

TOWN OF COLFAX
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023



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November 15, 2023

Independent Auditors' Report

The Honorable Mayor and Board of Aldermen
Town of Colfax, Louisiana

REPORT ON THE FINANCIAL STATEMENTS

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Colfax and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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Auditor's 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, 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 Colfax'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 Colfax'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 the information listed below to supplement the basic financial statements.

- Management's Discussion and Analysis
- Budgetary Comparison Information
- Schedule of Net Pension Liability Data
- Schedule of Employer Contributions

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 Colfax's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to the Agency Head or Chief Executive Officer, the Schedule of Per Diem Paid to Board Members, and the Justice System Funding Schedule, described as additional information in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The additional 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional information is fairly stated in all material respects in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARD

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2023, on our consideration of the Town of Colfax's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an engagement in accordance with *Government Auditing Standards* in considering the Town of Colfax's internal control over financial reporting and compliance.



ROZIER, MCKAY & WILLIS
Certified Public Accountants



November 15, 2023

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*

The Honorable Mayor and Board of Aldermen
Town of Colfax, 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 Colfax, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Town of Colfax's basic financial statements, and have issued our report herein dated November 15, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Colfax'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 Colfax's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Colfax'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 that we consider to be a material weakness in internal control. We identified one significant deficiency in internal control; Finding 2023-001; described in the accompanying schedule of findings that we consider to be a significant deficiency in internal

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control. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Colfax's financial statements are free of 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 did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Town of Colfax's Response to Findings

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



ROZIER, MCKAY & WILLIS
Certified Public Accountants

Town of Colfax

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

This section of the Town of Colfax's annual financial report presents our discussion and analysis of the Town's financial performance during the fiscal year ended June 30, 2023.

Overview of Financial Statements

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

Government –Wide Financial Statements

The government-wide financial statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Town's assets (including infrastructure acquired after July 1, 2003) and all of the Town's liabilities (including long-term debt).

The government-wide financial statements are divided into two categories, which are described as follows:

- **Governmental Activities** – Expenses incurred in connection with providing basic services including police protection, fire protection, culture, recreation, public works, and general administration are reported as governmental activities. The governmental activities are financed by taxes, license fees, fines, court cost, interest, grants, and contributions.
- **Business-Type Activities** – Expenses associated with providing utility services are recovered through fees paid by the customers that utilize these services. These activities are operated in a manner similar to commercial enterprises. Accordingly, activities associated with the utility system and sanitation services are reported as business type activities.

Fund Financial Statements

Fund financial statements provide detailed information regarding the Town's most significant activities and are not intended to provide information for the Town as a whole. Funds are accounting devices that are used to account for specific sources of funds. The Town has two types of funds that are described as follows:

- **Governmental Funds** – These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental funds use a modified accrual basis of accounting that provides a short-term view of the Town's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.
- **Proprietary Fund** – These funds are used to account for activities that function in a manner similar to commercial enterprises, including activities associated with the Town's utility system and sanitation services. Proprietary fund financial statements typically provide a more detail presentation of the information reported in the business-type activities portion of the government-wide financial statements.

TOWN OF COLFAX

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

Financial Analysis of the Town as a Whole

A comparative analysis of government-wide data is presented as follows:

Net Position

A condensed version of the government-wide Statement of Net Position is presented as follows:

	June 30, 2023			For the Year Ended June 30, 2022
	Govern- mental Activities	Business- Type Activities	Total	
<u>Assets:</u>				
Current and other assets	\$ 437,708	\$ 902,017	\$ 1,339,725	\$ 1,096,222
Capital assets	893,101	2,287,724	3,180,825	3,275,737
Total assets	<u>1,330,809</u>	<u>3,189,741</u>	<u>4,520,550</u>	<u>4,371,959</u>
Deferred Outflows	<u>173,374</u>	<u>53,919</u>	<u>227,293</u>	<u>52,078</u>
<u>Liabilities:</u>				
Current and other liabilities	42,970	156,241	119,211	223,197
Long-term liabilities	354,217	164,865	519,082	276,635
Total liabilities	<u>397,187</u>	<u>321,106</u>	<u>718,293</u>	<u>499,832</u>
Deferred Inflows	<u>50,985</u>	<u>14,315</u>	<u>65,300</u>	<u>165,174</u>
<u>Net Position:</u>				
Invested in Capital Assets (Net)	893,101	2,287,724	3,180,825	3,275,737
Unrestricted	162,910	620,515	783,425	483,294
Total Net Position	<u>\$ 1,056,011</u>	<u>\$ 2,908,239</u>	<u>3,964,250</u>	<u>3,759,031</u>

As the presentation appearing above demonstrates, the majority of the Town's net position is invested in capital assets (80.24%). Net assets invested in capital assets consist of land, buildings, and equipment less any debt used to acquire the assets that remain outstanding. The Town uses these capital assets to provide services to its citizens; consequently, these amounts are not available for future spending. A portion of the Town's resources are unrestricted, and available to be utilized by the Town to meet its ongoing obligations to creditors and other interested parties for the foreseeable future (19.76%).

Changes in Net Position

A condensed version of the government-wide Statement of Changes in Net Position is presented as follows:

TOWN OF COLFAX

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

	June 30, 2023			For the Year Ended June 30, 2022
	Governmental Activities	Business- Type Activities	Total	
Revenues:				
Program Revenue:				
Charges for Services	\$ 24,285	\$ 1,044,771	\$ 1,069,056	\$ 1,048,863
Operating Grants and Contributions	96,213	----	96,213	191,653
Capital Grants and Contributions	----	271,173	271,173	291,157
General Revenue:				
Property Taxes	109,509	----	109,509	119,551
Sales Taxes	427,815	----	427,815	426,279
Franchise Taxes	71,567	----	71,567	65,980
Occupational Licenses	62,987	----	62,987	70,955
Payment in Lieu of Taxes	11,454	----	11,454	11,322
Miscellaneous	20,642	915	21,557	17,649
Total Revenue	824,472	1,316,859	2,141,331	2,243,409
Program Expenses:				
General Government	241,367	----	241,367	237,616
Public Safety	189,417	----	189,417	206,284
Streets, Drainage, and Recreation	427,313	----	427,313	315,066
Utility System	----	994,178	994,178	1,013,075
Sanitation	----	83,837	83,837	86,606
Total Expenses	858,097	1,078,015	1,936,112	1,858,647
Increase in Net Position Before Transfers				
	(33,625)	238,844	205,219	384,762
Transfers	(40,223)	40,223	----	----
Change in Net Position	(73,848)	279,067	205,219	384,762
Net Position Beginning	1,129,859	2,629,172	3,759,031	3,374,269
Net Position Ending	\$ 1,056,011	\$ 2,908,239	\$ 3,964,250	\$ 3,759,031

Governmental activities decreased the Town's net position by \$73,848. This decrease is attributable to prudent management of the Town's resources.

Business-type activities increased the Town's net position by \$279,067. This increase is primarily attributable to the receipt of American Rescue Plant Act monies in the current year.

Financial Analysis of the Town's Funds

An analysis of significant matters affecting the Town's funds is presented as follows:

TOWN OF COLFAX

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

- The Town's governmental funds reported combined fund balances of \$394,739 which represents a decrease of \$56,978 in comparison to the previous balance. This decrease is primarily attributable to transfers to the Town's utility system.
- Amounts reported for business-type activities in the Town's individual funds are identical to the business-type activities reported on the government-wide presentation.

General Fund Budget Highlights

The general fund is the only fund required by law to adopt a budget. The budget was amended as necessary. Some revisions of the original budget were necessary in order to address additional revenues and expenditures not anticipated with the original budget. A summary of the general fund budget compared to actual amounts is presented as follows:

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Total Revenues / Other Sources	\$ 905,100	\$ 743,900	\$ 868,213	\$ 124,313
Total Expenditures / Other Uses	905,100	1,195,617	925,191	270,426
Net Change in Fund Balances	\$ ----	\$ (451,717)	\$ (56,978)	\$ 394,739

Capital Asset Administration

In the current year, the Town made various equipment upgrades, including several pump and aerator motor rebuilds, as well as depreciating existing capital assets.

Debt Administration

Activity was limited to making required payments on existing long-term obligations.

Factors Expected to Affect Future Operations

There are no factors expected to have a significant impact on future operations at the present time.

