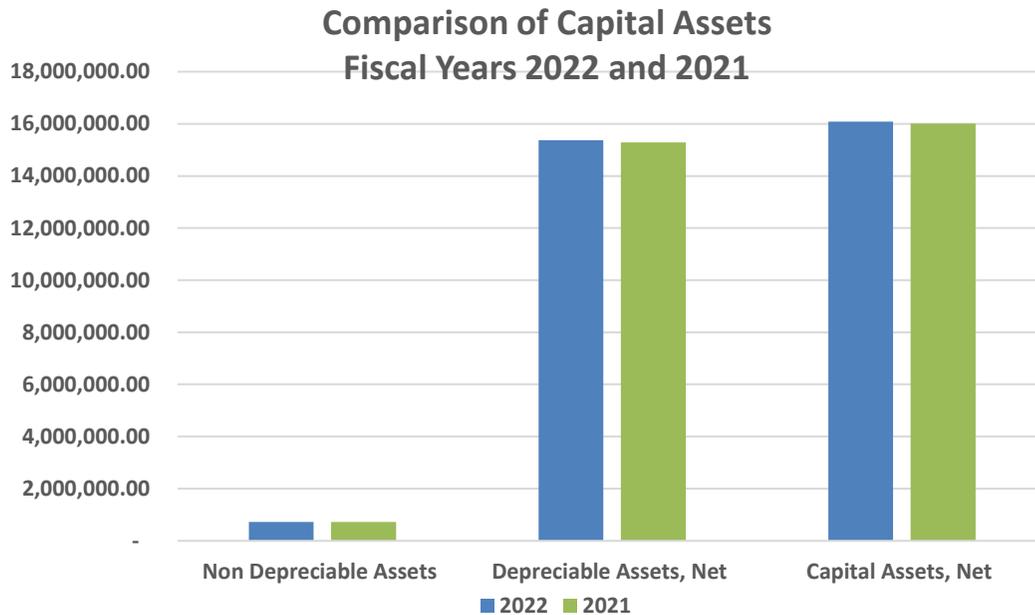
**NOTE 4 – RECEIVABLES**

Receivables at June 30, 2022 consisted of the following:

Class of Receivables	Governmental Activities	Business-type Activities	Total
Accounts receivable	\$ -	\$ 197,972	\$ 197,972
Fines	5,951	-	5,951
Garbage fees	7,163	-	7,163
Other receivables	-	-	-
Less: Allowance for bad debts	-	-	-
Total	<u>\$ 13,114</u>	<u>\$ 197,972</u>	<u>\$ 211,086</u>

**NOTE 5 – CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2022 was as follows:



**TOWN OF WINNSBORO, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

Capital assets activity for the year ended June 30, 2022 was as follows:

	Balance 07/01/21	Additions	Deletions	Balance 06/30/22
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 704,058	\$ -	\$ -	\$ 704,058
Other capital assets:				
Building	3,742,388	257,570	-	3,999,958
Land improvements	5,023,879	1,046,235	-	6,070,114
Machinery and equipment	4,360,164	137,521	-	4,497,685
Other/ general government	9,445,763	-	-	9,445,763
Construction in progress	1,521,576	-	-	1,521,576
Totals	24,797,828	1,441,326	-	26,239,154
Less accumulated depreciation				
Building	2,562,495	64,759	-	2,627,254
Land improvements	1,569,032	159,668	-	1,728,700
Machinery and equipment	3,549,895	88,061	-	3,637,956
Other/ general government	6,179,152	409,878	-	6,589,030
Total accumulated depreciation	13,860,574	722,366	-	14,582,940
Governmental activities, capital assets, net	\$ 10,937,254	\$ 718,960	\$ -	\$ 11,656,214

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

General government	\$ 223,933
Police	21,671
Fire	43,341
Streets	418,972
Recreation	14,449
Total Depreciation	\$ 722,366

**TOWN OF WINNSBORO, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

Capital assets of business-type activities for the year ended June 30, 2022 was as follows:

Business-type activities:

	Balance 07/01/21	Additions	Deletions	Balance 06/30/22
Capital assets not being depreciated:	\$ 16,033	\$ -	\$ -	\$ 16,033
Land				
Other capital assets:				
Water distribution system	11,031,124	-	-	11,031,124
Sewer distribution system	11,349,316	-	-	11,349,316
Totals	22,396,473	-	-	22,396,473
Less accumulated depreciation				
Water distribution system	8,013,347	316,675	-	8,330,022
Sewer distribution system	9,308,471	326,566	-	9,635,037
Total accumulated depreciation	17,321,818	643,241	-	17,965,059
Business-type activities, capital assets, net	<u>\$ 5,074,655</u>	<u>\$ (643,241)</u>	<u>\$ -</u>	<u>\$ 4,431,414</u>

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

Water	\$ 316,675
Sewer	<u>326,566</u>
Total depreciation expense	<u>\$ 643,241</u>

**NOTE 6 – ACCRUED PAYROLL AND RELATED LIABILITY**

The payables of \$60,635 at June 30, 2022, were as follows:

