

This report is intended for the information of management, the Board of Aldermen, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

*Marcus, Robinson & Hassell*

Marcus, Robinson, and Hassell

October 1, 1996

TOWN OF WINNSBORO  
STREET GRANT  
BALANCE SHEETS  
JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
<u>ASSETS</u>		
Cash	<u>-0-</u>	<u>-0-</u>
<u>TOTAL ASSETS</u>	<u>-0-</u>	<u>-0-</u>
<u>FUND BALANCE</u>		
Unreserved-Undesignated	<u>-0-</u>	<u>-0-</u>
<u>TOTAL FUND BALANCE</u>	<u>-0-</u>	<u>-0-</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>-0-</u>	<u>-0-</u>

See Notes To Financial Statements

TOWN OF WINNSBORO  
SALES TAX FUND  
BALANCE SHEETS  
JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
<u>ASSETS</u>		
Cash	504,931	322,780
Due from Other Funds	<u>500,000</u>	<u>500,000</u>
<u>TOTAL ASSETS</u>	<u>1,004,931</u>	<u>822,780</u>
<u>FUND BALANCE</u>		
Unreserved-Undesignated	<u>1,004,931</u>	<u>822,780</u>
<u>TOTAL FUND BALANCE</u>	<u>1,004,931</u>	<u>822,780</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>1,004,931</u>	<u>822,780</u>

See Notes to Financial Statements

TOWN OF WINNSBORO  
UTILITY ENTERPRISE FUND  
SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT  
YEARS ENDED JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
<u>GENERAL AND ADMINISTRATIVE</u>		
Salaries	127,128	146,341
Administrative	<u>166,769</u>	<u>199,104</u>
<u>TOTAL GENERAL AND ADMINISTRATIVE</u>	293,897	345,445
<u>WATER</u>		
Salaries	157,104	155,499
Material and Supplies	100,898	100,880
Power	42,060	38,113
Depreciation	<u>99,657</u>	<u>96,258</u>
<u>TOTAL WATER</u>	399,719	390,750
<u>SEWER</u>		
Salaries	69,038	64,437
Material and Supplies	185,517	89,552
Depreciation	<u>267,545</u>	<u>262,560</u>
<u>TOTAL SEWER</u>	<u>522,100</u>	<u>416,549</u>
<u>TOTAL OPERATING EXPENSES BY DEPARTMENT</u>	<u>1,215,716</u>	<u>1,152,744</u>

See Notes to Financial Statements

TOWN OF WINNSBORO  
UTILITY ENTERPRISE FUND  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net Income (Loss)	(206,826)	(149,548)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	367,202	358,818
Amortization	6,037	6,037
(Increase)Decrease In:		
Due from Investment Fund	50,000	101,000
Receivables	( 1,577)	(24,923)
Restricted Assets	2,068	27,996
Increase(Decrease) In:		
Accounts Payable	(703)	2,906
Meter Deposits Refundable	1,099	2,848
Accrued Interest on Bonds	(4,500)	( 731)
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	<u>212,800</u>	<u>324,403</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Property and Equipment	( 103,565)	(3,084,132)
<u>NET CASH USED IN INVESTING ACTIVITIES</u>	<u>( 103,565)</u>	<u>(3,084,132)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Payment of Long-Term Debt	(148,801)	(127,443)
Long-Term Debt Borrowing	-0-	603,758
Contributed Capital From Federal Grants	79,729	2,252,762
<u>NET CASH USED IN FINANCING ACTIVITIES</u>	<u>(69,072)</u>	<u>2,729,077</u>
<u>NET INCREASE(DECREASE) IN CASH</u>	<u>40,163</u>	<u>(30,652)</u>
<u>CASH AT BEGINNING OF YEAR</u>	<u>47,909</u>	<u>78,561</u>
<u>CASH AT END OF YEAR</u>	<u>88,072</u>	<u>47,909</u>

See Notes to Financial Statements

TOWN OF WINNSBORO  
UTILITY ENTERPRISE FUND  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS  
YEARS ENDED JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
<u>OPERATING REVENUES</u>		
Water Sales	590,347	594,614
Sewer Fees	656,571	657,092
Water Tap Fees	3,125	5,250
Miscellaneous	<u>2,624</u>	<u>3,975</u>
<u>TOTAL OPERATING REVENUES</u>	1,252,667	1,260,931
<u>OPERATING EXPENSES</u>		
Salaries	353,270	366,277
Administrative	166,769	199,104
Material and Supplies	286,415	190,432
Power	42,060	38,113
Depreciation	<u>367,202</u>	<u>358,818</u>
<u>TOTAL OPERATING EXPENSES</u>	<u>1,215,716</u>	<u>1,152,744</u>
<u>OPERATING INCOME</u>	36,951	108,187
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Interest Earned	18,947	22,891
Interest Expense	(256,687)	(267,301)
Amortization	(6,037)	(6,037)
Transfers Out	<u>-0-</u>	<u>( 7,288)</u>
<u>TOTAL NON-OPERATING REVENUES (EXPENSES)</u>	<u>(243,777)</u>	<u>(257,735)</u>
<u>NET INCOME/(LOSS)</u>	(206,826)	(149,548)
<u>RETAINED EARNINGS AT BEGINNING OF YEAR</u>	<u>2,664,224</u>	<u>2,813,772</u>
<u>RETAINED EARNINGS AT END OF YEAR</u>	<u>2,457,398</u>	<u>2,664,224</u>

See Notes to Financial Statements

TOWN OF WINNSBORO  
UTILITY ENTERPRISE FUND  
BALANCE SHEETS  
JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
<u>LIABILITIES AND FUND EQUITY</u>		
<u>LIABILITIES</u>		
Current liabilities (payable from current assets):		
Accounts Payable	23,227	23,930
<u>TOTAL CURRENT LIABILITIES</u> <u>(PAYABLE FROM CURRENT ASSETS)</u>	23,227	23,930
Current liabilities (payable from restricted assets)		
Meter Deposits Refundable	84,480	83,381
Revenue Bonds Payable	158,319	142,107
Notes Payable - FMHA	7,597	7,227
Accrued Interest on Bonds	52,957	57,457
<u>TOTAL CURRENT LIABILITIES</u> <u>(PAYABLE FROM RESTRICTED ASSETS)</u>	303,353	290,172
<u>LONG-TERM LIABILITIES</u>		
Revenue Bonds (Net of current portion)	1,688,576	1,846,895
Notes Payable-FMHA	825,183	832,247
<u>TOTAL LONG-TERM LIABILITIES</u>	2,513,759	2,679,142
<u>TOTAL LIABILITIES</u>	2,840,339	2,993,244
<u>FUND EQUITY</u>		
<u>CONTRIBUTED CAPITAL</u>		
Municipality	440,617	440,617
Federal Grants	2,989,828	2,910,099
<u>TOTAL CONTRIBUTED CAPITAL</u>	3,430,445	3,350,716
<u>RETAINED EARNINGS</u>		
Unreserved & Undesignated	2,214,810	2,418,900
Reserved per Bond Indentures	242,588	245,324
<u>TOTAL RETAINED EARNINGS</u>	2,457,398	2,664,224
<u>TOTAL FUND EQUITY</u>	5,887,843	6,014,940
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>8,728,182</u>	<u>9,008,184</u>

See Notes to Financial Statements

TOWN OF WINNSBORO  
UTILITY ENTERPRISE FUND  
BALANCE SHEETS  
JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
<u>ASSETS</u>		
Current Assets		
Cash	88,072	47,909
Due from Investment Fund	50,300	100,300
Receivables	<u>114,362</u>	<u>112,785</u>
<u>TOTAL CURRENT ASSETS</u>	252,734	260,994
Restricted Assets		
Cash	134,385	115,053
Due from Investment Fund	<u>203,800</u>	<u>225,200</u>
<u>TOTAL RESTRICTED ASSETS</u>	338,185	340,253
<u>FIXED ASSETS</u>		
Water Plant and Equipment	3,066,867	3,066,867
Sewer System and Equipment	8,790,289	8,686,724
Accumulated Depreciation	<u>(3,768,182)</u>	<u>(3,400,980)</u>
<u>TOTAL FIXED ASSETS</u>	8,088,974	8,352,611
<u>OTHER DEBITS</u>		
Deferred Charges-Debt Issuance	<u>48,289</u>	<u>54,326</u>
<u>TOTAL OTHER DEBITS</u>	<u>48,289</u>	<u>54,326</u>
<u>TOTAL ASSETS</u>	<u>8,728,182</u>	<u>9,008,184</u>

See Notes to Financial Statements



AGENCY FUND

Agency Fund - to account for the investment of all excess funds for all other funds controlled by the Town of Winnsboro.