Town of Colfax

STATEMENT OF NET POSITION

June 30, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 350,771	\$ 783,162	\$ 1,133,933
Receivables (net)	86,937	118,855	205,792
Capital Assets:			
Non depreciable capital assets	207,068	6,232	213,300
Depreciable, net	686,033	2,281,492	2,967,525
Total assets	<u>1,330,809</u>	<u>3,189,741</u>	<u>4,520,550</u>
<u>DEFERRED OUTFLOWS</u>			
Pension Funding Deferrals	<u>173,374</u>	<u>53,919</u>	<u>227,293</u>
<u>LIABILITIES</u>			
Accounts Payable and Accrued Expenses	42,970	39,347	82,317
Deposits due others	-	116,894	116,894
Long-term liabilities			
Aggregate net pension liability	223,124	160,591	383,715
Long -Term Debt			
Due within one year	10,601	-	10,601
Due in more than one year	120,492	4,274	124,766
Total liabilities	<u>397,187</u>	<u>321,106</u>	<u>718,293</u>
<u>DEFERRED INFLOWS</u>			
Pension Funding Deferrals	<u>50,985</u>	<u>14,315</u>	<u>65,300</u>
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	893,101	2,287,724	3,180,825
Unrestricted	<u>162,910</u>	<u>620,515</u>	<u>783,425</u>
Total net position (deficit)	<u>\$ 1,056,011</u>	<u>\$ 2,908,239</u>	<u>\$ 3,964,250</u>

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

Town of Colfax

STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2023

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business- Type Activities	Total
<u>Governmental Activities:</u>							
General Government	\$ 241,367	\$ -	\$ -	\$ -	\$ (241,367)	\$ -	\$ (241,367)
Public Safety	189,417	24,285	12,248	-	(152,884)	-	(152,884)
Streets, Drainage, & Recreation	427,313	-	83,965	-	(343,348)	-	(343,348)
Total Governmental Activities	<u>858,097</u>	<u>24,285</u>	<u>96,213</u>	<u>-</u>	<u>(737,599)</u>	<u>-</u>	<u>(737,599)</u>
<u>Business-Type Activities:</u>							
Utility System	994,178	958,273	-	271,173	-	235,268	235,268
Sanitation	83,837	86,498	-	-	-	2,661	2,661
Total Business-Type Activities	<u>1,078,015</u>	<u>1,044,771</u>	<u>-</u>	<u>271,173</u>	<u>-</u>	<u>237,929</u>	<u>237,929</u>
Total Primary Government	<u>\$ 1,936,112</u>	<u>\$ 1,069,056</u>	<u>\$ 96,213</u>	<u>\$ 271,173</u>	<u>(737,599)</u>	<u>237,929</u>	<u>(499,670)</u>
<u>General Revenues:</u>							
Taxes:							
Ad Valorem					109,509	-	109,509
Sales Taxes					427,815	-	427,815
Franchise					71,567	-	71,567
Occupational Licenses					62,987	-	62,987
Payment in lieu of taxes					11,454	-	11,454
Other					20,642	915	21,557
Transfers					<u>(40,223)</u>	<u>40,223</u>	<u>-</u>
Total General Revenues and Transfers					<u>663,751</u>	<u>41,138</u>	<u>704,889</u>
Change in Net Assets					<u>(73,848)</u>	<u>279,067</u>	<u>205,219</u>
Net Position Beginning					<u>1,129,859</u>	<u>2,629,172</u>	<u>3,759,031</u>
Net Position Ending					<u>\$ 1,056,011</u>	<u>\$ 2,908,239</u>	<u>\$ 3,964,250</u>

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

Town of Colfax

Balance Sheet

Governmental Funds - June 30, 2023

	<u>General</u>	<u>Non-Major</u>	<u>Total Governmental Funds</u>
<u>Assets</u>			
Cash and cash equivalents	\$ 350,771	\$ -	\$ 350,771
Receivables (net)	86,937	-	86,937
Interfund Due To/From	-	-	-
Total assets	<u>\$ 437,708</u>	<u>\$ -</u>	<u>\$ 437,708</u>
<u>Liabilities and fund equity</u>			
<u>Liabilities:</u>			
Accounts and other payables	\$ 37,692	\$ -	\$ 37,692
Accrued expenses	5,277	-	5,277
Total liabilities	<u>42,969</u>	<u>-</u>	<u>42,969</u>
<u>Fund equity:</u>			
Unassigned	394,739	-	394,739
Total fund equity	<u>394,739</u>	<u>-</u>	<u>394,739</u>
Total liabilities and fund equity	<u>\$ 437,708</u>	<u>\$ -</u>	<u>\$ 437,708</u>

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

Town of Colfax

Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Assets of Governmental Activities on the Statement of Net Position

Year Ended June 30, 2023

Total Fund Balances - Governmental Funds	\$	394,739
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		893,101
Long term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Fund Balance Sheet		<u>(231,829)</u>
Net Position of Governmental Activities	\$	<u>1,056,011</u>

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

Town of Colfax

Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds - Year Ended June 30, 2023

	General Fund	Non-Major	Total Governmental Funds
<u>Revenues:</u>			
Taxes:			
Ad valorem	\$ 109,509	\$ -	\$ 109,509
Sales tax	427,815	-	427,815
Licenses and permits:			
Occupational licenses	62,984	-	70,956
Franchise	71,567	-	71,567
Fines and fees	24,035	-	24,035
Intergovernmental:			
Beer tax	2,368	-	2,368
Payment in lieu of taxes	11,454	-	11,454
Other intergovernmental	96,463	-	96,463
Other	18,274	-	18,274
Total revenues	824,469	-	832,441
<u>Expenditures:</u>			
Current:			
General government	264,747	-	264,747
Public safety	175,075	-	175,075
Streets, drainage, and recreation	390,803	-	390,803
Debt Service	10,601	-	10,601
Capital outlays	-	-	-
Total expenditures	841,226	-	841,226
Excess (deficiency) of revenues over expenditures	(16,757)	-	(16,757)

Continued...

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

Town of Colfax

Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds - Year Ended June 30, 2023

	General	Non-Major	Total Governmental Funds
Excess (deficiency) of revenues over expenditures	<u>(16,757)</u>	<u>-</u>	<u>(16,757)</u>
<u>Other financing sources (uses):</u>			
Operating transfers in	43,744	-	43,744
Operating transfers out	<u>(83,965)</u>	<u>-</u>	<u>(83,965)</u>
Total other financing sources (uses)	<u>(40,221)</u>	<u>-</u>	<u>(40,221)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(56,978)	-	(56,978)
Fund balance - beginning of year	<u>451,717</u>	<u>-</u>	<u>451,717</u>
Fund balance - end of year	<u>\$ 394,739</u>	<u>\$ -</u>	<u>\$ 394,739</u>

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

Town of Colfax

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities

Year Ended June 30, 2023

Net change in fund balances of Governmental Funds \$ (56,978)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital expenditures reported by Governmental Funds	-	
Depreciation expense reported on a government-wide basis	<u>(36,790)</u>	(36,790)

Changes in pension obligations and related deferrals are considered in preparing the statement of activities		8,662
--	--	-------

Repayment of Long Term Debt is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net position		10,601
---	--	--------

Some activities reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures by governmental funds.		<u>657</u>
---	--	------------

Change in net position of governmental activities		<u>\$ (73,848)</u>
---	--	--------------------

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

Town of Colfax

Statement of Net Position

Proprietary Funds - Year Ended June 30, 2023

	Business-Type Activities		
	Utility System	Sanitation System	Total
Assets			
Current Assets:			
Cash and cash equivalents	\$ 783,162	\$ -	\$ 783,162
Receivables (net)	106,177	12,678	118,855
Total current assets	889,339	12,678	902,017
Noncurrent Assets:			
Non-Depreciable capital assets			
Land	6,232	-	6,232
Construction in Progress	-	-	-
Depreciable capital assets, net	2,281,492	-	2,281,492
Total noncurrent assets	2,287,724	-	2,287,724
Total assets	3,177,063	12,678	3,189,741
Deferred Outflows			
Employer contributions to pension plan	53,919	-	53,919
Liabilities:			
Current Liabilities:			
Accounts and other payables	39,347	-	39,347
Accrued expenses	-	-	-
Deposits due others	116,894	-	116,894
Compensated Absences	4,274	-	4,274
Total Current Liabilities	160,515	-	160,515
Noncurrent Liabilities			
Aggregate net pension liability	160,591	-	160,591
Total Noncurrent Liabilities	160,591	-	160,591
Total liabilities	321,106	-	321,106
Deferred Inflows:			
Pension funding deferrals	14,315	-	14,315
Net Position:			
Invested in capital assets, net of related debt	2,287,724	-	2,287,724
Unrestricted	607,837	12,678	620,515
Total net position	\$ 2,895,561	\$ 12,678	\$ 2,908,239

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

Town of Colfax

Statement of Revenues, Expenditures, and Changes in Fund Net Assets Proprietary Funds - Year Ended June 30, 2023