	Governmental Activities	Business - Type Activities	Total
Accrued payroll and related liabilities	<u>\$ 42,963</u>	<u>\$ 17,672</u>	<u>\$ 60,635</u>

**TOWN OF WINNSBORO, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

**NOTE 7 – LONG -TERM DEBT**

The following is a summary of the business-type activities long- term liabilities for the year ended June 30, 2022:

**Business - Type Activities**

Long- term debt as of June 30, 2022, is comprised of the following in business:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due Within one Year
Water and Sewer Notes	\$ 3,372,503	\$ -	\$ 136,753	\$ 3,235,750	\$ 140,878
 Total	 <u>\$ 3,372,503</u>	 <u>\$ -</u>	 <u>\$ 136,753</u>	 <u>\$ 3,235,750</u>	 <u>\$ 140,878</u>

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%. \$ 440,063

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%. 2,297,382

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%. 498,305

Total \$ 3,235,750

The annual requirements to amortize all outstanding debt as of June 30, 2022 including interest payments, are as follows:

	Principal
2023	\$ 140,878
2024	146,200
2025	151,727
2026	156,471
2027-2031	813,816
2032-2037	690,770
2038-2042	645,028
2043-2045	<u>490,860</u>
Totals	<u>\$ 3,235,750</u>

**TOWN OF WINNSBORO, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2022

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, 2022, 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:

	<u>Governmental</u> <u>Activities</u>	<u>Business - Type</u> <u>Activities</u>	<u>Total</u>
Compensated absences	\$ 19,759	\$ 7,368	\$ 27,127

**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](http://www.mersla.com)
- MPERS: 7722 Office Park Boulevard | Baton Rouge, Louisiana 70809 | [www.lampers.org](http://www.lampers.org)
- MFRS: 3100 Brentwood Drive | Baton Rouge, Louisiana 70809 | [www.ffret.com](http://www.ffret.com)

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

**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

## TOWN OF WINNSBORO, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

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.

#### 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.

## TOWN OF WINNSBORO, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

#### 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 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.

**TOWN OF WINNSBORO, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2022

Contributions:

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2022, the actual employer contribution rate was 27.75% 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, 2022 and 2021 were \$325,908 and 299,646 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:

Actuarial Assumptions

Valuation date	June 30, 2021
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:	2.50%
-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:

**TOWN OF WINNSBORO, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

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, 2021 are summarized in the following table:

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, 2021. 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

## TOWN OF WINNSBORO, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

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 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,

## TOWN OF WINNSBORO, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

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 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, 2022, 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, 2021 and 2020 were \$121,768 and \$102,130, respectively.

#### Actuarial methods and assumptions:

The actuarial assumptions used in the June 30, 2021 valuation were based on the assumptions used in the June 30, 2021 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, 2021, are as follows:

*(The remainder of this page is intentionally left blank)*

**TOWN OF WINNSBORO, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

Valuation date	June 30, 2021	
Actuarial cost method	Entry age normal	
Investment rate of return	6.750% net of investment expense	
Expected remaining service lives	2021 - 4 years 2020 - 4 years 2019 - 4 years 2018 - 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%
Morality	<p>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.</p> <p>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.</p> <p>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.</p>	
Cost of Living Adjustments	<p>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.</p>	

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.

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, 2020 are summarized in the following table:

## TOWN OF WINNSBORO, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

#### Discount rate:

The discount rate used to measure the total pension liability was 6.950%. 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.

##### 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.

## TOWN OF WINNSBORO, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

#### Retirement Benefits

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 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

## TOWN OF WINNSBORO, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

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, 2021, employer and employee contribution rates for members above the poverty line were 27.75% and 10.00%, respectively. The Town's contributions to the system for the years ending June 30 2022 and 2021, were \$38,773 and \$66,691, 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, 2021
Actuarial cost method	Entry age normal
Investment rate of return (discount rate)	6.90% per annum (net of investment expenses, including inflation) (decreased from 7.00% in 2020)
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 in 2021,
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.

The mortality rate assumptions were updated in fiscal year 2021 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, 2021 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.

**TOWN OF WINNSBORO, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

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, 2021, is summarized in the following table:

	<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Equity	U.S. Equity	27.50%	5.86%
	Non-U.S. Equity	11.50%	6.44%
	Global Equity	10.00%	6.40%
	Emerging Market Equity	7.00%	8.64%
Fixed Income	U.S. Core Fixed Income	18.00%	0.97%
	U.S TIPS	3.00%	0.40%
	Emerging Market Debt	5.00%	2.75%
Multi-Asset Strategies	Global Tactical Asset Allocation	0.00%	4.17%
	Risk Parity	0.00%	4.17%
Alternatives	Real Estate	9.00%	9.53%
	Private Equity	6.00%	5.31%
	Real Assets	<u>3.00%</u>	
	Totals	<u>100.00%</u>	

The discount rate used to measure the total pension liability was 7.00%. 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 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, 2022, the Town reported a liability of \$1,556,185, \$473,896 and \$259,690 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, 2021, 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, 2021, the Town's proportion was 0.614466% for MERS, 0.121303% for MPERS, and 0.096532% for MFRS. At June 30, 2021, the the Town's proportion was 0.622563% for

**TOWN OF WINNSBORO, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

MERS, 0.10407% for MPERS, and 0.092126% for MFRS. The Town's proportion was decreased by 0.0081% for MERS, increased by 0.019896% for MPERS, and increased 0.004406% for MFRS.