TOWN OF WINNSBORO  
STREET GRANT  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE -- BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED JUNE 30, 1996

	<u>BUDGET</u>	<u>1996 ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>1995 ACTUAL</u>
<u>REVENUES</u>				
Intergovernmental	445,390	445,390	-0-	-0-
<u>TOTAL REVENUES</u>	445,390	445,390	-0-	-0-
<u>EXPENDITURES</u>				
Capital Outlay	445,390	445,390	-0-	-0-
<u>TOTAL EXPENDITURES</u>	445,390	445,390	-0-	-0-
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	-0-	-0-	-0-	-0-
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	-0-	-0-	-0-	-0-
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)</u>	-0-	-0-	-0-	-0-
<u>FUND BALANCES AT BEGINNING OF YEAR</u>	-0-	-0-	-0-	-0-
<u>FUND BALANCES AT END OF YEAR</u>	-0-	-0-	-0-	-0-

See Notes To Financial Statements

TOWN OF WINNSBORO  
AGENCY FUND  
BALANCE SHEETS  
JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
<u>ASSETS</u>		
Cash	1,143,100	1,264,500
<u>TOTAL ASSETS</u>	<u>1,143,100</u>	<u>1,264,500</u>
<u>LIABILITIES</u>		
Due to Other Funds	1,143,100	1,264,500
<u>TOTAL LIABILITIES</u>	<u>1,143,100</u>	<u>1,264,500</u>

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
YEAR ENDED JUNE 30, 1996

	<u>BALANCE</u> <u>JULY, 1,</u> <u>1995</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30,</u> <u>1996</u>
<u>ASSETS</u>				
Cash	1,264,500	18,000	139,400	1,143,100
<u>LIABILITIES</u>				
Due to Other Funds	1,264,500	18,000	139,400	1,143,100

See Notes to Financial Statements

TOWN OF WINNSBORO  
SEWER PROJECT GRANT  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED JUNE 30, 1996

	<u>BUDGET</u>	<u>1996 ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>1995 ACTUAL</u>
<u>REVENUES</u>				
Intergovernmental	<u>-0-</u>	<u>81,208</u>	<u>81,208</u>	<u>2,833,735</u>
<u>TOTAL REVENUES</u>	<u>-0-</u>	<u>81,208</u>	<u>81,208</u>	<u>2,833,735</u>
<u>EXPENDITURES</u>				
Capital Outlay	<u>-0-</u>	<u>79,729</u>	<u>(79,729)</u>	<u>2,856,520</u>
<u>TOTAL EXPENDITURES</u>	<u>-0-</u>	<u>79,729</u>	<u>(79,729)</u>	<u>2,856,520</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	<u>-0-</u>	<u>1,479</u>	<u>1,479</u>	<u>( 22,785)</u>
<u>OTHER FINANCING SOURCES</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>TOTAL OTHER FINANCING SOURCES</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>EXCESS DEFICIENCY OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)</u>	<u>-0-</u>	<u>1,479</u>	<u>1,479</u>	<u>(22,785)</u>
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>2,399</u>	<u>2,399</u>	<u>-0-</u>	<u>25,184</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>2,399</u>	<u>3,878</u>	<u>1,479</u>	<u>2,399</u>

See Notes To Financial Statements

TOWN OF WINNSBORO  
MAINSTREET FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE -- BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED JUNE 30, 1996

	<u>BUDGET</u>	<u>1996 ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>1995 ACTUAL</u>
<u>REVENUES</u>				
Contributions	-0-	-0-	-0-	-0-
Intergovernmental	-0-	-0-	-0-	-0-
<u>TOTAL REVENUES</u>	-0-	-0-	-0-	-0-
<u>EXPENDITURES</u>				
General Government	-0-	-0-	-0-	-0-
<u>TOTAL EXPENDITURES</u>	-0-	-0-	-0-	-0-
<u>EXCESS (DEFICIENCY) OF</u>				
<u>REVENUES OVER</u>				
<u>EXPENDITURES</u>	-0-	-0-	-0-	-0-
<u>OTHER FINANCING</u>				
<u>SOURCES (USES)</u>				
Transfers Out	-0-	-0-	-0-	-0-
Transfers In	-0-	-0-	-0-	-0-
<u>TOTAL OTHER FINANCING</u>	-0-	-0-	-0-	-0-
<u>EXCESS (DEFICIENCY) OF</u>				
<u>REVENUES OVER</u>				
<u>EXPENDITURES AND</u>				
<u>OTHER SOURCES (USES)</u>	-0-	-0-	-0-	-0-
<u>FUND BALANCES AT</u>				
<u>BEGINNING OF YEAR</u>	(3,654)	(3,654)	-0-	(3,654)
<u>FUND BALANCES AT</u>				
<u>END OF YEAR</u>	(3,654)	(3,654)	-0-	(3,654)

See Notes to Financial Statements

TOWN OF WINNSBORO  
MAINSTREET FUND  
BALANCE SHEETS  
JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
<u>ASSETS</u>		
Cash	-0-	-0-
Due from Other Gov't Agencies	<u>-0-</u>	<u>-0-</u>
<u>TOTAL ASSETS</u>	<u><u>-0-</u></u>	<u><u>-0-</u></u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	-0-	-0-
Due to Other Funds	<u>3,654</u>	<u>3,654</u>
<u>TOTAL LIABILITIES</u>	3,654	3,654
 <u>FUND BALANCE</u>		
Unreserved - Undesignated	<u>(3,654)</u>	<u>(3,654)</u>
<u>TOTAL FUND BALANCE</u>	<u>(3,654)</u>	<u>(3,654)</u>
 <u>TOTAL LIABILITIES AND FUND BALANCES</u>	 <u><u>-0-</u></u>	 <u><u>-0-</u></u>

See Notes to Financial Statements

TOWN OF WINNSBORO  
INDUSTRIAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE -- BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED JUNE 30, 1996

	<u>BUDGET</u>	<u>1996 ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>1995 ACTUAL</u>
<u>REVENUES</u>				
Contributions	-0-	-0-	-0-	2,500
Intergovernmental	-0-	-0-	-0-	25,000
Rents	19,525	19,525	-0-	13,775
Interest Earned	<u>18,012</u>	<u>27,176</u>	<u>9,164</u>	<u>26,560</u>
<u>TOTAL REVENUES</u>	37,537	46,701	9,164	67,835
<u>EXPENDITURES</u>				
Capital Outlay	9,879	21,036	(11,157)	11,100
General Government	<u>20,000</u>	<u>11,182</u>	<u>8,818</u>	<u>18,257</u>
<u>TOTAL EXPENDITURES</u>	29,879	32,218	(2,339)	29,357
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>TOTAL OTHER EXPENDITURES AND OTHER FINANCING SOURCES (USES)</u>	<u>29,879</u>	<u>32,218</u>	<u>(2,339)</u>	<u>29,357</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)</u>	7,658	14,483	6,825	38,478
<u>FUND BALANCES AT BEGINNING OF YEAR</u>	<u>676,804</u>	<u>676,804</u>	<u>-0-</u>	<u>638,326</u>
<u>FUND BALANCES AT END OF YEAR</u>	<u>684,462</u>	<u>691,287</u>	<u>6,825</u>	<u>676,804</u>

See Notes to Financial Statements

TOWN OF WINNSBORO  
INDUSTRIAL FUND  
BALANCE SHEETS  
JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
<u>ASSETS</u>		
Cash	299,273	234,790
Due from Other Funds	<u>392,014</u>	<u>442,014</u>
<u>TOTAL ASSETS</u>	<u>691,287</u>	<u>676,804</u>
 <u>FUND BALANCE</u>		
Unreserved-Undesignated	<u>691,287</u>	<u>676,804</u>
<u>TOTAL FUND BALANCE</u>	<u>691,287</u>	<u>676,804</u>
 <u>TOTAL LIABILITIES AND FUND BALANCE</u>	 <u>691,287</u>	 <u>676,804</u>

See Notes to Financial Statements



TOWN OF WINNSBORO  
SALES TAX FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE -- BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED JUNE 30, 1996