	Business-Type Activities		
	Utility System	Sanitation System	Total
<u>Operating Revenues:</u>			
Charges for services:			
Gas sales	\$ 247,566	\$ -	\$ 247,566
Water sales	452,879	-	452,879
Sewer charges	225,352	-	225,352
Sanitation charges	-	86,498	86,498
Delinquent charges	30,594	-	30,594
Miscellaneous	1,884	-	1,884
Total operating revenues	<u>958,275</u>	<u>86,498</u>	<u>1,044,773</u>
<u>Operating Expenses:</u>			
Natural gas purchases	153,766	-	153,766
Salaries and wages	161,057	-	161,057
Contract Labor	-	83,837	83,837
Materials, supplies, and maintenance	326,345	-	326,345
Office and postage	15,631	-	15,631
Payroll taxes	-	-	-
Retirement	-	-	-
Vehicle and travel	3,710	-	3,710
Insurance	18,097	-	18,097
Professional fees	29,279	-	29,279
Bad Debt Expense	-	-	-
Miscellaneous	4,076	-	4,076
Lease	3,663	-	3,663
Utilities and telephone	136,468	-	136,468
Depreciation	142,087	-	142,087
Total operating expenses	<u>994,179</u>	<u>83,837</u>	<u>1,078,016</u>
Operating income (loss)	(35,904)	2,661	(33,243)
<u>Non-operating revenues (expenses):</u>			
Capital Contributions	271,173	-	271,173
Interest income	915	-	915
Change in net assets before Contributions and transfers	236,184	2,661	238,845
<u>Contributions and Transfers:</u>			
Operating Transfers In	87,825	-	87,825
Operating Transfers Out	(43,742)	(3,861)	(47,603)
Change in net position	<u>280,267</u>	<u>(1,200)</u>	<u>279,067</u>
Net Position Beginning	<u>2,615,294</u>	<u>13,878</u>	<u>2,629,172</u>
Total net position - ending	<u>\$ 2,895,561</u>	<u>\$ 12,678</u>	<u>\$ 2,908,239</u>

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

Town of Colfax

Statement of Cash Flows

Proprietary Funds - Year Ended June 30, 2023

	Business-Type Activities		
	Utility System	Sanitation System	Total
<u>Cash flow from operating activities:</u>			
Cash received from customers	\$ 980,859	\$ 87,698	\$ 1,068,557
Cash payments to suppliers of goods and services	(713,563)	(83,837)	(797,400)
Cash payments to employees for service	(160,980)	-	(160,980)
Net cash provided (used) by operating activities	<u>106,316</u>	<u>3,861</u>	<u>110,177</u>
<u>Cash flows from non-capital financing activities:</u>			
Interfund activity, net	-	-	-
Operating transfers, net	44,083	(3,861)	40,222
Net cash provided (used) by non-capital financing activities	<u>44,083</u>	<u>(3,861)</u>	<u>40,222</u>
<u>Cash flows from capital and related financing activities:</u>			
Acquisition and construction of capital assets	(83,965)	-	(83,965)
Capital Grant Proceeds	271,173	-	271,173
Net cash provided (used) by capital and related financing activities	<u>187,208</u>	<u>-</u>	<u>187,208</u>
<u>Cash flows from investing activities:</u>			
Interest and other income	915	-	915
Net cash provided (used) by investing activities	<u>915</u>	<u>-</u>	<u>915</u>
Net increase (decrease) in cash	338,522	-	338,522
Beginning cash balance	444,640	-	444,640
Ending cash balance	783,162	-	783,162
Cash - restricted	-	-	-
Cash - unrestricted	<u>\$ 783,162</u>	<u>\$ -</u>	<u>\$ 783,162</u>

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

Town of Colfax

Statement of Cash Flows (Continued)

Proprietary Funds - Year Ended June 30, 2023

	Business-Type Activities		
	Utility System	Sanitation System	Total
<u>Reconciliation of operating income (loss) to net cash</u>			
Operating Income (loss)	\$ (35,904)	\$ 2,661	\$ (33,243)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	142,087	-	142,087
(Increase) decrease in accounts receivable	20,917	1,200	22,117
(Increase) decrease in prepaid expenses	-	-	-
(Decrease) increase in accounts payable	(9,730)	-	(9,730)
(Decrease) increase in accrued expenses	-	-	-
(Decrease) increase in meter deposits	1,667	-	1,667
(Decrease) increase in net pension liability	(12,799)		(12,799)
(Decrease) increase in compensated absences	78	-	78
	<u>78</u>	<u>-</u>	<u>78</u>
Net cash provided (used) by operating activities	<u>\$ 106,316</u>	<u>\$ 3,861</u>	<u>\$ 110,177</u>

Supplemental disclosures of cash flow information:

For the year ended June 30, 2023 there were no investing, capital, and financing activities that did not result in cash receipts or payments.

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

TOWN OF COLFAX

Notes to Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Colfax, Louisiana (the Town) was incorporated under the provisions of the Lawrason Act and operates under a Mayor-Board of Aldermen form of government. The Town provides various services including public safety, streets and drainage, recreation, public improvements, utility (gas, water, sewerage, and sanitation), and general administrative services.

The accompanying policies of the Town of Colfax, Louisiana, conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies.

Financial Reporting Entity

As the municipal governing authority, for reporting purposes the Town is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the Town), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board establishes criteria for determining which component units should be considered part of the Town of Colfax for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criterion includes:

1. Appointing a voting majority of an organization's governing body, and
 - The ability of the Town to impose its will on that organization, and/or
 - The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Town.
2. Organizations for which the Town does not appoint a voting majority but are fiscally dependent on the Town.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based upon the above criteria, the Town of Colfax has no component units for the year ended June 30, 2023.

Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize activities as either governmental activities or business-type activities, which are described as follows:

- Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.
- Business-type activities rely on fees and charges for support and operate in a manner similar to private sector enterprises.

TOWN OF COLFAX

Notes to Financial Statements

June 30, 2023

The government-wide and fund financial statements present the Town's financial position and results of operations from differing perspectives which are described as follows:

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the Town as a whole. The effect of most inter-fund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude any fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service or business-type activity. Program revenues include charges for services, fines, court cost, contributions associated with a particular function and most grants.

Fund Financial Statements

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Separate financial statements are provided for governmental funds and proprietary funds. In addition, separate financial statements are presented for any fiduciary activities. Major individual funds are reported as separate columns in the fund financial statements. The Town's major funds are described as follows:

- Governmental Funds
 - General fund – The general fund is the primary operating fund and is used to account for all governmental activities.
- Proprietary Funds
 - Utility System – The utility fund is used to account for the operation of the Town's water, sewer, and natural gas system which are supported by user charges.
 - Sanitation Fund – The Sanitation Fund is used to account for the operation of the Town's sanitation department, and is supported by user charges.

Business-Type funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with the funds ongoing operations. Principal operating revenues are charges to customers for natural gas, water and sewer service.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

TOWN OF COLFAX

Notes to Financial Statements

June 30, 2023

<u>Financial Statement Presentation</u>	<u>Basis of Accounting</u>	<u>Measurement Focus</u>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements:		
Governmental Funds	Modified Accrual Basis	Current Financial Resources
Proprietary Funds	Accrual Basis	Economic Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year-end. In addition, expenses are generally recorded when a liability has been incurred; however, debt service, compensated absences, claims and judgments are recorded as expenses when payment is made. Furthermore, when the current financial resources measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are reported as an other-financing source and repayment of long-term debt is reported as an expenditure.

Non-Exchange Transactions

Revenue from certain non-exchange transactions cannot be properly measured prior to collection. Furthermore, it is not practical to determine the probability of collection resulting from certain non-exchange transactions such as traffic citations. Consequently, revenue from fines and court cost are not recognized until they are collected.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Restricted Assets

Restricted assets represent resources that must be expended in a specific manner. Restrictions of this nature are imposed by various contractual obligations including grant agreements and bond covenants. In situations where it is permissible to spend restricted resources, the Town typically depletes the available restricted resources before consuming unrestricted resources.

Budget Practices

The Mayor prepares an annual budget for the Town's general fund. This budget is submitted to the Board of Aldermen and an approved budget is adopted before the beginning of each fiscal year. Amended budgets are prepared prior to the conclusion of each fiscal year. The amended budgets are prepared and approved in the same manner as the original budget.

The general fund budget presents revenue and expenditures on a basis which is consistent with generally accepted accounting principles. No annual budget is required for the Town's Utility Fund.

Capital Assets

Capital assets are carried at historical cost or estimated historical cost including interest incurred during construction. Prior to July 1, 1989, there were few records supporting the cost; therefore, cost related to the

TOWN OF COLFAX

Notes to Financial Statements

June 30, 2023

Town's utility system is estimated based on information furnished by the Town's consulting engineers. Cost of buildings and equipment acquired prior to July 1, 1989, were estimated based on replacement cost.

Infrastructure capital assets consisting of streets, bridges, sidewalks, and drainage systems acquired before July 1, 2003, are excluded from capital assets. Depreciation associated with capital assets is computed using the straight-line method over the estimated useful lives of the assets.

Cash and Cash Equivalents

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit, and highly liquid investments. Credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by State Law. Furthermore, interest rate risk associated with certificates of deposits is typically mitigated by purchasing instruments that mature in one year or less.