N's proportion decreased by 0.0081% for MERS, increased by 0.019896% for MPERS, and increased by 0.004406% for MFRS. The following schedule lists each pension plan's recognized pension expense (benefit) for the Town for the year ended June 30, 2022:

	<b>MERS</b>	<b>MPERS</b>	<b>MFRS</b>	<b>TOTAL</b>
Pension expense (benefit)	\$ 312,078	\$ 30,226	\$ 25,821	\$ 368,125

At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<b>MERS</b>	<b>MPERS</b>	<b>MFRS</b>	<b>TOTAL</b>
Deferred Outflows of Resources:				
Differences between expected and actual experience	\$ 561	\$ -	\$ 3,706	\$ 4,267
Net difference between projected and actual investment earnings on pension plan investments	-	-	-	-
Changes of assumptions	56,889	52,481	56,273	165,643
Changes in proportion	-	202,723	80,160	282,883
Town contributions subsequent to the measurement date	326,817	91,538	59,277	477,632
Total deferred outflows of resources	\$ 384,267	\$ 346,742	\$ 199,416	\$ 930,425

	<b>MERS</b>	<b>MPERS</b>	<b>MFRS</b>	<b>TOTAL</b>
Deferred Inflows of Resources:				
Differences between expected and actual experience	\$ 17,795	\$ 14,595	\$ 23,321	\$ 55,711
Net difference between projected and actual investment earnings on investments	438,457	221,272	157,995	\$ 817,724
Changes of assumptions	-	13,518	-	13,518
Changes in proportion	150,989	206,703	130,840	488,532
Total deferred inflows of resources	\$ 607,241	\$ 456,088	\$ 312,156	\$1,375,485

The Town reported a total of \$949,092 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, 2022.

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

**TOWN OF WINNSBORO, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

Year ending June 30:	<u>MERS</u>	<u>MPERS</u>	<u>MFRS</u>
2023	\$ 137,976	\$ 56,900	\$ (26,793)
2024	150,379	(70,146)	(31,405)
2025	113,038	(111,135)	(33,531)
2026	87,213	(76,233)	(52,705)
2027	-	-	(11,156)
2028	-	-	(16,027)
Total	<u>\$ 488,606</u>	<u>\$ (200,614)</u>	<u>\$ (171,617)</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:

<b>MERS: (Plan A)</b>	<u>Changes in Discount Rate</u>		
	Current		
	1% Decrease 5.85%	Discount Rate 6.85%	1% Increase 7.85%
Net Pension Liability	\$2,304,788	\$1,556,185	\$932,884

<b>MPERS:</b>	<u>Changes in Discount Rate</u>		
	Current		
	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability	\$825,926	\$437,886	\$180,070

<b>MFRS:</b>	<u>Changes in Discount Rate</u>		
	Current		
	1% Decrease 5.90%	Discount Rate 6.90%	1% Increase 7.90%
Net Pension Liability	\$498,196	\$259,690	\$60,778

**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

**TOWN OF WINNSBORO, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

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, 2022, the Town payables to the pension plan for MERS and MFRS were \$26,661 and \$5617, 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 established 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.

*Employees covered by benefit terms.* At June 30, 2021, 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	56
Total	81

**Total OPEB Liability**

The Town’s total OPEB Liability of \$5,391,019 was measured as of June 30, 2021 and determined by an actuarial valuation as of that date.

*Actuarial assumptions and other inputs-* The total OPEB liability in the June 30, 2021 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

**TOWN OF WINNSBORO, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

Discount rate	2.16% annually (Beginning of Year to Determine ADC) 3.54% annually (As of End of Year Measurement Date)
Healthcare cost trend rates	5.5% annually until year 2032, then 4.5%
<u>Mortality</u>	SOA RP-2014 Table

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2022, the end of the applicable measurement period.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2021.