	<u>BUDGET</u>	<u>1996 ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>1995 ACTUAL</u>
<u>REVENUES</u>				
Taxes	800,000	824,983	24,983	771,614
Interest Earned	<u>26,000</u>	<u>32,168</u>	<u>6,168</u>	<u>28,671</u>
<u>TOTAL REVENUES</u>	<u>826,000</u>	<u>857,151</u>	<u>31,151</u>	<u>800,285</u>
<u>EXCESS (DEFICIENCY) OF</u>				
<u>REVENUES OVER</u>				
<u>EXPENDITURES</u>				
	826,000	857,151	31,151	800,285
<u>OTHER FINANCING SOURCES</u>				
<u>(USES)</u>				
Transfers Out	<u>(728,000)</u>	<u>( 675,000)</u>	<u>53,000</u>	<u>(697,691)</u>
<u>TOTAL OTHER FINANCING</u>				
<u>SOURCES (USES)</u>	<u>(728,000)</u>	<u>( 675,000)</u>	<u>53,000</u>	<u>(697,691)</u>
<u>EXCESS (DEFICIENCY) OF</u>				
<u>REVENUES OVER</u>				
<u>EXPENDITURES AND</u>				
<u>OTHER SOURCES (USES)</u>				
	98,000	182,151	84,151	102,594
<u>FUND BALANCES AT</u>				
<u>BEGINNING OF YEAR</u>				
	<u>822,780</u>	<u>822,780</u>	<u>-0-</u>	<u>720,186</u>
<u>FUND BALANCES AT</u>				
<u>END OF YEAR</u>				
	<u>920,780</u>	<u>1,004,931</u>	<u>84,151</u>	<u>822,780</u>

See Notes to Financial Statements

#### ENTERPRISE FUND

Utility Enterprise Fund - to account for the provision of water and sewer services to the residents of the town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

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REPORT ON INTERNAL CONTROL STRUCTURE  
REQUIRED BY GAO AUDITS STANDARDS

To The Honorable Billy Cobb  
and The Board of Alderman  
Winnsboro, Louisiana

We have audited the general purpose financial statements of the Town of Winnsboro, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 1, 1996.

We conducted our audit in accordance with generally accepted auditing standards, and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Town of Winnsboro, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general-purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Town of Winnsboro, Louisiana, for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of Town of Winnsboro, Louisiana, in a separate letter dated October 1, 1996.

This report is intended for the information of the management, the Board of Aldermen, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

*Marcus, Robinson & Hassell*  
Marcus, Robinson, and Hassell  
October 1, 1996

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TOWN OF WINNSBORO  
WINNSBORO, LOUISIANA

FINANCIAL STATEMENTS  
AND  
ACCOUNTANT'S REPORT

JUNE 30, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court

Release Date NOV 20 1996

TOWN OF WINNSBORO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 1996

<u>Programs</u>	<u>Findings</u>	<u>Questioned Costs</u>
-----------------	-----------------	-------------------------

Of the items tested there were no questioned costs found.

See Notes To Financial Statements

**MARCUS, ROBINSON and HASSELL**

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REPORT ON SUPPLEMENTARY SCHEDULE OF  
FEDERAL FINANCIAL ASSISTANCE

The Honorable Billy Cobb  
and the Board of Alderman  
Town of Winnsboro, La

We have audited the general purpose financial statements of Town of Winnsboro, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 1, 1996. These general purpose financial statements are the responsibility of Town of Winnsboro, Louisiana, management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of Town of Winnsboro, Louisiana, taken as whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

*Marcus, Robinson & Hassell*  
Marcus, Robinson and Hassell  
October 1, 1996

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REPORT ON COMPLIANCE WITH GENERAL REQUIREMENTS  
APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE  
PROGRAMS REQUIRED FOR A SINGLE AUDIT

The Honorable Billy Cobb  
and the Board of Aldermen  
Town of Winnsboro, Louisiana

We have audited the general purpose financial statements of the Town of Winnsboro, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 1, 1996.

We have applied procedures to test the Town of Winnsboro, Louisiana's, compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1996.

General Requirements

Political Activity  
Davis Bacon Act  
Civil Rights  
Cash Management  
Relocation Assistance and Real Property Acquisition  
Federal Financial Reports  
Allowable Cost and Cost Principles  
Drug Free Workplace  
Administrative Requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Town of Winnsboro, Louisiana's, compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Town of Winnsboro, Louisiana, had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended for the information of management, the Board of Aldermen, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Marcus Robinson & Hassell  
Marcus, Robinson, and Hassell  
October 1, 1996



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REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS  
APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE  
PROGRAMS REQUIRED FOR A SINGLE AUDIT

The Honorable Billy Cobb  
and the Board of Alderman  
Town of Winnsboro, Louisiana

We have audited the general purpose financial statements of the Town of Winnsboro, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 1, 1996.

We have also audited the Town of Winnsboro, Louisiana's, compliance with the requirements governing types of services allowed or unallowed; eligibility, matching level of effort, or earmarking; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended June 30, 1996. The management of the Town of Winnsboro, Louisiana, is responsible for the Town of Winnsboro, Louisiana's, compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Town of Winnsboro, Louisiana's, compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures did not disclose any immaterial instance of noncompliance with the requirements referred to above.

In our opinion, the Town of Winnsboro, Louisiana, complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility, matching level of effort, or earmarking; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1996.

TOWN OF WINNSBORO  
UTILITY ENTERPRISE FUND  
SCHEDULE OF CHANGES IN ASSETS RESTRICTED  
FOR REVENUES BOND DEBT SERVICE  
YEAR ENDED JUNE 30, 1996

	<u>REVENUE BOND SINKING FUND</u>	<u>REVENUE BOND RESERVE FUND</u>	<u>DEPRECIATION ADDITIONS AND CONTINGENCY FUND</u>	<u>TOTAL</u>
<u>CASH AND INVESTMENTS</u>				
<u>JULY 1, 1995</u>	93,650	112,351	43,442	249,443
<u>CASH RECEIPTS</u>				
Transfer from Operating Cash	<u>361,042</u>	<u>18,052</u>	<u>18,052</u>	<u>397,146</u>
<u>TOTAL CASH AND INVESTMENTS AVAILABLE</u>	454,692	130,403	61,494	646,589
<u>CASH DISBURSEMENTS</u>				
Principal Payments	142,107	-0-	-0-	142,107
Interest Payments	219,118	-0-	-0-	219,118
Maintenance	<u>-0-</u>	<u>-0-</u>	<u>38,985</u>	<u>38,985</u>
<u>TOTAL CASH DISBURSEMENTS</u>	<u>361,225</u>	<u>-0-</u>	<u>38,985</u>	<u>400,210</u>
<u>CASH AND INVESTMENTS</u>				
<u>JUNE 30, 1996</u>	<u>93,467</u>	<u>130,403</u>	<u>22,509</u>	<u>246,379</u>

See Notes to Financial Statements

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of Town of Winnsboro, Louisiana, in a separate letter dated October 1, 1996.

This report is intended for the information of the management, the Board of Aldermen, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

*Marcus, Robinson & Hassell*  
MARCUS, ROBINSON AND HASSELL  
October 1, 1996

**MARCUS, ROBINSON and HASSELL**

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REPORT ON COMPLIANCE WITH LAWS AND  
REGULATIONS REQUIRED BY GAO AUDIT STANDARDS

To The Honorable Billy Cobb  
and The Board of Aldermen  
Winnsboro, La.

We have audited the general purpose financial statements of the Town of Winnsboro, Louisiana, as of and for the year ended June 30, 1996 and have issued our report thereon dated October 1, 1996.


We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Town of Winnsboro, Louisiana, is the responsibility of the Town of Winnsboro, Louisiana's, management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Town of Winnsboro, Louisiana's, compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

We noted certain immaterial instances of noncompliance that we have reported to the management of Town of Winnsboro, Louisiana, in a separate letter dated October 1, 1996.

This report is intended for the information of management, the Board of Aldermen, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

  
MARCUS, ROBINSON AND HASSELL  
October 1, 1996

TOWN OF WINNSBORO  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 1996

<u>Pass Through Grantor Program Title</u>	<u>CFDA Number</u>	<u>Award Period</u>	<u>Expenditure</u>
<u>MAJOR PROGRAMS</u>			
*Farmers Home Note Payable Sewer Project	14.228	7/1/95- 6/30/96	79,729
Community Development Block Grant Street Grant	14.228	7/1/95- 6/30/96	445,390
**Farmers Home Administration Sewer Project		7/1/95- 6/30/96	-0-
			<u>525,119</u>

\* Total expenditures for the three years is 3,297,307. This is the reason for the major program category.

\*\*There were no expenditures for the year. The loan balance of 832,780 classifies this as a major program.