Encumbrance Accounting

Purchase orders, contracts, and other commitments to engage in future expenditures are referred to as encumbrances. Since encumbrances do not represent liabilities or current expenditures, encumbrances are not reported in the accompanying financial statements.

Compensated Absences

Accumulated unpaid vacation and compensatory pay have been accrued when incurred in the Proprietary Funds (using the accrual basis of accounting). These amounts relating to the Governmental Funds have been presented in the government-wide financial statements.

Statement of Cash Flows

For the purposes of reporting cash flows, cash and cash equivalents includes all cash on hand, cash in bank, and certificates of deposit.

Interfund Transactions

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without expectation of repayment, the transaction is reported as a transfer. Transfers are treated as a source of income by the recipient and as an expense or expenditure by the provider. If repayment is eventually expected to occur, interfund receivables and payables are recorded.

In preparing the government-wide financial statements, transfers are eliminated to present net transfers for governmental activities and business-type activities. In addition, interfund receivables and payables are eliminated to present a net internal balance for each type of activity.

Fund Balance Classification

Approval of the majority of the Board of Aldermen is required to approve the commitment of fund balances. In situations where it is permissible to spend restricted or committed resources, the Town typically depletes the available restricted or committed resources before consuming unrestricted resources.

NOTE 2 - CASH AND CASH EQUIVALENTS

At June 30, 2023, cash and cash equivalents totaled \$1,133,933 (book balance) and \$1,146,622 (bank balance). The book balance is considered unrestricted.

TOWN OF COLFAX

Notes to Financial Statements

June 30, 2023

Deposits are stated at cost, which approximates market value. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2023, the Town's bank deposits are secured from risk by \$250,000 of federal deposit insurance and \$915,251 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Even though the pledged securities are considered uncollateralized (Category 3), State law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten (10) days of being notified by the Town that the pledging bank has failed to pay deposited funds on demand.

NOTE 3 - RECEIVABLES

Receivables at June 30, 2023, consisted of the following:

	Governmental Activities	Business-Type Activities	Total
<u>Accounts Receivable</u>			
Charges for Services	\$ ----	\$ 138,080	\$ 138,080
Franchise Taxes	11,560	----	11,560
Occupational License	----	----	----
Other	----	----	----
Total Accounts Receivables	<u>11,560</u>	<u>138,080</u>	<u>149,640</u>
<u>Due From Other Governmental Units</u>			
Sales Taxes	75,377	----	75,377
Other	----	----	----
Total Due From Other Governmental Units	<u>75,377</u>	<u>----</u>	<u>75,377</u>
Total Receivables	86,937	138,080	225,017
Allowance for Doubtful Accounts	----	(19,225)	(19,225)
Net Receivables	<u>\$ 86,937</u>	<u>\$ 118,855</u>	<u>\$ 205,792</u>

NOTE 4 – LONG – TERM LIABILITIES

Any debt attributable to the acquisition of the Town's utility system and the operation of the utility system is reported as an obligation of the Town's business-type enterprise funds. Remaining debts are reported as governmental activities. The Town's debts are summarized as follows:

TOWN OF COLFAX

Notes to Financial Statements June 30, 2023

	Governmental Activities	Business-Type Activities	Total
<u>Long-Term Liabilities</u>			
Compensated Absences	\$ 6,537	\$ 4,274	\$ 10,811
Notes Payable	124,556	----	124,556
Total Long-term Debt	131,093	4,274	135,367
Due Within One Year	10,601	----	10,601
Due in More Than One Year	<u>\$ 120,492</u>	<u>\$ 4,274</u>	<u>\$ 124,766</u>

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental Activities</u>				
Compensated absences	\$ 7,194	\$ ----	\$ 657	\$ 6,537
Notes Payable	135,158	----	10,601	124,556
Total Governmental Activities	\$ 142,352	\$ ----	\$ 11,258	\$ 131,093
<u>Business-Type Activities</u>				
Compensated Absences	4,197	77	----	4,274
Total Business-Type Activities	4,197	77	----	4,274
Total Long-Term Liabilities	<u>\$ 146,549</u>	<u>\$ 77</u>	<u>\$ 11,258</u>	<u>\$ 135,367</u>

Notes Payable

On April 14, 2020 the Town of Colfax resolved to make incremental payments to the U.S. Army Corps of Engineers for the Town of Colfax's total cost share for services rendered on behalf of the Town for the Aloha-Rigolette Louisiana Flood Control Project, pursuant to a Project Cooperation Agreement dated September 19, 1994. The total principal of \$159,008.75 is to be repaid in 180 monthly payments of \$883.39. The Corps accepted the terms on August 25, 2020, retroactive to the resolution date of April 14, 2020. \$124,556 was outstanding on this obligation as of June 30, 2023.

TOWN OF COLFAX

Notes to Financial Statements ***June 30, 2023***

Maturity of Long-term Debt

A schedule of maturities of long-term debt excluding compensated absences and capital leases is presented as follows:

<u>Year Ended June 30th</u>	<u>Governmental Activities</u>	
	<u>Principal Installments</u>	<u>Interest</u>
2024	10,601	----
2025	10,601	----
2026	10,601	----
2027	10,601	----
2028 – 2032	53,005	----
2033 – 2035	29,148	----
Total Governmental	\$ 124,556	\$ ----

NOTE 5 – AD VALOREM TAXES

The Town bills and collects its own property taxes using assessed values determined by the Tax Assessor of Grant Parish.

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to the taxpayers in late November or December.

Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

For the year ended June 30, 2023, the Town levied 13.99 mills of ad valorem taxes totaling \$109,509 which were dedicated to the general corporate purposes of the Town.

NOTE 6 - FIXED ASSETS

Changes in the governmental and business-type capital assets are presented as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Non-Depreciable Capital Assets				
Construction in Progress	\$ ----	\$ ----	\$ ---	\$ ---
Land	207,068	----	----	207,068
Total	207,068	----	----	207,068
Depreciable Capital Assets				
Buildings	44,321	----	----	44,321
Improvements	1,787,450	----	----	1,787,450
Equipment	469,264	----	----	469,264

TOWN OF COLFAX

Notes to Financial Statements ***June 30, 2023***

	Beginning Balance	Additions	Disposals	Ending Balance
Accumulated Depreciation	(1,578,212)	(36,790)	----	(1,615,002)
Total	<u>722,823</u>	<u>(36,790)</u>	<u>----</u>	<u>686,033</u>
Total Governmental Activities	<u>\$ 929,891</u>	<u>\$ (36,790)</u>	<u>\$ ----</u>	<u>\$ 893,101</u>
<u>Business-Type Activities</u>				
Non-Depreciable Capital Assets				
Construction in Progress	\$ ----	\$ ----	\$ ----	\$ ---
Land	<u>6,232</u>	<u>----</u>	<u>----</u>	<u>6,232</u>
Total	<u>6,232</u>	<u>----</u>	<u>----</u>	<u>6,232</u>
Depreciable Capital Assets				
Sanitation Equipment	37,254	----	----	37,254
Sanitation Improvements	2,024	----	----	2,024
Utility Buildings	91,631	----	----	91,631
Utility Equipment	185,491	----	----	185,491
Utility Distribution System	6,271,123	83,965	----	6,355,087
Accumulated Depreciation	<u>(4,247,909)</u>	<u>(142,087)</u>	<u>----</u>	<u>(4,389,996)</u>
Total	<u>2,339,614</u>	<u>(58,122)</u>	<u>----</u>	<u>2,281,492</u>
Total Business-Type Activities	<u>\$ 2,345,846</u>	<u>\$ (58,122)</u>	<u>\$ ----</u>	<u>\$ 2,287,724</u>

Depreciation expense reported by the various functions is presented as follows:

Governmental Activities

General Government	\$ 761
Public Safety	35,329
Streets, Drainage, & Recreation	<u>700</u>
Total Depreciation – Governmental Activities	<u>\$ 36,790</u>

Business-Type Activities

Utility System	\$ 142,087
Sanitation	<u>----</u>
Total Depreciation – Business-Type Activities	<u>\$ 142,087</u>

NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

The following is a summary of accounts payable and accrued expenses at June 30, 2023:

TOWN OF COLFAX

Notes to Financial Statements ***June 30, 2023***

	<u>Payable to Vendors</u>	<u>Accrued Expenses</u>	<u>Total</u>
<u>Governmental Activities</u>			
General Fund	37,692	\$ 5,278	\$ 42,970
Non-Major Fund	----	----	----
Total Governmental	<u>\$ 37,692</u>	<u>\$ 5,278</u>	<u>\$ 42,970</u>
<u>Business-Type Activities</u>			
Utility System	39,347	----	39,347
Sanitation System	----	----	----
Total Business-Type	<u>39,347</u>	<u>----</u>	<u>39,347</u>
Total Accounts Payable And Accrued Expenses	<u>\$ 77,039</u>	<u>\$ 5,278</u>	<u>\$ 82,317</u>

NOTE 8 - RISK MANAGEMENT

The Town of Colfax is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks of loss are covered by a comprehensive commercial insurance policy and participation in a public entity risk pool that operates as a common insurance program. Claims resulting from these risks have historically not exceeded insurance coverage.