**Changes in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Balances at 6/30/2021	<u>\$ 5,391,019</u>
Changes for the year:	
Service cost	169,458
Interest cost	118,276
Changes in assumptions	(1,011,383)
Difference between actual & expected experience	(485,395)
Benefit payments and net transfers	<u>(187,886)</u>
Net Change:	<u>(1,396,930)</u>
Balances at 6/30/2022	<u><u>\$ 3,994,089</u></u>

**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 (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

	1% Decrease	Current Discount Rate 2.16%	1% Increase
	<u>1.16%</u>		<u>3.16%</u>
Total OPEB Liability	<u>4,571,133</u>	3,994,089	<u>3,525,297</u>

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend 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 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:

**TOWN OF WINNSBORO, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

	1% Decrease 4.5%	Current Trend Rate 5.5%	1% Increase 6.5%
Total OPEB Liability	3,521,277	3,994,089	4,572,607

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

For the year ended June 30, 2022, the Town recognized an OPEB expense of \$393,455. At June 30, 2022, 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	\$ 257,865	\$ (804,151)
Changes in assumptions	985,185	(996,934)
<b>Total Deferred Outflows and Inflows</b>	<b>\$ 1,243,050</b>	<b>\$ (1,801,086)</b>

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

<b>Year Ended June 30:</b>	
2023	\$ (73,724)
2024	(73,724)
2025	(73,724)
2026	(73,724)
2027	(73,724)
Thereafter	(189,417)
Total	<b>\$ (558,037)</b>

**NOTE 11 – INTERFUND TRANSACTIONS**

**Due to/from Other funds**

	Interfund	
	Receivable	Payable
Governmental Funds:		
General Fund	\$ 77,943	\$ 228,312
Industrial Fund	-	-
Sales Tax Fund	228,312	-
Proprietary Funds:		
Enterprise Fund	-	77,943
Total	<b>\$ 306,255</b>	<b>\$ 306,255</b>

**TOWN OF WINNSBORO, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2022

**Transfer**

Transfers consisted of the following at June 30, 2022:

	Transfers In	Transfers Out
Governmental Funds:		
General Fund	\$ 2,575,093	\$ -
Sales Tax Fund	-	2,575,093
Total	\$ 2,575,093	\$ 2,575,093

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:

	Water Utility	Sewer Service	Total
Operating revenue	\$ 1,166,040	\$ 870,035	\$ 2,036,075
Salaries	103,007	61,094	164,101
Administrative	925,959	456,070	1,382,029
Power	20,714	-	20,714
Depreciation	311,809	331,432	643,241
Supplies and other expenses	139,458	86,699	226,157
Total Operating expense	1,500,947	935,295	2,436,242
Operating loss	\$ (334,907)	\$ (65,260)	\$ (400,167)

**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.

**TOWN OF WINNSBORO, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2022

**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.

**NOTE 14 – COVID-19 PANDEMIC**

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a global pandemic, which continues to spread throughout the United States. The COVID-19 pandemic has negatively impacted the global economy and created significant volatility and disruption of financial markets. The extent of impact of the COVID-19 pandemic on the Town's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact on its investments, customers, employees and vendors, all of which are uncertain and cannot be predicted or reasonably estimated at this time.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF WINNSBORO, LOUISIANA**

GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2022

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		(Unfavorable)
<b>Revenues</b>				
Taxes	\$ 310,009	\$ 310,009	\$ 260,638	\$ (49,371)
Licenses and permits	316,577	316,577	320,884	4,307
Intergovernmental	-	-	-	-
Fines and forfeits	70,000	70,000	51,652	(18,348)
Charge for services	233,943	233,943	213,240	(20,703)
Interest income	299	299	297	(2)
Grant Income	916,414	916,414	939,005	22,591
Miscellaneous	157,758	157,758	240,064	82,306
<b>Total Revenues</b>	<u>2,005,000</u>	<u>2,005,000</u>	<u>2,025,780</u>	<u>20,780</u>
<b>Expenditures:</b>				
<b>Current</b>				
General government	2,429,440	2,429,440	2,377,002	52,438
Public safety:				
Police	638,655	638,655	678,761	(40,106)
Fire	397,986	397,986	414,351	(16,365)
Street department	569,199	569,199	268,789	300,410
Recreation department	44,937	44,937	45,801	(864)
Capital outlay projects	-	-	11,909	(11,909)
Animal control department	56,426	56,426	71,263	(14,837)
Community center	21,983	21,983	22,013	(30)
<b>Total Expenditure</b>	<u>4,158,626</u>	<u>4,158,626</u>	<u>3,889,889</u>	<u>268,737</u>
<b>Other financing sources:</b>				
Transfer in	2,215,000	2,215,000	2,575,093	360,093
<b>Total other financing sources</b>	<u>2,215,000</u>	<u>2,215,000</u>	<u>2,575,093</u>	<u>360,093</u>
<b>Net Changes in fund Balance</b>	61,374	61,374	710,984	649,610
Fund balances, beginning	(180,868)	(180,868)	(180,868)	(180,868)
Fund balances, ending	<u>\$ (119,494)</u>	<u>\$ (119,494)</u>	<u>\$ 530,116</u>	<u>\$ 468,742</u>

See Independent Auditors' Report.