See Notes To Financial Statements

TOWN OF WINNSBORO  
SCHEDULE OF COMPENSATION PAID BOARD MEMBERS  
YEAR ENDED JUNE 30, 1996

<u>BOARD MEMBER</u>	<u>AMOUNT</u>
Wayne Waller	1,900
Charles Brass	400
John Tucker	1,850
Bobby Robertson	2,000
Jack Hammons	2,000
Eli Brown, Jr.	1,100
Demetri Rollins	<u>300</u>
	<u>9,550</u>

See Notes To Financial Statements

<u>EQUIPMENT</u>	<u>TOTAL</u>
819,474	8,332,332
-0-	445,390
32,452	135,363
-0-	-0-
<u>-0-</u>	<u>-0-</u>
<u>851,926</u>	<u>8,913,085</u>

TOWN OF WINNSBORO  
GENERAL FIXED ASSETS  
STATEMENT OF CHANGES IN GENERAL FIXED ASSETS  
YEAR ENDED JUNE 30, 1996

	<u>LAND</u>	<u>BUILDINGS</u>	<u>IMPROVEMENTS OTHER THAN BUILDINGS</u>
<u>GENERAL FIXED ASSETS,</u> <u>JULY 1, 1995</u>	786,635	1,640,022	5,086,201
<u>ADDITIONS</u>			
Federal Grants	-0-	-0-	445,390
General Fund	24,000	22,873	56,038
<u>DELETIONS</u>			
General Fund	-0-	-0-	-0-
General Obligation Bonds	-0-	-0-	-0-
<u>GENERAL FIXED ASSETS,</u> <u>JUNE 30, 1996</u>	<u>810,635</u>	<u>1,662,895</u>	<u>5,587,629</u>

See Notes to Financial Statements



TOWN OF WINNSBORO  
GENERAL FIXED ASSETS  
BALANCE SHEETS  
JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
<u>ASSETS</u>		
Land	810,635	786,635
Buildings	1,662,895	1,640,022
Improvements Other than Buildings	5,587,629	5,086,201
Equipment	<u>851,926</u>	<u>819,474</u>
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>8,913,085</u>	<u>8,332,332</u>
<u>INVESTMENT IN GENERAL FIXED ASSETS</u>		
General Obligation Bonds	2,069,416	2,069,416
Federal Grants	2,020,940	1,575,550
State Grants	1,195,576	1,195,576
Other Contributions	7,500	7,500
Federal Revenue Sharing	1,574,177	1,574,177
General Fund	1,455,257	1,336,727
Sales Tax Fund	538,533	538,533
Mainstreet Fund	641	641
Industrial Fund	<u>51,045</u>	<u>34,212</u>
<u>TOTAL INVESTMENT IN GENERAL FIXED ASSETS</u>	<u>8,913,085</u>	<u>8,332,332</u>

See Notes to Financial Statements

GENERAL FIXED ASSETS ACCOUNT GROUP

General Fixed Assets Account Group - to account for fixed assets not used in proprietary fund operations.

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REPORT ON ACCOUNTING AND ADMINISTRATIVE CONTROLS  
OVER FEDERAL FINANCIAL ASSISTANCE PROGRAMS  
REQUIRED FOR A SINGLE AUDIT

The Honorable Billy Cobb  
and the Board of Aldermen  
Town of Winnsboro, Louisiana

We have audited the general purpose financial statements of the Town of Winnsboro, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 1, 1996. We have also audited the compliance of the Town of Winnsboro, Louisiana, with requirements applicable to major federal financial assistance programs and have issued our report thereon dated October 1, 1996.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the Town of Winnsboro, Louisiana, complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended June 30, 1996, we considered the internal control structure of the Town of Winnsboro, Louisiana, in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements of the Town of Winnsboro, Louisiana, and on the compliance of the Town of Winnsboro, Louisiana, with requirements applicable to major programs, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated October 1, 1996.

The management of the Town of Winnsboro, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and

<u>PROPRIETARY FUND TYPE</u>	<u>FIDUCIARY FUND TYPE</u>	<u>ACCOUNT GROUPS</u>	<u>TOTALS</u>	
<u>ENTERPRISE FUND</u>	<u>AGENCY FUND</u>	<u>GEN. FIXED ASSET</u>	<u>MEMORANDUM ONLY</u>	
			<u>1996</u>	<u>1995</u>
23,227	-0-	-0-	46,865	351,021
-0-	-0-	-0-	1,930	2,680
-0-	-0-	-0-	-0-	610
-0-	1,143,100	-0-	1,149,768	1,271,168
84,480	-0-	-0-	84,480	83,381
158,319	-0-	-0-	158,319	142,107
7,597	-0-	-0-	7,597	7,227
52,957	-0-	-0-	52,957	57,457
1,688,576	-0-	-0-	1,688,576	1,846,895
<u>825,183</u>	<u>-0-</u>	<u>-0-</u>	<u>825,183</u>	<u>832,247</u>
2,840,339	1,143,100	-0-	4,015,675	4,594,793
3,430,445	-0-	-0-	3,430,445	3,350,716
-0-	-0-	8,913,085	8,913,085	8,332,332
2,214,810	-0-	-0-	2,214,810	2,418,900
242,588	-0-	-0-	242,588	245,324
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,728,150</u>	<u>1,540,310</u>
<u>5,887,843</u>	<u>-0-</u>	<u>8,913,085</u>	<u>16,529,078</u>	<u>15,887,582</u>
<u>8,728,182</u>	<u>1,143,100</u>	<u>8,913,085</u>	<u>20,544,753</u>	<u>20,482,375</u>

#### Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust, or major capital projects) that are legally restricted to expenditures for specified purposes.

#### Debt Service Funds

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

#### Proprietary Fund:

##### Enterprise Fund

The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

#### Agency Fund:

##### Agency Fund

The Agency Fund is used to account for assets held in a trustee capacity for other funds. The Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

Fixed Assets and Long-term Liabilities - The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

TOWN OF WINNSBORO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Winnsboro was incorporated in 1902, under the provisions of the Larason Act. The Town operates under a Mayor-Board of Aldermen form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, water and sewer, recreation, public improvement, zoning, and general administrative services.

The accounting and reporting policies to the Town of Winnsboro conform to generally accepted accounting principles as applicable to government.

The following is a summary of certain accounting policies:

Financial Reporting Entity - This report includes all funds and account groups which are controlled by or dependent on the Town executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Based on the foregoing criteria, the City Court is not part of the Town and is thus excluded from the accompanying financial statements. The City Court is staffed by independently elected officials. Although the Town does provide facilities and some of their financing, no control is exercised over its operations.

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

Governmental Funds:

General Fund

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

TOWN OF WINNSBORO  
UTILITY ENTERPRISE FUND  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Income (Loss)	(206,826)	(149,548)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	367,202	358,818
Amortization	6,037	6,037
(Increase)Decrease In:		
Due from Investment Fund	50,000	101,000
Receivables	( 1,577)	(24,923)
Restricted Assets	2,068	27,996
Increase(Decrease) In:		
Accounts Payable	(703)	2,906
Meter Deposits Refundable	1,099	2,848
Accrued Interest on Bonds	(4,500)	(731)
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>212,800</u>	<u>324,403</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Property and Equipment	( 103,565)	(3,084,132)
<u>NET CASH USED IN INVESTING ACTIVITIES</u>	<u>( 103,565)</u>	<u>(3,084,132)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Payment of Long-Term Debt	(148,801)	(127,443)
Long-Term Debt Borrowing	-0-	603,758
Contributed Capital From Municipality	79,729	2,252,762
<u>NET CASH USED IN FINANCING ACTIVITIES</u>	<u>(69,072)</u>	<u>2,729,077</u>
<u>NET INCREASE(DECREASE) IN CASH</u>	<u>40,163</u>	<u>(30,652)</u>
<u>CASH AT BEGINNING OF YEAR</u>	<u>47,909</u>	<u>78,561</u>
<u>CASH AT END OF YEAR</u>	<u>88,072</u>	<u>47,909</u>