NOTE 9- TRANSFERS

In the ordinary course of business, the Town routinely transfers resources between its funds in order to cover expenses as necessary. The transfers are presented as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
<u>Governmental Activities</u>			
General Fund	\$ 43,742	\$ (83,965)	\$ (40,223)
Non-Major	----	----	----
Total Transfers	<u>\$ 43,742</u>	<u>\$ (83,965)</u>	<u>\$ (40,223)</u>
<u>Business-Type Activities</u>			
Utility System	87,826	(43,742)	44,084
Sanitation Fund	----	(3,861)	(3,861)
Total Transfers	<u>87,826</u>	<u>(47,603)</u>	<u>40,223</u>
Net Transfers	<u>\$ 131,568</u>	<u>\$ (131,568)</u>	<u>\$ ----</u>

TOWN OF COLFAX

Notes to Financial Statements

June 30, 2023

NOTE 10- PENSION PLANS

Substantially all employees of the Town of Colfax, Louisiana, are members of statewide retirement systems. These systems are cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Information regarding each plan is presented as follows:

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Municipal Police Employees' Retirement System	\$ 174,844	\$ 128,230	\$ 39,000
Municipal Employees' Retirement System	208,871	99,064	26,300
Total	383,715	227,295	65,300
Portion Applicable to Business Type Activities	160,591	53,919	14,315
Portion Applicable to Governmental Type Activities	\$ 223,124	\$ 173,375	\$ 50,985

Municipal Employees' Retirement System of Louisiana

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Any person eligible for membership, but whose first employment making him eligible for membership in the System occurred on or after January 1, 2013 shall become a member of MERS Plan B Tier 2 of the system as a condition of employment.

Any member of Plan B who commenced participation in the system prior to January 1, 2013 can retire providing he meets one of the following criteria:

- 1.) Any age with thirty (30) years of creditable service.
- 2.) At 60 with a minimum of ten (10) or more years of creditable service
- 3.) At any age with ten (10) years of creditable service eligible for disability benefits
- 4.) Survivor's benefits require five (5) years creditable service at death of member.

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two 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.

Any member of Plan B Tier 2 shall be eligible for retirement if he meets one of the following requirements:

- 1.) Seven years or more of service, at age sixty-seven (67) or thereafter.
- 2.) Ten years or more of service, at age sixty-two (62) or thereafter.
- 3.) Thirty years or more of service, at age fifty-five (55) or thereafter.

TOWN OF COLFAX

Notes to Financial Statements

June 30, 2023

4.) Twenty-five years of service credit at any age, exclusive of military service and unused annual sick leave.

The monthly amount of the retirement allowance for any member of Plan B Tier 2 shall consist of an amount equal to two percent of the member's 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.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report can be found by visiting the System's website, at mersla.com.

Funding Policy. Under Plan B, members are required by state statute to contribute 5.0 percent of their annual covered salary and the Town of Colfax is required to contribute at an actuarially determined rate. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The System also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities. The contribution requirements of plan members and the Town of Colfax are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the system were equal to the required contributions for the year.

Financial Summary – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available standalone financial report. The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at mersla.com. The plans net pension liability was determined at June 30, 2022 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 288,388,827
Plan Fiduciary Net Position	200,590,478
Net Pension Liability	<u>87,798,349</u>
Town's Proportionate Share (Percentage)	0.237894%
Town's Proportionate Share (Amount)	<u>\$ 208,871</u>

The net pension liability presented above was not affected by any special funding situations. Changes in the Town's proportionate share of Plan's net pension liability during the measurement period ending June 30, 2022 are provided as follows:

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Notes to Financial Statements

June 30, 2023

Beginning Net Pension Liability		\$	109,322
Employer Contributions			(29,713)
<u>Pension Expense</u>			
Proportionate Share of Plan Pension Expense	32,338		
Changes in Proportion	(27,803)		
Employee Contributions	(6,913)		(2,378)
Changes in Deferred Outflows of Resources			60,369
Changes in Deferred Inflows of Resources			71,271
			<u>208,871</u>
Ending Net Pension Liability		\$	<u>208,871</u>

There were no changes between June 30, 2023 and the Plan's measurement date that are expected to have a significant effect on the Town's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Amounts</u>
Differences Between Expected and Actual Experience	\$ ----	\$ 2,657	\$ (2,657)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	38,415	----	38,415
Changes of Assumptions	2,233	----	2,233
Changes in Proportion	24,145	23,643	502
Employer Contributions Made After the Measurement Date	34,271	----	34,271
	<u>99,064</u>	<u>26,300</u>	<u>72,764</u>
Total Deferrals			
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	34,271	----	34,271
	<u>64,793</u>	<u>26,300</u>	<u>38,493</u>
Deferrals Subject to Amortization			

Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

<u>For the Year Ending:</u>	
June 30, 2023	\$ (2,455)
June 30, 2024	19,575
June 30, 2025	4,141
June 30, 2026	17,232
	<u>17,232</u>
Total	<u>\$ 38,493</u>

TOWN OF COLFAX

Notes to Financial Statements

June 30, 2023

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Actuarially determined amounts regarding the net pension liability are subject to continual revision as actual results are compared to past expectations, and new estimates are made about the future. The actuarial assumptions used in the June 30, 2022 valuation was based on the results of an experience study, for the period July 2013 through June 30, 2018.

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

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Services Lives	3 Years
Actuarial Assumptions: Investment Rate of Return	6.85%, net of investment expense, Including Inflation
Projected Salary Increases	4.90% (2.50% Inflation, 2.40% Merit)
Mortality Rates -Annuitant and Beneficiary	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	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.

The 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 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, adding expected inflation, and an adjustment for the effect of rebalancing/diversification.

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, 2022 are summarized in the following table.

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Notes to Financial Statements

June 30, 2023

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Public Equity	53%	2.31%
Public Fixed Income	38%	1.65%
Alternatives	9%	0.39%
Totals	100%	4.35%
Inflation		2.60%
Expected Nominal Return		6.95%

The discount rate used to measure the total pension liability was 6.85%. 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.

Sensitivity to changes in the discount has been determined by measuring net pension liability at a discount rate that is one percentage point lower and one percentage point higher than the current rate. The results are presented as follows:

	<u>1% Decrease 5.85% Discount Rate</u>	<u>Current Discount Rate 6.85%</u>	<u>1% Increase 7.85% Discount Rate</u>
Net Pension Liability	\$ 284,725	\$ 208,871	\$ 144,709

Municipal Police Employees' Retirement System of Louisiana

Plan Description. All full-time police department employees engaged in law enforcement are eligible to participate in the System. Members of the system before January 1, 2013 are eligible for regular retirement after 25 years of creditable service at any age, 20 years of creditable service after age 50, or 12 years of creditable service after age 55. Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse.

For membership after January 1, 2013, member eligibility for regular retirement, early retirement, disability, and survivor benefits are based on Hazardous Duty and Non-Hazardous Duty subplans. 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 three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60

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Notes to Financial Statements

June 30, 2023

consecutive months of joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon death of an active member, or disability retiree, the plan provides for surviving spouses and minor children, subject to certain conditions outlined in the statutes.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report can be found by visiting the System's website, at lampers.org.

Funding Policy. Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employee's earnable compensation excluding overtime but including state supplemental pay.

For the year ended June 30, 2022, total contributions due from employers and employees was 40.25 % for Non-Hazardous Duty Members hired after January 1, 2013, and 42.25% for all other members. The employer and employee contribution rates for all members hired prior to January 1, 2013 and Hazardous Duty members hired after January 1, 2013 were 32.25% and 10% respectively. The employer and employee contribution rates for all Non-Hazardous Duty members hired after January 1, 2013, were 32.25% and 8.0 % respectively. The employer and employee contribution rates for all members whose earnable compensation is less than or equal to the poverty guidelines issued by the United States Department of Health and Human Services were 34.75% and 7.5% respectively.

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions were recognized as revenue during the year ended June 30, 2022, and excluded from pension expense.