**TOWN OF WINNSBORO, LOUISIANA**

**INDUSTRIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2022**

	Budget		Actual	Variance with
	Original	Final		Final Budget Favorable (Unfavorable)
<b>Revenues:</b>				
Charge of Services	\$ 40,000	\$ 40,000	\$ 40,977	\$ 977
General Revenue	1,200	1,200	-	(1,200)
Operating Grants	330,000	330,000	-	(330,000)
Rent income	41,393	41,393	29,000	(12,393)
Interest income	90	90	116	26
Transfer In	-	-	0	-
Miscellaneous	-	-	337,009	337,009
Total Revenues	412,683	412,683	407,102	(5,581)
<b>Expenditure:</b>				
General Government	75,000	75,000	344,549	(269,549)
Airport	332,110	332,110	58,113	273,997
Total Expenditure	407,110	407,110	402,662	4,448
Net Changes in fund balances	5,573	5,573	4,440	(1,133)
Fund balances, beginning	150,264	150,264	150,264	-
Fund balances, ending	\$ 155,837	\$ 155,837	\$ 154,704	\$ (1,133)

See Independent Auditors' Report.

**TOWN OF WINNSBORO, LOUISIANA**

**SALES TAX SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2022**

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
Taxes-sales taxes	\$ 2,578,050	\$ 2,578,050	\$ 2,584,714	\$ 6,664
Sales Tax Street Project	869,349	869,349	864,175	(5,174)
Interest income	<u>1,438</u>	<u>1,438</u>	<u>3,586</u>	<u>2,148</u>
Total Revenues	<u>3,448,837</u>	<u>3,448,837</u>	<u>3,452,475</u>	<u>3,638</u>
<b>Expenditure:</b>				
General Government	37,043	37,043	45,501	(8,458)
Capital Outflow	<u>1,031,090</u>	<u>1,030,730</u>	<u>1,157,072</u>	<u>(126,342)</u>
Total Expenditure	<u>1,068,133</u>	<u>1,067,773</u>	<u>1,202,573</u>	<u>(134,800)</u>
<b>Other financing uses:</b>				
Transfer out	<u>2,215,000</u>	<u>2,215,000</u>	<u>\$ 2,575,093</u>	<u>360,093</u>
Total other financing uses	<u>2,215,000</u>	<u>2,215,000</u>	<u>2,575,093</u>	<u>360,093</u>
Net Changes in Fund Balances	165,704	166,064	(325,191)	(491,255)
Fund Balances, beginning	<u>1,779,782</u>	<u>1,779,782</u>	<u>1,779,782</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,945,486</u>	<u>\$ 1,945,846</u>	<u>\$ 1,454,591</u>	<u>\$ (491,255)</u>

See Independent Auditors' Report.

**TOWN OF WINNSBORO, LOUISIANA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**

<b>As of the fiscal year ended</b>	<b>2022</b>		
	<b>MERS (Plan A)</b>	<b>MPERS</b>	<b>MFRS</b>
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	\$ 1,165,743	\$ 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%
<b>As of the fiscal year ended</b>	<b>2021</b>		
	<b>MERS (Plan A)</b>	<b>MPERS</b>	<b>MFRS</b>
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%
<b>As of the fiscal year ended</b>	<b>2020</b>		
	<b>MERS (Plan A)</b>	<b>MPERS</b>	<b>MFRS</b>
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%

See Independent Auditors' Report

**TOWN OF WINNSBORO, LOUISIANA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (CONTINUED)**

<b>As of the fiscal year ended</b>	<b>2019</b>		
	<b>MERS (Plan A)</b>	<b>MPERS</b>	<b>MFRS</b>
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%

<b>As of the fiscal year ended</b>	<b>2018</b>		
	<b>MERS (Plan A)</b>	<b>MPERS</b>	<b>MFRS</b>
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%

<b>As of the fiscal year ended</b>	<b>2017</b>		
	<b>MERS (Plan A)</b>	<b>MPERS</b>	<b>MFRS</b>
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%

(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

See Independent Auditors' Report

**TOWN OF WINNSBORO, LOUISIANA**

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF PENSION CONTRIBUTIONS**

	<b>2022</b>		
	<b>MERS (Plan A)</b>	<b>MPERS</b>	<b>MFRS</b>
Contractually Required Contribution	\$ 326,817	\$ 92,094	\$ 64,026
Contributions in Relation to Contractually Required contribuion	343,893	129,837	70,596
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%
	<b>2021</b>		
	<b>MERS (Plan A)</b>	<b>MPERS</b>	<b>MFRS</b>
Contractually Required Contribution	\$ 325,908	\$ 121,768	\$ 66,691
Contributions in Relation to Contractually Required contribuion	326,817	92,094	64,026
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%
	<b>2020</b>		
	<b>MERS (Plan A)</b>	<b>MPERS</b>	<b>MFRS</b>
Contractually Required Contribution	\$ 299,646	\$ 102,130	\$ 59,150
Contributions in Relation to Contractually Required contribuion	325,908	113,883	66,691
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%

See Independent Auditors' Report

**TOWN OF WINNSBORO, LOUISIANA**

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF PENSION CONTRIBUTIONS (CONTINUED)**

	<b>2019</b>		
	<b>MERS (Plan A)</b>	<b>MPERS</b>	<b>MFRS</b>
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%
	<b>2018</b>		
	<b>MERS (Plan A)</b>	<b>MPERS</b>	<b>MFRS</b>
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%
	<b>2017</b>		
	<b>MERS (Plan A)</b>	<b>MPERS</b>	<b>MFRS</b>
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%