See Notes to Financial Statements

TOWN OF WINNSBORO  
UTILITY ENTERPRISE FUND  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS  
YEARS ENDED JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
<u>OPERATING REVENUES</u>		
Water Sales	590,347	594,614
Sewer Fees	656,571	657,092
Water Tap Fees	3,125	5,250
Miscellaneous	2,624	3,975
<u>TOTAL OPERATING REVENUES</u>	<u>1,252,667</u>	<u>1,260,931</u>
 <u>OPERATING EXPENSES</u>		
Salaries	353,270	366,277
Administrative	166,769	199,104
Material and Supplies	286,415	190,432
Power	42,060	38,113
Depreciation	367,202	358,818
<u>TOTAL OPERATING EXPENSES</u>	<u>1,215,716</u>	<u>1,152,744</u>
 <u>OPERATING INCOME</u>	 36,951	 108,187
 <u>NON-OPERATING REVENUES (EXPENSES)</u>		
Interest Earned	18,947	22,891
Interest Expense	(256,687)	(267,301)
Amortization	(6,037)	(6,037)
Transfers Out	-0-	( 7,288)
<u>TOTAL NON-OPERATING REVENUES (EXPENSES)</u>	<u>(243,777)</u>	<u>(257,735)</u>
 <u>NET INCOME/(LOSS)</u>	 (206,826)	 (149,548)
 <u>RETAINED EARNINGS AT BEGINNING OF YEAR</u>	 <u>2,664,224</u>	 <u>2,813,772</u>
 <u>RETAINED EARNINGS AT END OF YEAR</u>	 <u>2,457,398</u>	 <u>2,664,224</u>

See Notes to Financial Statements



SPECIAL REVENUE FUNDS

<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
-0-	-0-	-0-
800,000	824,983	24,983
-0-	-0-	-0-
445,390	526,598	81,208
-0-	-0-	-0-
-0-	-0-	-0-
19,525	19,525	-0-
44,012	59,344	15,332
<u>1,308,927</u>	<u>1,430,450</u>	<u>121,523</u>
20,000	11,182	8,818
-0-	-0-	-0-
-0-	-0-	-0-
-0-	-0-	-0-
-0-	-0-	-0-
-0-	-0-	-0-
455,269	546,155	(90,886)
<u>475,269</u>	<u>557,337</u>	<u>(82,068)</u>
833,658	873,113	39,455
-0-	-0-	-0-
<u>(728,000)</u>	<u>(675,000)</u>	<u>53,000</u>
<u>(728,000)</u>	<u>(675,000)</u>	<u>53,000</u>
105,658	198,113	92,455
<u>1,498,329</u>	<u>1,498,329</u>	<u>-0-</u>
<u>1,603,987</u>	<u>1,696,442</u>	<u>92,455</u>

TOWN OF WINNSBORO  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND AND SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 1996

	<u>GENERAL FUND</u>		<u>VARIANCE</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>FAVORABLE</u>
<u>REVENUES</u>			<u>(UNFAVORABLE)</u>
Contributions	-0-	-0-	-0-
Taxes	140,338	142,308	1,970
License and Fines	419,126	424,728	5,602
Intergovernmental	4,333	4,333	-0-
Charge for Services	79,000	79,994	994
Miscellaneous	90,664	96,829	6,165
Rents	-0-	-0-	-0-
Interest Earned	1,000	2,034	1,034
<u>TOTAL REVENUES</u>	<u>734,461</u>	<u>750,226</u>	<u>15,765</u>
 <u>EXPENDITURES</u>			
Current			
General Government	612,000	602,742	9,258
Fire	178,415	173,701	4,714
Police	201,000	197,954	3,046
Streets	226,000	219,922	6,078
Sanitation	64,000	59,457	4,543
Recreation	69,000	63,193	5,807
Capital Outlay	111,923	118,530	(6,607)
<u>TOTAL EXPENDITURES</u>	<u>1,462,338</u>	<u>1,435,499</u>	<u>26,839</u>
 <u>EXCESS (DEFICIENCY) OF REVENUES</u>			
<u>OVER EXPENDITURES</u>	( 727,877)	(685,273)	42,604
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	728,000	675,000	( 53,000)
Transfers Out	-0-	-0-	-0-
 <u>TOTAL OTHER FINANCING</u>			
<u>SOURCES (USES)</u>	<u>728,000</u>	<u>675,000</u>	<u>( 53,000)</u>
 <u>EXCESS (DEFICIENCY) OF REVENUES</u>			
<u>OVER EXPENDITURES AND OTHER</u>			
<u>SOURCES (USES)</u>	123	(10,273)	(10,396)
 <u>FUND BALANCES AT BEGINNING OF YEAR</u>	<u>41,981</u>	<u>41,981</u>	<u>-0-</u>
 <u>FUND BALANCES AT END OF YEAR</u>	<u>42,104</u>	<u>31,708</u>	<u>(10,396)</u>

See Notes to Financial Statements

All fixed assets are valued at historical cost. Donated fixed assets are valued at their estimated fair value on the date donated.

Long-term liabilities expected to be financed from governmental funds are accounted for in the general long-term debt account group, not in the governmental funds.

Two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operation.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the general long-term debt account group.

The proprietary fund is accounted for on a cost of services of "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on the balance sheet. Its reported fund equity (net total assets) is separated into contributed capital and retained earnings components. The proprietary fund type operating statements presents increases (revenues) and decreases (expenses) in net total assets.

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

Building	-	25-50 years
Improvements	-	10-25 years
Equipment	-	5-10 years

Basis of Accounting - Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of measurements made, regardless of the measurement focus applied.

All governmental funds and the agency fund are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer - assessed gross receipts and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenues when they are measurable and their validity seems certain.

TOWN OF WINNSBORO  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
YEAR ENDED JUNE 30, 1996

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUNDS</u>
<u>REVENUES</u>		
Contributions	-0-	-0-
Taxes	142,308	824,983
License and Fines	424,728	-0-
Intergovernmental	4,333	526,598
Charge for Services	79,994	-0-
Miscellaneous	96,829	-0-
Rents	-0-	19,525
Interest Earned	2,034	59,344
<u>TOTAL REVENUES</u>	<u>750,226</u>	<u>1,430,450</u>
<u>EXPENDITURES</u>		
Current		
General Government	602,742	11,182
Fire	173,701	-0-
Police	197,954	-0-
Streets	219,922	-0-
Sanitation	59,457	-0-
Recreation	63,193	-0-
Capital Outlay	118,530	546,155
<u>TOTAL EXPENDITURES</u>	<u>1,435,499</u>	<u>557,337</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	(685,273)	873,113
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In	675,000	-0-
Transfers Out	-0-	(675,000)
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>675,000</u>	<u>(675,000)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)</u>	(10,273)	198,113
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>41,981</u>	<u>1,498,329</u>
<u>FUND BALANCES AT END OF YEAR</u>	<u>31,708</u>	<u>1,696,442</u>

See Notes to Financial Statements

TOWN OF WINNSBORO  
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
JUNE 30, 1996

<u>LIABILITIES AND FUND EQUITY</u>	<u>GOVERNMENTAL FUND TYPES</u>	
	<u>GENERAL FUNDS</u>	<u>SPECIAL REVENUE FUNDS</u>
<u>LIABILITIES</u>		
Accounts Payable	23,638	-0-
Miscellaneous Deposits	1,930	-0-
Accrued Payroll Taxes	-0-	-0-
Due to Other Funds (Note 6)	3,014	3,654
Payable from Restricted Assets:		
Meter Deposits Refundable	-0-	-0-
Revenue Bonds Payable	-0-	-0-
Note Payable FMHA	-0-	-0-
Accrued Interest on Bonds	-0-	-0-
Revenue Bonds Payable (Note 5)	-0-	-0-
Notes Payable (Note 5)	-0-	-0-
	<hr/>	<hr/>
<u>TOTAL LIABILITIES</u>	28,582	3,654
 <u>FUND EQUITY</u>		
Contributed Capital	-0-	-0-
Investment in General		
Fixed Assets	-0-	-0-
Retained Earnings		
Unreserved & Undesignated	-0-	-0-
Reserved for Debt Retirement	-0-	-0-
Unreserved - Undesignated		
Unreserved & Undesignated	<u>31,708</u>	<u>1,696,442</u>
	<hr/>	<hr/>
<u>TOTAL FUND EQUITY</u>	31,708	1,696,442
 <u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>60,290</u>	<u>1,700,096</u>

See Notes to Financial Statements

<u>PROPRIETARY FUND TYPE</u>	<u>FIDUCIARY FUND TYPE</u>	<u>ACCOUNT GROUP</u>	<u>TOTALS</u>	
<u>ENTERPRISE FUND</u>	<u>AGENCY FUND</u>	<u>GEN. FIXED ASSET</u>	<u>MEMORANDUM ONLY</u>	
			<u>1996</u>	<u>1995</u>
88,072	1,143,100	-0-	2,090,257	1,953,193
50,300	-0-	-0-	945,968	1,045,968
-0-	-0-	-0-	-0-	285,329
114,362	-0-	-0-	119,995	118,363
134,385	-0-	-0-	134,385	115,053
203,800	-0-	-0-	203,800	225,200
8,088,974	-0-	8,913,085	17,002,059	16,684,943
<u>48,289</u>	<u>-0-</u>	<u>-0-</u>	<u>48,289</u>	<u>54,326</u>
<u>8,728,182</u>	<u>1,143,100</u>	<u>8,913,085</u>	<u>20,544,753</u>	<u>20,482,375</u>