Financial Summary – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available standalone financial report. The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The plans net pension liability was determined at June 30, 2022 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 3,500,495,219
Plan Fiduciary Net Position	2,478,317,694
Net Pension Liability	<u>1,022,177,525</u>
Town's Proportionate Share (Percentage)	0.017105%
Town's Proportionate Share (Amount)	<u>\$ 174,844</u>

The net pension liability presented above was not affected by any special funding situations. Changes in the Town's proportionate share of Plan's net pension liability during the measurement period ending June 30, 2022 are provided as follows:

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Notes to Financial Statements

June 30, 2023

Beginning Net Pension Liability		\$ 20,764
Employer Contributions		(15,732)
<u>Pension Expense</u>		
Proportionate Share of Plan Pension Expense	34,449	
Changes in Proportion	----	
Employee Contributions	(3,805)	30,644
Changes in Deferred Outflows of Resources		110,565
Changes in Deferred Inflows of Resources		28,603
		<u> </u>
Ending Net Pension Liability		<u>\$ 174,844</u>

There were no changes between June 30, 2023 and the Plan's measurement date that are expected to have a significant effect on the Town's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Amounts
Differences Between Expected and Actual Experience	\$ 862	\$ 1,425	\$ (563)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	31,215	----	31,215
Changes of Assumptions	6,031	1,300	4,731
Changes in Proportion	74,756	36,275	38,481
Employer Contributions Made After the Measurement Date	15,366	----	15,366
	<u> </u>	<u> </u>	<u> </u>
Total Deferrals	128,230	39,000	89,230
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	15,366	----	15,366
	<u> </u>	<u> </u>	<u> </u>
Deferrals Subject to Amortization	<u>\$ 112,864</u>	<u>\$ 39,000</u>	<u>\$ 73,864</u>

Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

<u>For the Year Ending:</u>	
June 30, 2023	\$ 14,389
June 30, 2024	16,189
June 30, 2025	26,912
June 30, 2026	16,374
	<u> </u>
Total	<u>\$ 73,864</u>

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Notes to Financial Statements

June 30, 2023

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Actuarially determined amounts regarding the net pension liability are subject to continual revision as actual results are compared to past expectations, and new estimates are made about the future. The actuarial assumptions used in the June 30, 2022 valuation was based on the results of an experience study, for the period July 2014 through June 30, 2019.

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

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal Cost
Investment Rate of Return	6.75 %, net of investment expense
Expected Remaining Service Lives	2022 – 4 years 2021 – 4 years 2020 – 4 years 2019 – 4 years
Inflation Rate	2.50 %
Projected Salary Increases (Including Merit & Inflation)	Years of Service (1-2) 12.30%, (2+) 4.70%
Mortality Rates	For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Health Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale For disabled lives, the Pub-2010 Public Retirement Plans Retirement Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used. For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the 2019MP scale was used.
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees

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, 2022 are summarized in the following table.

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Notes to Financial Statements

June 30, 2023

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Public Equity	55.50%	3.60 %
Public Fixed Income	30.50%	0.85 %
Alternatives	14.00%	0.95 %
Other	<u>0.00%</u>	<u>0.00 %</u>
Totals	100.00%	5.40 %
Inflation		<u>2.66 %</u>
Expected Nominal Return		<u>8.06 %</u>

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, 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.

Sensitivity to changes in the discount has been determined by measuring net pension liability at a discount rate that is one percentage point lower and one percentage point higher than the current rate. The results are presented as follows:

	<u>1% Decrease 5.75% Discount Rate</u>	<u>Current Discount Rate 6.75%</u>	<u>1% Increase 7.75% Discount Rate</u>
Net Pension Liability	\$ 244,747	\$ 174,844	\$ 116,451

NOTE 11 – CONTINGENCIES

Existing conditions that may have financial consequences in the future are referred to as contingencies. Contingencies existing at June 30, 2023 are described as follows:

Litigation

Like most governmental units with extensive and diverse operations, the Town is occasionally named as a defendant in litigation. Based on consultation with the Town Attorney and insurance carrier, there are no anticipated claims that are expected to exceed available insurance coverage.

Grant Compliance

The Town receives state and federal assistance through various grant programs. Management is confident that all significant grant conditions have been met; however, grantor agencies routinely review grant activity and could request reimbursement if a dispute occurs regarding compliance with grant conditions.

NOTE 12 – ON-BEHALF PAYMENTS

The State of Louisiana provides supplemental pay for public safety employees that meet certain requirements. Amounts reported as revenue and expenditures in connection with State Supplemental Pay are \$12,248.

Town of Colfax

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual

Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Taxes				
Ad valorem	\$ 119,000	\$ 112,000	\$ 109,509	\$ (2,491)
Sales taxes	440,000	435,000	427,815	(7,185)
License and permits				
Occupational licenses	60,000	55,000	62,984	7,984
Franchise fees	50,000	80,000	71,567	(8,433)
Fines and fees	28,000	27,000	24,035	(2,965)
Rent	2,000	2,000	-	(2,000)
Intergovernmental				
Beer taxes	2,300	4,000	2,368	(1,632)
Payment in lieu of taxes	11,500	11,500	11,454	(46)
Other Intergovernmental	5,000	5,000	96,463	91,463
Other	187,000	11,900	18,274	6,374
Interest	300	500	-	(500)
Total revenues	905,100	743,900	824,469	80,569
<u>Expenses:</u>				
General government	391,600	381,800	264,747	117,053
Public Safety	259,500	172,700	175,075	(2,375)
Streets and Drainage	210,000	225,400	390,803	(165,403)
Recreation	-	3,000	-	3,000
Debt Service	-	-	10,601	(10,601)
Capital Outlay	42,000	411,717	-	411,717
Total Expenses	903,100	1,194,617	841,226	353,391
Excess (deficiency) of revenues over expenditures	2,000	(450,717)	(16,757)	433,960
<u>Other financing sources (uses):</u>				
Operating transfers in	-	-	43,744	43,744
Operating transfers out	(2,000)	(1,000)	(83,965)	(82,965)
Total other financing sources (uses)	(2,000)	(1,000)	(40,221)	(39,221)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	(451,717)	(56,978)	394,739
Fund balance - beginning of year	2,300	-	451,717	451,717
Fund balance - end of year	\$ 2,300	\$ (451,717)	\$ 394,739	\$ 846,456

TOWN OF COLFAX

Schedule of Net Pension Liability Data Cost Sharing Retirement Systems

Retirement System / Measurement Date	Share of Collective Net Pension Liability		Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Pension Plans Fiduciary Net Position as a Percentage of Total Pension Liability
	Percent	Amount		Covered Payroll	Liability
Municipal Police Employees' Retirement System					
June 30, 2014	0.000000%	-	-	0.0%	75.1%
June 30, 2015	0.000000%	-	-	0.0%	66.0%
June 30, 2016	0.000000%	-	-	0.0%	70.1%
June 30, 2017	0.013831%	120,750	41,291	292.4%	70.1%
June 30, 2018	0.126391%	114,696	40,039	286.5%	70.1%
June 30, 2019	0.012861%	116,799	40,164	290.8%	71.0%
June 30, 2020	0.012014%	111,038	40,211	276.1%	70.9%
June 30, 2021	0.003895%	20,764	11,885	174.7%	84.1%
June 30, 2022	0.017105%	174,844	52,806	331.1%	70.8%
Municipal Employees' Retirement System					
June 30, 2014	0.383300%	179,963	260,697	69.0%	76.9%
June 30, 2015	0.386136%	262,437	299,646	87.6%	68.7%
June 30, 2016	0.415877%	344,724	305,547	112.8%	63.3%
June 30, 2017	0.361674%	312,932	310,842	100.7%	63.5%
June 30, 2018	0.323740%	273,830	239,914	114.1%	63.5%
June 30, 2019	0.341322%	298,593	260,928	114.4%	66.1%
June 30, 2020	0.277928%	251,866	215,384	116.9%	66.3%
June 30, 2021	0.188707%	109,322	145,028	75.4%	79.1%
June 30, 2022	0.237894%	208,871	191,261	109.2%	69.6%

Notes to Schedule:

At the present time, management has not identified any factors that are expected to significantly affect trends in the amounts reported above.

Town of Colfax

Schedule of Employer Contributions Cost Sharing Retirement Systems

Retirement System / Fiscal Year Ending	Statutorily Required Employer Contributions	Contributions Recognized By the Pension Plan	Difference Between Required and Recognized Contributions	Covered Payroll	Contributions Recognized as a Percentage of Covered Payroll
Municipal Police Employees' Retirement System					
June 30, 2014	-	-	-	-	0.00%
June 30, 2015	-	-	-	-	0.00%
June 30, 2016	-	-	-	-	0.00%
June 30, 2017	13,110	13,110	-	41,291	31.75%
June 30, 2018	12,312	12,312	-	40,039	30.75%
June 30, 2019	12,953	12,953	-	40,164	32.25%
June 30, 2020	13,069	13,069	-	40,211	32.50%
June 30, 2021	4,011	4,011	-	11,885	33.75%
June 30, 2022	15,710	15,710	-	52,806	29.75%
Municipal Employees' Retirement System					
June 30, 2014	22,811	22,811	-	260,697	8.75%
June 30, 2015	25,453	25,453	-	299,646	8.50%
June 30, 2016	29,027	29,027	-	305,547	9.50%
June 30, 2017	29,530	29,530	-	310,842	9.50%
June 30, 2018	31,789	31,789	-	239,914	13.25%
June 30, 2019	36,530	36,530	-	260,928	14.00%
June 30, 2020	30,154	30,154	-	215,384	14.00%
June 30, 2021	22,479	22,479	-	145,028	15.50%
June 30, 2022	29,645	29,645	-	191,261	15.50%

Notes to Schedule:

At the present time, management has not identified any factors that are expected to significantly affect trends in the amounts reported above.