*(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**

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATION**

<b>City of Winnsboro</b>			
<b>Schedule of Changes and Net OPEB Liability and Relation Ratios for the</b>			
<b>For the Year Ended June 30,2022</b>			
	2020	2021	2022
<b>Total OPEB Liability</b>			
Service Cost	\$ 100,737	\$ 165,871	\$ 169,456
Interest	151,951	114,210	118,276
Changes of benefit terms	-	-	-
Differences between expected and ac	(473,038)	194,328	(485,395)
Changes in assumptions or other input:	1,209,790	37,992	(1,011,383)
Benefit payments	(195,574)	(206,331)	(187,885)
Net Change in Total OPEB Liability	793,866	306,071	(1,396,930)
Total OPEB Liability - beginning	4,291,082	5,084,948	5,391,019
<b>Total OPEB Liability - end</b>	<b>\$ 5,084,948</b>	<b>\$ 5,391,019</b>	<b>\$ 3,994,089</b>
Covered Employee Payroll	\$ 1,924,389	\$ 1,982,121	\$ 1,668,669
Total OPEB Liability as a percentage of covered employee payroll	264.24%	271.98	239.36%
<b>Notes to Schedule:</b>			
<i>Changes of Benefit Terms:</i>	None	None	None
<i>Changes of Assumptions:</i>			
Discount Rate:	2.21%	2.16%	3.54%
Mortality:	RP-2014	RP-2014	RP-2014
Trend:	5.5	Variable	Variable

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

**TOWN OF WINNSBORO, LOUISIANA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
June 30, 2022

**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 were less than appropriations totaling \$258,737 for the year ended June 30, 2022.

**NOTE 2 - NET PENSION LIABILITY**

**1. Changes of Benefit Terms**

**Municipal Employees' Retirement System (Plan A)**

No Changes.

**Municipal Police Employees' Retirement System**

No Changes.

See Independent Auditors' Report.

**TOWN OF WINNSBORO, LOUISIANA**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

June 30, 2022

**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 7.00% to 6.90%. The inflation rate remained as 2.5%.

## **SUPPLEMENTARY INFORMATION**

**TOWN OF WINNSBORO, LOUISIANA**

**SCHEDULE OF COMPENSATION PAID TO THE MAYOR AND MEMBERS OF THE BOARD OF  
ALDERMAN  
Year Ended June 30, 2022**

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>
John C. Dumas, Mayor	\$ 60,000
<u>Aldermen:</u>	
Golden Berry	3,750
Tyrone Coleman	3,800
Eddie Dunn	3,750
Jerry Johnson	3,800
Rex McCarthy	<u>3,800</u>
Total Mayor and Council Members Compensation	<u>\$ 78,900</u>

**TOWN OF WINNSBORO, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD**  
Year Ended June 30, 2022

<b>Agency Head</b>	<u>Amount</u>
John C Dumas, Mayor	
<b>Purpose</b>	
Salary	\$ 60,000
Retirement	17,700
Insurance	8,579
Automobile Allowance	-
Credit Card Allowance	
Food	-
Lodging	-
Cell Phone Allowance	-
Registration for Seminars/Conferences	-
	<u>-</u>
Total	<u>\$ 86,279</u>

See Independent Auditors' Report.

**TOWN OF WINNSBORO, LOUISIANA**

**SCHEDULE OF INSURANCE IN FORCE**

For the Year Ended June 30, 2022

<b>Insurance Company</b>	<b>Expiring Date</b>	<b>Policy Description</b>	<b>Policy Limits</b>	<b>Policy Number</b>
Louisiana Municipal Risk Management Agency	7/1/2022	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	100-1295-2020-17563
Louisiana Municipal Risk Management Agency	7/1/2022	Law Enforcement Officer - Personal Injury and Property Damage	\$1,000 Deductible	100-1295-2020-17563
Louisiana Municipal Risk Management Agency	7/1/2022	Errors and Omission	\$1,000 Deductible	100-1295-2020-17563
Louisiana Municipal Risk Management Agency	7/1/2022	Automobile Liability - Bodily Injury and Property Damage	None-Deductible	100-1295-2020-17563
Louisiana Municipal Risk Management Agency	10/4/2022	Workers' Compensation Coverage	\$100,000 per Each Accident \$500,000 per Policy Limit \$100,000 per Each Employee	70-1295-2019-17217
Western Surety Company	3/14/2022	Bond Coverage	\$100,000	72132435
Western Surety Company	8/24/2022	Bond Coverage	\$260,000 Penalty Amount for Each Position	69212610
Employers Mutual Casualty Company	1/1/2022	Commercial Property	\$1,000 Deductible	5X2-40-15-21

See Independent Auditors' Report.