TOWN OF WINNSBORO  
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
JUNE 30, 1996

	<u>GOVERNMENTAL FUND TYPES</u>	
	<u>GENERAL FUNDS</u>	<u>SPECIAL REVENUE FUNDS</u>
<u>ASSETS</u>		
Cash	51,003	808,082
Due from other Funds	3,654	892,014
Due from other Gov't Agencies	-0-	-0-
Receivables	5,633	-0-
Restricted Assets		
Cash	-0-	-0-
Due from other Funds (Note 6)	-0-	-0-
Fixed Assets (Net of Accumulated Depreciation - Note 4)	-0-	-0-
Deferred Charges - Debt Issuance	-0-	-0-
<u>TOTAL ASSETS</u>	<u>60,290</u>	<u>1,700,096</u>

See Notes to Financial Statements

**MARCUS, ROBINSON and HASSELL**

CERTIFIED PUBLIC ACCOUNTANTS  
P. O. BOX 2896  
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Harvey Marcus, CPA  
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Doyle Hassell, CPA

MEMBER  
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SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Billy Cobb  
and the Board of Aldermen  
Town of Winnsboro, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Winnsboro, Louisiana, as of and for the year ended June 30, 1996. These general purpose financial statements are the responsibility of the Town of Winnsboro, Louisiana, management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Winnsboro, Louisiana, as of June 30, 1996, and the results of its operation and the cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Winnsboro, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

*Marcus, Robinson + Hassell*

MARCUS, ROBINSON AND HASSELL  
Monroe, Louisiana  
October 1, 1996



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TOWN OF WINNSBORO  
JUNE 30, 1996  
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SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

To the Honorable Billy Cobb  
and The Board of Alderman  
Winnsboro, Louisiana

In planning and performing our audit of the general purpose financial statements of the Town of Winnsboro, Louisiana, for the year ended June 30, 1996, we considered its' internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure. However, we noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to deficiencies in the design or operation of the internal control structure that, in our judgment could adversely affect the Town of Winnsboro, Louisiana's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

- 1) Cash deposits in excess of \$100,000 in any one financial institution should be collateralized. We found one instance of cash totaling \$7,371 that was not collateralized.
- 2) All tax reports and returns should be filed on a timely basis. We found one instance where a quarterly payroll tax return was delinquenty filed which resulted in the Town being assessed a penalty.

This report is intended solely for the information and use of The Town of Winnsboro, Louisiana's management, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

*Marcus, Robinson & Hassell*

Marcus, Robinson and Hassell  
October 1, 1996

SEWER PROJECT GRANT	STREET GRANT	TOTALS	
		1996	1995
-0-	-0-	-0-	2,500
-0-	-0-	824,983	771,614
81,208	445,390	526,598	3,340,150
-0-	-0-	19,525	13,775
-0-	-0-	59,344	55,231
81,208	445,390	1,430,450	4,183,270
79,729	445,390	546,155	3,356,323
-0-	-0-	11,182	18,257
79,729	445,390	557,337	3,374,580
1,479	-0-	873,113	808,690
-0-	-0-	-0-	7,288
-0-	-0-	(675,000)	(697,691)
-0-	-0-	(675,000)	(690,403)
1,479	-0-	198,113	118,287
2,399	-0-	1,498,329	1,380,042
3,878	-0-	1,696,442	1,498,329

recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting Controls

Cash Receipts  
Purchasing  
Payroll  
Property and Equipment

Administrative Controls

Political Activity  
Civil Rights  
Cash Management  
Relocation Assistance and  
Real Property Acquisition  
Federal Financial Reports  
Allowable Costs and Cost Principles  
Drug Free Workplace  
Administrative Requirements

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996, the Town of Winnsboro, Louisiana, expended 100 percent of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the Town of Winnsboro, Louisiana's, major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

TOTALS

MEMORANDUM ONLY

<u>1996</u>	<u>1995</u>
-0-	2,500
967,291	905,125
424,728	389,490
530,931	3,368,998
79,994	82,615
96,829	70,702
19,525	13,775
61,378	57,368
<u>2,180,676</u>	<u>4,890,573</u>
613,924	526,491
173,701	170,285
197,954	179,356
219,922	224,368
59,457	65,362
63,193	54,865
664,685	3,584,882
<u>1,992,836</u>	<u>4,805,609</u>
187,840	84,964
675,000	704,979
<u>(675,000)</u>	<u>(697,691)</u>
<u>-0-</u>	<u>7,288</u>
187,840	92,252
<u>1,540,310</u>	<u>1,448,058</u>
<u>1,728,150</u>	<u>1,540,310</u>

TOWN OF WINNSBORO  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED JUNE 30, 1996

	BUDGET	1996 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1995 ACTUAL
<b>REVENUES</b>				
Taxes	140,338	142,308	1,970	133,511
Licenses & Fines	419,126	424,728	5,602	389,490
Charge for Services	79,000	79,994	994	82,615
Miscellaneous	90,664	96,829	6,165	70,702
Interest	1,000	2,034	1,034	2,137
State Grant	4,333	4,333	-0-	28,848
<b>TOTAL REVENUES</b>	<b>734,461</b>	<b>750,226</b>	<b>15,765</b>	<b>707,303</b>
<b>EXPENDITURES</b>				
Current				
General Government	612,000	602,742	9,258	508,234
Fire	178,415	173,701	4,714	170,285
Police	201,000	197,954	3,046	179,356
Streets	226,000	219,922	6,078	224,368
Sanitation	64,000	59,457	4,543	65,362
Recreation	69,000	63,193	5,807	54,865
Capital Outlay	111,923	118,530	(6,607)	228,559
<b>TOTAL EXPENDITURES</b>	<b>1,462,338</b>	<b>1,435,499</b>	<b>26,839</b>	<b>1,431,029</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	(727,877)	(685,273)	42,604	(723,726)
<b>OTHER FINANCING SOURCES USES</b>				
Transfers In	728,000	675,000	(53,000)	697,691
Transfers Out	-0-	-0-	-0-	-0-
<b>TOTAL OTHER FIN. SOURCES USES</b>	<b>728,000</b>	<b>675,000</b>	<b>(53,000)</b>	<b>697,691</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)</b>				
	123	(10,273)	(10,396)	(26,035)
<b>FUND BALANCES AT BEGINNING OF YEAR</b>				
	41,981	41,981	-0-	68,016
<b>FUND BALANCES AT END OF YEAR</b>				
	<b>42,104</b>	<b>31,708</b>	<b>(10,396)</b>	<b>41,981</b>

See Notes to Financial Statements

TOWN OF WINNSBORO  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR YEAR ENDED JUNE 30, 1996

	<u>SALES TAX FUND</u>	<u>INDUSTRIAL FUND</u>	<u>MAINSTREET FUND</u>
<u>REVENUES</u>			
Contributions	-0-	-0-	-0-
Taxes	824,983	-0-	-0-
Intergovernmental	-0-	-0-	-0-
Rents	-0-	19,525	-0-
Interest Earned	<u>32,168</u>	<u>27,176</u>	<u>-0-</u>
<u>TOTAL REVENUES</u>	857,151	46,701	-0-
<u>EXPENDITURES</u>			
Capital Outlay	-0-	21,036	-0-
General Government	<u>-0-</u>	<u>11,182</u>	<u>-0-</u>
<u>TOTAL EXPENDITURES</u>	<u>-0-</u>	<u>32,218</u>	<u>-0-</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	857,151	14,483	-0-
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	-0-	-0-	-0-
Transfers Out	<u>(675,000)</u>	<u>-0-</u>	<u>-0-</u>
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>(675,000)</u>	<u>-0-</u>	<u>-0-</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)</u>	182,151	14,483	-0-
<u>FUND BALANCES AT BEGINNING OF YEAR</u>	<u>822,780</u>	<u>676,804</u>	<u>(3,654)</u>
<u>FUND BALANCES AT END OF YEAR</u>	<u>1,004,931</u>	<u>691,287</u>	<u>(3,654)</u>