TOWN OF COLFAX

Schedule of Compensation Paid to Board Members Year Ended June 30, 2023

Garland Brossett	\$	14,400
Alan Futrell		4,500
Cinda Thomas		4,500
Derrian Sapp		4,500
Gena L Jones		4,500
Tamika Price		4,500
		<hr/>
Total Compensation	\$	<u>36,900</u>

TOWN OF COLFAX

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer Year Ended June 30, 2023

Agency Head (Mayor) -Garland Brossett

Purpose:

Compensation	\$	14,400
Payroll Taxes		1,503
Retirement		2,016
Reimbursements		166

Town of Colfax

Justice System Funding Schedule - Collecting / Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session -
Cash Basis Presentation
For the Year Ended June 30, 2023

	First Six Month Period Ended December 31, 2022	Second Six Month Period Ended June 30, 2023
Beginning Balance of Amounts Collected	\$ -	\$ -
Add: Collections		
Criminal Criminal/Costs/Fees	12,517	14,184
Subtotal Collections	<u>12,517</u>	<u>14,184</u>
Less: Disbursements to Governments & Nonprofits		
Central Louisiana Juvenile Detention Center	480	225
Dept. of Health and Hospitals - Head Injury Fund	80	-
Louisiana Commission on Law Enforcement - Court Cost	606	284
Louisiana Supreme Court Assessment	32	15
State of Louisiana - CMIS Assessment	64	30
Less: Amounts Retained by the Town of Colfax		
Self Disbursed Court Cost	11,255	13,630
Subtotal Disbursements / Retainage	<u>12,517</u>	<u>14,184</u>
Ending Balance of Amounts Collected but not Disbursed	<u>\$ -</u>	<u>\$ -</u>

TOWN OF COLFAX

Schedule of Findings

June 30, 2023

Part I - Summary of Auditor's Results:

- The Independent Auditor's Report on the general-purpose financial statements for the Town of Colfax, Louisiana, as of June 30, 2023, and for the year then ended expressed an unqualified opinion.
- The audit disclosed one finding (2023-001) which is considered to be significant deficiency in internal control over financial reporting.
- The Town was not required to have a Single Audit; therefore, none of the reporting requirements of OMB Circular A-133 was required.

Part II - Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

Finding 2023-001 – The Legislative Auditor issued a compliance review, dated October 29, 2008. In the application of their *Checklist of Best Practices*, the following was noted and remains unresolved:

Natural Gas Losses: "Management is to continue its efforts to identify the causes of the natural gas losses."

- Criteria: A Legislative Auditor compliance review, performed in October of 2008, determined that the Town's natural gas losses were exceedingly high.
- Condition: In the current year, the Town's natural gas losses were still unacceptably high.
- Effect: The Town is spending an excessive amount on natural gas purchases, causing costly losses and potential danger to the public.
- Cause: The Town's aging gas distribution system develops frequent leaks, some of which can be difficult to locate or cost prohibitive to repair.
- Recommendation: We recommend that the Town continue its efforts to identify leaks, perform leak surveys, and work with its suppliers to control the losses.

TOWN OF COLFAX

**Management's Corrective Action Plan
June 30, 2023**

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
<p>Finding 2023-001 – The Legislative Auditor issued a compliance review, dated October 29, 2008. In the application of their <i>Checklist of Best Practices</i>, the following was noted and remains unresolved:</p> <p>Natural Gas Losses: “Management is to continue its efforts to identify the causes of the natural gas losses.”</p>	<p>Response: We are continuing to diligently work with our natural gas supplier as well as performing leak surveys and working to fix all leaks in order to control the losses. We will continue to monitor our losses and address issues as they appear</p>
SECTION II MANAGEMENT LETTER	
<p>ML-1-2023, Natural Gas Losses: Over the ten-year period gas losses have ranged from 28.7% to 43.5%. Such losses are costly and may be dangerous to the public. Possible explanations for the loss of gas are leakage and/or worn-out meters that do not accurately measure the amount of gas delivered to customers.</p>	<p>Response: We are continuing to diligently work with our natural gas supplier as well as performing leak surveys and working to fix all leaks in order to control the losses. We will continue to monitor our losses and address issues as they appear.</p>

TOWN OF COLFAX

Summary of Prior Year Findings June 30, 2023

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
<p><u>Finding 2022-001</u> – The Legislative Auditor issued a compliance review, dated October 29, 2008. In the application of their <i>Checklist of Best Practices</i>, the following was noted and remains unresolved:</p> <p>Natural Gas Losses: “Management is to continue its efforts to identify the causes of the natural gas losses.”</p>	<p><u>Status: Unresolved</u> We are continuing to diligently work with our natural gas supplier as well as performing leak surveys and working to fix all leaks in order to control the losses. We will continue to monitor our losses and address issues as they appear</p>
SECTION II MANAGEMENT LETTER	
<p><u>ML-1-2022- Natural Gas Losses:</u> Over the ten-year period gas losses have ranged from 28.7% to 43.5%. Such losses are costly and may be dangerous to the public. Possible explanations for the loss of gas are leakage and/or worn-out meters that do not accurately measure the amount of gas delivered to customers.</p>	<p><u>Unresolved:</u> We are continuing to diligently work with our natural gas supplier as well as performing leak surveys and working to fix all leaks in order to control the losses. We will continue to monitor our losses and address issues as they appear.</p>

APPENDIX A
Statewide Agreed-Upon Procedures



Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the Town of Colfax and
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Town of Colfax 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, 2022 through June 30, 2023. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

We were engaged 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 the entity 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.

Rozier, McKay & Willis
Certified Public Accountants
Alexandria, Louisiana
November 15, 2023



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Town of Colfax

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Written Policies and Procedures		
Agreed-Upon Procedure	Results	Managements' Response
<p>1 Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories.</p> <ul style="list-style-type: none"> • Budgeting • Purchasing • Disbursements • Receipts • Payroll/Personnel • Contracting • Credit Cards • Travel and expense reimbursements • Ethics • Debt Service • Disaster Recovery / Business Continuity • Sexual Harassment 	<p>The Town has written procedures regarding the following functions, including all specified components:</p> <ul style="list-style-type: none"> • Disbursements • Travel and Expense Reimbursements • Payroll/Personnel <p>The Town has written procedures regarding the following functions, but did not have all specified components:</p> <ul style="list-style-type: none"> • Credit Cards • Sexual Harassment <p>The Town does not have written procedures regarding the following functions:</p> <ul style="list-style-type: none"> • Budgeting • Purchasing • Receipts • Contracting • Ethics • Debt Service • Disaster Recovery/Business Continuity 	<p><i>The Town will examine their written procedures and the Legislative Auditor's "Best Practices" and develop written policies for the specified functions.</i></p>

Town of Colfax

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
<p>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:</p> <p>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.</p> <p>b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. <i>Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced 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.</i></p> <p>c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal</p>	<p>Board and committee minutes were reviewed for the fiscal period.</p> <p>The governing board met monthly with a quorum.</p> <p>Budget-to-Actual comparisons are included as part of the Board's monthly meetings.</p> <p>There were no deficit fund balances in the previous report.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>

Town of Colfax

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund. d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.	The board did not receive written updates concerning the progress of resolving audit finding(s).	<i>The Town will work towards providing the Board with these reports in the future.</i>

Town of Colfax

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Bank Reconciliations		
Agreed-Upon Procedure	Results	Managements' Response
<p>3 Obtain a listing of client 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 selected each account, and observe that:</p> <p>a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);</p> <p>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</p> <p>c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.</p>	<p>RMW has obtained a listing of the Town's bank accounts and selected five for testing.</p> <p>Bank Reconciliations included evidence that they were prepared within 2 months of the statement closing date.</p> <p>A board member reviews the bank reconciliations, but no evidence of review was present.</p> <p>The Town voids checks that have been outstanding for more than six months.</p>	<p><i>The results did not include findings or criticism.</i></p> <p><i>The results did not include findings or criticism.</i></p> <p><i>The Town will work to ensure that there is evidence of reviewal in the future.</i></p> <p><i>The results did not include findings or criticism.</i></p>