# Justice System Funding Schedule - Receiving Entity

## As Required by Act 87 of the 2020 Regular Legislative Session

Identifying Information	
Entity Name	Town of Winnsboro
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)	2337
Date that reporting period ended (mm/dd/yyyy)	6/30/2022

**If legally separate court funds are required to be reported, a separate receiving schedule should be prepared for each fund. Examples include Judicial Expense Fund, Drug Court Fund, Veterans Treatment Court Fund, etc.**

Cash Basis Presentation	First Six	Second Six
	Month Period	Month Period
	Ended	Ended
	12/31/2021	06/30/2022

**Receipts From:** (Must include one agency name and one collection type - see below - on each line and may require multiple lines for the same agency. Additional rows may be added as necessary.)

<i>Example - Livingston Parish Sheriff, Criminal Court Costs/Fees</i>	-	-
<i>Town of Winnsbor, Cival Fees</i>	-	-
<i>Town of Winnsboro, Restitution</i>	896	750
<i>Town of Winnsboro, Fines</i>	26,295	30,884
<i>Town of Winnsboro, Court Costs</i>	5,803	8,374
<i>Town of Winnsboro, Probation Fees</i>	3,278	3,952
<i>Town of Winnsboro, Bond Fees</i>	75	200
<b>Subtotal Receipts</b>	<b>36,346</b>	<b>44,160</b>
<b>Ending Balance of Amounts Assessed but Not Received (only applies to those agencies that assess on behalf of themselves, such as courts)</b>	<b>-</b>	<b>-</b>

Collection Types to be used in the "Receipts From:" section above
Civil Fees
Bond Fees
Asset Forfeiture/Sale
Pre-Trial Diversion Program Fees
Criminal Court Costs/Fees
Criminal Fines - Contempt
Criminal Fines - Other
Restitution
Probation/Parole/Supervision Fees
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)
Interest Earnings on Collected Balances
Other (do not include collections that fit into more specific categories above)

# Justice System Funding Schedule - Collecting/Disbursing Entity

## As Required by Act 87 of the 2020 Regular Legislative Session

Identifying Information		
Entity Name	Town of Winnsboro	
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)	2337	
Date that reporting period ended (mm/dd/yyyy)	6/30/2022	
	First Six Month Period Ended 12/31/2021	Second Six Month Period Ended 06/30/2022
<b>Cash Basis Presentation</b>		
<b>Beginning Balance of Amounts Collected (i.e. cash on hand)</b>	36,346	44,160
<b>Add: Collections</b>		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	1,355	4,947
Bond Fees	-	-
Asset Forfeiture/Sale		
Pre-Trial Diversion Program Fees		
Criminal Court Costs/Fees	-	-
Criminal Fines - Contempt		
Criminal Fines - Other	-	-
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Interest Earnings on Collected Balances	-	-
Other (do not include collections that fit into more specific categories above)	-	-
<b>Subtotal Collections</b>	<b>1,355</b>	<b>4,947</b>
<b>Less: Disbursements To Governments &amp; Nonprofits:</b> (Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.)		
Winnsboro City Court, Civil Fees	1,355	4,947
Town of Winnsboro - Bond Fees	75	200
Winnsboro City Court, Criminal Court Fees	5,803	8,374
Town of Winnsboro - Criminal Fines	26,295	30,884
Winnsboro City Court, Probation Fees	3,278	3,952
Agency name/collection type	-	-
<b>Less: Amounts Retained by Collecting Agency</b>		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
Amounts "Self-Disbursed" to Collecting Agency (must include a separate line for each collection type, as applicable) - Example: Criminal Fines - Other (Additional rows may be added as necessary)	-	-
<b>Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies</b>		
Civil Fee Refunds	-	-
Bond Fee Refunds	-	-
Restitution Payments to Individuals (additional detail is not required)	896	750
Other Disbursements to Individuals (additional detail is not required)	-	-
Payments to 3rd Party Collection/Processing Agencies	-	-
<b>Subtotal Disbursements/Retainage</b>	<b>37,701</b>	<b>49,107</b>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)</b>	<b>(0)</b>	<b>(0)</b>
<b>Ending Balance of "Partial Payments" Collected but not Disbursed</b> (only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.	-	-
<b>Other Information:</b> Other Civil Fees of \$17,674 (1st 6 mos) & \$17,623 (2nd 6 mos) are distributed to various state sheriff offices.		
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)	-	-

**INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS**

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

To the Honorable Alice Wallace  
And Members of the 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, each major fund, and the aggregate remaining fund information of the Town of Winnsboro, Louisiana, as of and for the year ended June 30, 2022, 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 December 20, 2022.

**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.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **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, 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  
December 20, 2022

**TOWN OF WINNSBORO, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES**

For the Year Ended June 30, 2022

**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 were no material weakness or significant deficiencies 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 no 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

N/A

c. Management Letter

No management letter was issued in connection with the audit for the year ended June 30, 2022.

**TOWN OF WINNSBORO, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES**  
Year Ended June 30, 2022

**II. Findings – Financial Statement Audit**

There were no current year findings.

**TOWN OF WINNSBORO, LOUISIANA**

**SUMMARY OF PRIOR YEAR FINDINGS**

For the Year Ended June 30, 2022

**III. Summary of Prior Year Findings**

There were no prior year findings.