See Notes to Financial Statements

SEWER PROJECT GRANT	STREET GRANT	TOTALS	
		1996	1995
3,878	-0-	808,082	559,969
-0-	-0-	892,014	942,014
-0-	-0-	-0-	285,329
<u>3,878</u>	<u>-0-</u>	<u>1,700,096</u>	<u>1,787,312</u>
-0-	-0-	-0-	285,329
-0-	-0-	3,654	3,654
-0-	-0-	3,654	288,983
<u>3,878</u>	<u>-0-</u>	<u>1,696,442</u>	<u>1,498,329</u>
<u>3,878</u>	<u>-0-</u>	<u>1,696,442</u>	<u>1,498,329</u>
<u>3,878</u>	<u>-0-</u>	<u>1,700,096</u>	<u>1,787,312</u>



TOWN OF WINNSBORO  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 1996

	<u>SALES TAX FUND</u>	<u>INDUSTRIAL FUND</u>	<u>MAINSTREET FUND</u>
<u>ASSETS</u>			
Cash	504,931	299,273	-0-
Due from Other Funds	500,000	392,014	-0-
Due from Other Gov't Agencies	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>TOTAL ASSETS</u>	<u>1,004,931</u>	<u>691,287</u>	<u>-0-</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts Payable	-0-	-0-	-0-
Due from Other Funds	<u>-0-</u>	<u>-0-</u>	<u>3,654</u>
<u>TOTAL LIABILITIES</u>	-0-	-0-	3,654
<u>FUND BALANCE</u>			
Unreserved-Undesignated	<u>1,004,931</u>	<u>691,287</u>	<u>(3,654)</u>
<u>TOTAL FUND BALANCE</u>	<u>1,004,931</u>	<u>691,287</u>	<u>(3,654)</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>1,004,931</u>	<u>691,287</u>	<u>-0-</u>

See Notes to Financial Statements

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exception to this general rule include: principal and interest on general long-term debt which is recognized when due.

The proprietary fund is accounted for using the accrual basis of accounting. The revenues are recognized when they are earned, and the expenses are recognized when they are incurred. Unbilled water and sewer fund utility service receivables are recorded at year end.

Budgets and Budgetary Accounting - The Town of Winnsboro follows these procedures in establishing the budgetary date reflected in the financial statements:

1. Prior to June 1, the Town Clerk submits to the Town Council, a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at locations throughout the Town of Winnsboro to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.
4. Formal budgetary integration is employed as a management control device during the year for the general fund, and special revenue funds. Formal budgetary integration is not employed for debt service funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.
5. Budgets for the general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. The budget can be amended during the year through passage of a motion. The budget was amended on June 17, 1996 by passage of a motion. These amendments are reflected in these financial statements.
7. At year end all appropriations lapse.

Encumbrances - No encumbrance accounting is in use.

Inventory - All operating supplies are regarded as expenditures at the time of purchase. No inventory has been established since amounts of supplies on hand are insignificant.

Bad Debts - Uncollectable receivables are recognized as bad debts when information becomes available which would indicate uncollectibility of the particular receivable.

TOWN OF WINNSBORO  
GENERAL FUND  
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)  
YEAR ENDED JUNE 30, 1996

	<u>BUDGET</u>	<u>1996 ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>1995 ACTUAL</u>
<u>GENERAL GOVERNMENT</u>				
Salaries	241,000	234,191	6,809	184,891
Other Services	210,000	199,967	10,033	167,380
Employee Benefits	86,000	84,294	1,706	65,721
Insurance	75,000	71,290	3,710	77,242
Mainstreet Expense	-0-	13,000	(13,000)	13,000
<u>TOTAL GENERAL GOVERNMENT</u>	<u>612,000</u>	<u>602,742</u>	<u>9,258</u>	<u>508,234</u>
<u>FIRE</u>				
Salaries	145,000	144,579	421	139,725
Other Services	33,415	29,122	4,293	30,560
<u>TOTAL FIRE</u>	<u>178,415</u>	<u>173,701</u>	<u>4,714</u>	<u>170,285</u>
<u>POLICE</u>				
Salaries	161,000	159,943	1,057	140,956
Other Services	40,000	38,011	1,989	38,400
<u>TOTAL POLICE</u>	<u>201,000</u>	<u>197,954</u>	<u>3,046</u>	<u>179,356</u>
<u>STREETS</u>				
Salaries	116,000	113,836	2,164	116,449
Other Services	50,000	44,629	5,371	46,166
Street Lighting	60,000	61,457	(1,457)	61,753
<u>TOTAL STREETS</u>	<u>226,000</u>	<u>219,922</u>	<u>6,078</u>	<u>224,368</u>
<u>SANITATION</u>				
Other Services	64,000	59,457	4,543	40,942
Garbage Bags	-0-	-0-	-0-	24,420
<u>TOTAL SANITATION</u>	<u>64,000</u>	<u>59,457</u>	<u>4,543</u>	<u>65,362</u>
<u>RECREATION</u>				
Salaries	39,000	39,324	(324)	31,657
Other Services	30,000	23,869	6,131	23,208
<u>TOTAL RECREATION</u>	<u>69,000</u>	<u>63,193</u>	<u>5,807</u>	<u>54,865</u>
	<u>1,350,415</u>	<u>1,316,969</u>	<u>33,446</u>	<u>1,202,470</u>

See Notes to Financial Statements

### SPECIAL REVENUE FUNDS

Sales Tax Fund - to account for the collection and disbursement of proceeds of 1% sales tax collected by the Town of Winnsboro.

Industrial Fund - to account for rents collected and for proceeds of State Grant.

Mainstreet Fund - to account for grant proceeds of Mainstreet Program.

Sewer Project Grant - to account for grant proceeds for sewer project.

Street Grant - to account for grant proceeds for street project.

TOWN OF WINNSBORO  
GENERAL FUND  
BALANCE SHEETS  
JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
<u>ASSETS</u>		
Cash	51,003	80,815
Due from Other Funds	3,654	3,654
Receivables	<u>5,633</u>	<u>5,578</u>
<u>TOTAL ASSETS</u>	<u>60,290</u>	<u>90,047</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	23,638	41,762
Miscellaneous Deposits	1,930	2,680
Due to Other Funds	3,014	3,014
Accrued Payroll Taxes	-0-	<u>610</u>
<u>TOTAL LIABILITIES</u>	<u>28,582</u>	<u>48,066</u>
 <u>FUND BALANCE</u>		
Unreserved - Undesignated	<u>31,708</u>	<u>41,981</u>
<u>TOTAL FUND BALANCE</u>	<u>31,708</u>	<u>41,981</u>
 <u>TOTAL LIABILITIES AND FUND BALANCE</u>	 <u>60,290</u>	 <u>90,047</u>

See Notes to Financial Statements

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

SUPPLEMENTAL SCHEDULES

Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefits - All unpaid vacation and sick pay must be taken during the current year or they lapse at December 31. The amounts accumulated at June 30 are immaterial.

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

Cash and Cash Equivalents - Cash includes amounts in demand deposits, interest bearing demand deposits, and time deposits. Under state law, the Town must deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Total Columns on Combined Statements/Overview - Total columns on the combined statements - overview are captioned "memorandum only" to indicate that that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operation, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have been made in the aggregation of this data.

(2) CASH

For the purpose of these financial statements, the Town considers cash and cash equivalents to be amounts held in demand deposits, interest bearing demand deposits, and time deposits.

At June 30, 1996, the Town has cash and cash equivalents (book balances) totaling \$2,224,642 as follows:

Petty Cash	1,000
Restricted Cash	338,185
Interest Bearing	
Demand Deposits	<u>1,885,457</u>
	<u>2,224,642</u>

Cash is classified into three categories to give an indication of the level of risk assumed at year-end. Category 1 includes investments insured or registered or securities which are held by the Town or its agent in the Town's name. Category 2 includes uninsured or unregistered investments for which the securities are held by the bank or agent in the Town's name. Category 3 includes uninsured or unregistered investments with the securities held by the bank or agent but not in the Town's name.



Trend Information:

<u>Contributions Required State Statute</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
Municipal Police Employees' Retirement System			
Employer	1,420	1,329	1,338
Employee	<u>1,180</u>	<u>1,108</u>	<u>1,189</u>
Total Statutorily Required Contribution	<u>2,600</u>	<u>2,437</u>	<u>2,527</u>
Firefighter's Retirement System Pension Plan			
Employer	3,961	3,824	3,745
Employee	<u>3,521</u>	<u>3,398</u>	<u>3,328</u>
Total Statutorily Required Contribution	<u>7,482</u>	<u>7,222</u>	<u>7,073</u>
Louisiana State Employees' Retirement System			
Employer	432	428	428
Employee	<u>414</u>	<u>414</u>	<u>414</u>
Total Statutorily Required Contribution	<u>846</u>	<u>842</u>	<u>842</u>

100% of required contributions were made for each year.

Additional information and ten year historical trend information can be obtained from the separately issued comprehensive annual financial reports on each of the above list plans.