Town of Colfax

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Collections (excluding EFTs)		
Agreed-Upon Procedure	Results	Managements' Response
<p>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.</p>	<p>The same employee responsible for preparing deposits occasionally collects cash receipts.</p>	<p><i>It is management's opinion that the cost of taking corrective action for this exceeds the benefits of correcting these matters.</i></p>
<p>c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.</p>	<p>The same employee who posts collection entries to the general ledger and reconciles ledger posting to deposits occasionally collects cash receipts.</p>	<p><i>It is management's opinion that the cost of taking corrective action for this exceeds the benefits of correcting these matters.</i></p>
<p>d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.</p>	<p>The same employee who reconciles cash collections to the general ledger occasionally collects cash receipts. No other employee verifies the reconciliation.</p>	<p><i>It is management's opinion that the cost of taking corrective action for this exceeds the benefits of correcting these matters.</i></p>
<p>6 Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.</p>	<p>The administrative staff is covered by a bond policy that protects against theft.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>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) . Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as</p>	<p>Two deposit dates were randomly selected for testing.</p>	<p><i>The results did not include findings or criticisms.</i></p>

Town of Colfax

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Collections (excluding EFTs)		
Agreed-Upon Procedure	Results	Managements' Response
<p>a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:</p> <p>a. Observe that receipts are sequentially pre-numbered.</p> <p>b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.</p> <p>c. Trace the deposit slip total to the actual deposit per the bank statement.</p> <p>d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).</p> <p>e. Trace the actual deposit per the bank statement to the general ledger.</p>	<p>The Town keeps sequentially numbered receipts.</p> <p>The receipt totals matched the totals on the deposit slips.</p> <p>The deposit slip totals matched the actual deposits per the bank statement.</p> <p>Deposits were made within one business day of receipt.</p> <p>We traced the actual deposit per the bank statement to the general ledger, and found no discrepancies.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>

Town of Colfax

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
<p>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).</p>	<p>All disbursements occur at Town Hall.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>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:</p> <p>a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.</p> <p>b) At least two employees are involved in processing and approving payments to vendors.</p> <p>c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.</p> <p>d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail</p>	<p>At least two employees are involved in initiating a purchase, and placing an order.</p> <p>At least two employees are involved in processing and approving payments to vendors.</p> <p>The Town Clerk processes payments and can add vendor files to the accounting system.</p> <p>The employee who mails checks is not responsible for processing payments.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>As a compensating control, we will have a member of management review changes to the vendor files periodically.</i></p> <p><i>The results did not include findings or criticisms.</i></p>

Town of Colfax

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
<p>who is not responsible for processing payments.</p> <p>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:</p> <p>a. Observe that the disbursement matched the related original invoice/billing statement.</p> <p>b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.</p> <p>11 Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main</p>	<p>The disbursements matched the related original invoices / billing statement.</p> <p>Segregation of duties was observed on disbursement documentation.</p> <p>None of the five transactions were approved by the required number of authorized signers per the entity's policy.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>While the magnitude of electronic transactions we process is minimal, in the future, we will insure two authorized signatories approve each electronic transaction.</i></p>

Town of Colfax

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.		

Town of Colfax

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	Results	Managements' Response
<p>12 Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.</p>	<p>Management represented that the list provided was complete.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>13 Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:</p> <p>a. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.</p> <p>b. Observe that finance charges and late fees were not assessed on the selected statements.</p>	<p>The credit card statement is approved by the Utility Clerk; however, the Town Clerk is a cardholder.</p> <p>The statements examined did not have finance charges or late fees assessed.</p>	<p><i>The Town will have a member of management other than the authorized card holder review the statement and document their review.</i></p> <p><i>The results did not include findings or criticisms.</i></p>

Town of Colfax

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	Results	Managements' Response
14 Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).	Each transaction was supported by an itemized receipt, and had clear business purpose.	<i>The results did not include findings or criticisms.</i>

Town of Colfax

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Travel and Expense Reimbursement		
Agreed-Upon Procedure	Results	Managements' Response
<p>15 Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:</p> <p>a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).</p> <p>b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.</p> <p>c. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).</p> <p>d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.</p>	<p>RMW was given access to the general ledger system containing all travel and travel-related expense reimbursements.</p> <p>Per Diem rates agreed to amounts set by the General Services Administration.</p> <p>The Town doesn't reimburse actual costs. All reimbursements are based on the Per Diem amounts established by the GSA.</p> <p>The reimbursements are supported by documentation of the business/public purpose. There is no documentation required by written policy, as all reimbursements are based on Per Diem amounts established by the GSA.</p> <p>Not all reimbursements were approved in writing from someone other than the person receiving the reimbursement</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>We will work to ensure that in the future, all reimbursements are approved by someone other than the person receiving the reimbursement.</i></p>

Town of Colfax

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Contracts		
Agreed-Upon Procedure	Results	Managements' Response
<p>16 Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:</p> <p>a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.</p> <p>b. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).</p> <p>c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.</p> <p>d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.</p>	<p>An active vendor list was produced by the Town's general ledger software and the Town Clerk represented that the listing was complete.</p> <p>None of the contracts randomly selected were subject to the Public Bid Law.</p> <p>One of the contracts was unavailable for inspection.</p> <p>None of the contracts randomly selected were amended</p> <p>All of the invoices selected agree to the terms and conditions of the contract.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>We will ensure that in the future, The Town retains copies of all contracts.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>

Town of Colfax

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
<p>17 Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.</p>	<p>The Town Clerk provided a listing of all employees and represented that the listing is complete. Five employees were randomly selected.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>18 Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:</p> <p>a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).</p> <p>b. Observe that supervisors approved the attendance and leave of the selected employees/officials.</p> <p>c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.</p>	<p>The employees of the Town have time cards that document their attendance.</p> <p>Leave is approved by department heads and the mayor.</p> <p>The Town has a cumulative leave record in the QuickBooks that reflects leave accrued and taken during the year.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>
<p>19 Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination</p>	<p>Termination payments agreed to the Entity's documentation of time earned and approved pay rates.</p>	<p><i>The results did not include findings or criticisms.</i></p>

Town of Colfax

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files. 20 Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.	Management has represented that all payments were made and all associated forms were filed by required deadlines.	<i>The results did not include findings or criticisms.</i>

Town of Colfax

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Ethics		
Agreed-Upon Procedure	Results	Managements' Response
<p>21 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:</p> <p>a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.</p> <p>b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.</p>	<p>The selected employees completed the required ethics training.</p> <p>The Town has not adopted a written ethics policy to be signed by employee/officials.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>We will work with our auditors, legal representation, and the Legislative Auditor's Best Practices to draft and adopt appropriate written policies.</i></p>
<p>22 Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.</p>	<p>The Town has appointed an ethics designee.</p>	<p><i>The results did not include findings or criticisms.</i></p>

Town of Colfax

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Debt Service		
Agreed-Upon Procedure	Results	Managements' Response
23 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.	The Town did not issue any new debt in the current year.	<i>The results did not include findings or criticisms.</i>
25 Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.	Management provided a listing of all bonds/notes outstanding at the end of the fiscal period. The Town's only outstanding debt, a capital lease, was selected. The lease had no related debt covenants, and all payments were made timely.	<i>The results did not include findings or criticisms.</i>

Town of Colfax

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Fraud Notice		
Agreed-Upon Procedure	Results	Managements' Response
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.	Management represented that there were no misappropriations of public funds or assets during the period.	<i>The results did not include findings or criticisms.</i>
26 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.	The notice was visibly posted on a bulletin board at the Town Hall.	<i>The results did not include findings or criticisms.</i>

Town of Colfax

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Information Technology Disaster Recovery /Business Continuity		
Agreed-Upon Procedure	Results	Managements' Response
<p>27 Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."</p> <p>a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.</p> <p>b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.</p> <p>c. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.</p>	<p>We performed the procedures and discussed the results with management.</p> <p>We performed the procedures and discussed the results with management.</p> <p>We performed the procedures and discussed the results with management.</p> <p>We performed the procedures and discussed the results with management.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>
<p>28 Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in</p>	<p>We performed the procedures and discussed the results with management.</p>	<p><i>The results did not include findings or criticisms.</i></p>

Town of Colfax

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Information Technology Disaster Recovery /Business Continuity		
Agreed-Upon Procedure	Results	Managements' Response
procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.		

Town of Colfax

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Sexual Harassment		
Agreed-Upon Procedure	Results	Managements' Response
<p>29 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.</p>	<p>The Town had supporting documentation for one of the five selected employees, there was no supporting documentation for the remaining four employees.</p>	<p><i>We will begin to require all employees to take required sexual harassment training, and to retain proof that the training was completed.</i></p>
<p>30 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).</p>	<p>The Entity has physically posted the policy, and makes employees aware of the policy during annual training sessions.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>31 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:</p> <ul style="list-style-type: none"> a. Number and percentage of public servants in the agency who have completed the training requirements; b. Number of sexual harassment complaints received by the agency; c. Number of complaints which resulted in a finding that sexual harassment occurred; d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and e. Amount of time it took to resolve each complaint. 	<p>The Entity did not prepare an annual sexual harassment report for the current fiscal period.</p>	<p><i>We will prepare an annual sexual harassment report before the next required deadline, and ensure that it contains the required elements.</i></p>