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To Honorable Mayor Wallace  
and the Board of Alderman  
Winnsboro, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Town of Winnsboro and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. The Town's management is responsible for those C/C areas identified in the SAUPs. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

***Written Policies and Procedures***

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- 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.

***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 the following exceptions:*

*The town had a policy on contracts but it needs to be expanded to include all Requirements.*

- 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 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 procedure and noted no exceptions.*

- l. **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***

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- 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 above procedure 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 above procedure 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:***

### ***Bank Reconciliations***

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- 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 procedure and noted no exceptions.***

- 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 procedure and noted no exceptions.***

- 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 procedure and noted no exceptions.***

### ***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:
- e. Observe that receipts are sequentially pre-numbered.  
*We performed the above procedure and noted no exceptions.*
  - f. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.  
*We performed the above procedure and noted no exceptions.*
  - g. Trace the deposit slip total to the actual deposit per the bank statement.  
*We performed the above procedure and noted no exceptions.*
  - h. 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 above procedure and noted no exceptions.*
  - i. Trace the actual deposit per the bank statement to the general ledger.  
*We performed the above procedure and noted no exceptions.*

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

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

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

***We performed the above procedure and noted no exceptions.***

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

***We performed the above procedure and noted no exceptions.***

- l. 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 above procedure and noted no exceptions.***

- m. 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 above procedure and noted no exceptions.***

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

- n. 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 above procedure and noted no exceptions.***

- o. 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 above procedure and noted no exceptions.***

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

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- 11) 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.
- 12) 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:

- p. 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 above procedure and noted no exceptions.*

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

*We performed the above procedure and noted no exceptions.*

- 13) 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/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

*We performed the above procedure and noted no exceptions.*

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

---

- 14) 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:

- r. 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 above procedures and noted no exceptions.*

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

*We performed the above procedures and noted no exceptions.*

- t. 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 above procedures and noted no exceptions.*

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

*We performed the procedures above and noted no exceptions.*

## *Contracts*

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- 15) 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:
- v. 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 noted no exceptions.*
  - w. 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 above procedure and noted no exceptions.*
  - x. 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 above procedure and noted no exceptions.*
  - y. 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 above procedure and noted no exceptions.*

## *Payroll and Personnel*

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- 16) 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.
- 17) 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:
- z. 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 above procedure and noted no exceptions.*
  - aa. Observe whether supervisors approved the attendance and leave of the selected employees/officials.  
*We performed the above procedure and noted no exceptions.*
  - bb. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

*We performed the above procedure and noted no exceptions.*

- 18) 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.

*No employees were terminated during the period.*

- 19) 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 procedures above and no exceptions.*

### ***Ethics***

---

- 20) Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

**cc.** Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*We performed the above procedure and noted no exceptions.*

**dd.** 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 above procedure and noted no exceptions.*

### ***Debt Service***

---

- 21) 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 above procedure and noted no exceptions.*

- 22) 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 above procedure and noted no exceptions.*

### ***Fraud Notice***

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- 23) 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.

***Per discussion with management, no misappropriation of public funds and assets was noted during the fiscal period.***

- 24) 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 above procedure and noted no exceptions:***

#### ***Information Technology Disaster Recovery/Business Continuity***

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- 25) Perform the following procedures, verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”

**ee.** 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 above procedures and noted no exceptions.***

**ff.** 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 above procedures and noted no exceptions.***

**gg.** 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 above procedure and noted no exceptions.***

#### ***Sexual Harassment***

---

- 26) 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 above procedure and noted no exceptions.***

- 27) 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 above procedures and noted no exceptions.***

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

- a. Number and percentage of public servants in the agency who have completed the training requirements;  
*75 Employees- 100%*
- b. Number of sexual harassment complaints received by the agency;  
*No complaints were received.*
- c. Number of complaints which resulted in a finding that sexual harassment occurred;  
*No complaints were received.*
- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and  
*No complaints were received.*
- e. Amount of time it took to resolve each complaint.  
*No complaints were received.*

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 Greater St. Stephen Ministries Housing and Development Corporation 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*  
Jackson, Ms.  
December 14, 2022



# *Town of Winnsboro*

**SEAT OF FRANKLIN PARISH**

**STARS & STRIPES CAPITAL OF LOUISIANA**

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**ALICE WALLACE**

**MAYOR**

**JULIA JACKSON, LCMC**

**TOWN CLERK**

**TYRONE COLEMAN**

**CHIEF OF POLICE**

*"Not Grown, but Growing"*

**3814 Front Street**

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**ALDERMEN:**

**MARTEZE SINGLETON**

**DOROTHY SWAYZER**

**EDDIE DUNN**

**JERRY JOHNSON**

**REX McCARTHY**

## Management's Response Letter to Statewide Agree-Upon Procedures

### Written Policies and Procedures

1f. *Contracting* – The Town of Winnsboro will amend the policy for contracts to include all of the required information.

Thank you,

Town of Winnsboro