10) CONTINGENT LIABILITY - GUARANTEED DEBT

In order to provide additional inducement for new businesses, the Town is helping businesses apply for Community Development Block Grant loans. The Town handles all disbursements of the money. To help in the acquiring of the loan the Town must provide the loan guarantee.

As of June 30, 1996, the outstanding balance on the guaranteed loans was:

Community Development Block Grant Loan	<u>111,561</u>
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(11) POST EMPLOYMENT BENEFITS

The Town does not provide continuing health care and life insurance benefits for retirees.

(12) LEASES

The Town records assets acquired through capital leases as an asset and records the lease as an obligation. The Town had no leases outstanding as of June 30, 1996.

All Town of Winnsboro full-time firemen have the option of participating in the Firefighter's Retirement System Pension Plan ("Plan"), a multiple-employer public employee retirement system (PERS). The payroll for employees covered by the System for the year ended June 30, 1996, was 44,018; the Town's total payroll was 1,101,236.

Employees with 20 or more years of service who have attained age 50 or employees who have 12 years of service who have attained age 55 are entitled to annual pension benefits equal to three percent of their average final compensation based on the thirty-six consecutive months of highest pay multiplied by their total years of service, not to exceed one hundred percent.

The System also provides death and disability benefits. Benefits and employer/employee obligations to contribute are established by State statute.

Employee contributions are established at 8.0% of earned compensation (for any month, including state supplemental pay, but excluding overtime pay). Employer contribution rates are 9.0% of earned compensation. The contribution requirement for the year ended June 30, 1996, was 7,482, which consisted of 3,961 from the Town and 3,521 from employees; these contributions represented 9.0% and 8.0% of covered payroll respectively.

The city judge of the Town of Winnsboro participates in the Louisiana State Employees' Retirement (System), a multiple-employer public retirement system (PERS). The Town's payroll for the city judge covered by the system for the year ended June 30, 1996, was 3,600; the Town's total payroll was 1,101,236.

Employees with 30 or more years of service at any age or employees who have 25 years of service who have attained age 55, and employees who have 10 years of service who have attained age are entitled to annual pension benefits equal to 2.5% of their average final compensation based on the thirty-six consecutive months of highest pay multiplied by their total years of service, not to exceed one hundred percent.

The System also provides death and disability benefits. Benefits and employer/employee obligations to contribute are established by State statute.

Employee contributions are established at 11.5% of earned compensation (for any month, including state supplemental pay, but excluding overtime pay). Employer contribution rates are 12.0% of earned compensation. The contribution requirement for the year ended June 30, 1996, was 846 which consisted of 432 from the Town and 414 from employees; these contributions represented 12.0% and 11.5% of covered payroll respectively.

Trend Information:

<u>Contributions Required State Statute</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
Public Employees' Retirement System (Plan A)			
Employer	42,019	33,008	35,203
Employee	57,581	55,514	54,271
Total Statutorily Required Contribution	<u>99,600</u>	<u>88,522</u>	<u>89,474</u>

All Town of Winnsboro full-time employees participate in the Municipal Employees' Retirement System, State of Louisiana ("System"), a multiple employer public employee retirement system (PERS). The payroll for employees covered by the system for the year ended June 30, 1996, was 622,499; the Town's total payroll was 1,101,236.

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least 35 hours per week, not participating in another publicly funded retirement system and under age 60 at date of employment.

The system is comprised of two plans. The Town's employees are covered under "Plan A". A member of Plan A can retire provided he/she is age 55 with thirty years of creditable service or is age 60 with minimum of 10 or more years of creditable service.

Generally, the monthly amount of retirement allowance for any member of Plan A shall consist of an amount equal to 3.0% of the member's final compensation multiplied by his/her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

The Plan provides for death and disability benefits. Benefits and employer/employee obligations to contribute are established by State statute.

Each participating employer under Plan A contributes an amount equal to 6.75% of each and every member's earnings, of which 6.75% is credited to Employer's Annuity Reserve. Each employee in Plan A contributes 9.25% of monthly earnings. The contribution requirement for the year ended June 30, 1996, was 99,600, which consisted of 42,019 from the Town and 57,581 from employees; these contributions represented 6.75% and 9.25% of covered payroll, respectively.

All Town of Winnsboro full-time employed police officers have the option of participating in the Municipal Police Employees' Retirement System of Louisiana ("System"), a multiple-employer public retirement system (PERS). The Town's payroll for employees covered by the System for the year ended June 30, 1996, was 15,773 the Town's total payroll was 1,101,236.

Any member is eligible for normal retirement after he/she has been a member of the System for one year, if he/she has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55.

The System also provides death and disability benefits. Benefits and employer/employee obligations to contribute are established by State statute.

Employee contributions are established at 7.5% of earned compensation (for any month, including state supplemental pay but excluding overtime pay). Employer contribution rates are 9.0% of earned compensation. The contribution requirement for the year ended June 30, 1996, was 2,600 which consisted of 1,420 from the Town and 1,180 from employees. These contributions re-presented 9.0% and 7.5% of covered payroll, respectively.

The carrying amount of the Town's deposits with the financial institutions was 2,362,006 and the book balance was 2,224,642. The bank balance is categorized as follows:

	<u>Category</u>		
	1	2	3
Cash	231,612	-0-	2,123,023

At June 30, 1996, the Town of Winnsboro, Louisiana had 7,371 of uncollateralized funds in the bank. Thus, the Town of Winnsboro, Louisiana, is in noncompliance with the requirement that all funds be collateralized.

(3) PROPERTY TAX

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

The Town of Winnsboro is permitted by the Municipal Finance Law of the State to levy taxes up to 6.14 per 1000 of assessed valuation for general governmental services other than the payment of principal and interest on long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. The combined tax rate to finance general governmental services other than the payment of principal and interest on long-term debt for the year ended June 30, 1996 was 6.14 per 1000.

(4) CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>July 1, 1995</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 1996</u>
Land	786,635	24,000	-0-	810,635
Buildings	1,640,022	22,873	-0-	1,662,895
Improvements	5,086,201	501,428	-0-	5,587,629
Equipment	819,474	32,452	-0-	851,926
Total	<u>8,332,332</u>	<u>580,753</u>	<u>-0-</u>	<u>8,913,085</u>

A summary of proprietary fund type property, plant, and equipment at June 30, 1996, follows:

Water Plant and Equipment	
System	2,931,032
Equipment	135,835
Sewer System and Equipment	
Buildings & Improvements	8,662,719
Equipment	127,570
Total	<u>11,857,156</u>
Less Accumulated Depreciation	( 3,768,182)
Net	<u>8,088,974</u>

Depreciation expense for the year was 367,202.

(5) CHANGES IN LONG-TERM DEBT

The following is a summary of bond and notes transactions of the Town of Winnsboro for the year ended June 30, 1996:

	Notes Payable		Total
	FMHA	Revenue	
Bonds Payable at July 1, 1995	839,474	1,989,002	2,828,476
Borrowings	-0-	-0-	-0-
Bonds Retired	(6,694)	(142,107)	(148,801)
Bonds Payable at June 30, 1996	<u>832,780</u>	<u>1,846,895</u>	<u>2,679,675</u>

Bonds payable at June 30, 1996, are comprised of the following individual issues:

	<u>TOTAL</u>	<u>CURRENT PORTION</u>	<u>LONG-TERM PORTION</u>
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Farmers Home Loan:

This loan is approved for up to 840,000. To date the Town has borrowed 236,242 of the available funds. Monthly payments of 4,086.14 began May 6, 1995. This monthly payment includes interest at a rate of 5%. The payments run through 2034.

832,780	7,597	825,183
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Revenue Bonds:

2,586,988, 1991 water and sewer serial bonds (due in annual installments of varying amounts) through 2004; interest at 11 percent

1,846,895	158,319	1,688,576
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The annual requirements to amortize all debts outstanding as of June 30, 1996, including interest payments are as follows:

	REVENUE	NOTES PAYABLE	TOTAL
	BONDS	FMHA	
1997	361,477	49,034	410,511
1998	361,512	49,034	410,546
1999	362,943	49,034	411,977
2000	360,563	49,034	409,597
2001	355,853	49,034	404,887
2002-2004	1,062,483	147,101	1,209,584
2005-2034		1,463,436	1,463,436
	<u>2,864,831</u>	<u>1,855,707</u>	<u>4,720,538</u>
Less: Interest Outstanding	<u>1,017,936</u>	<u>1,022,927</u>	<u>2,040,863</u>
Principal	<u>1,846,895</u>	<u>832,780</u>	<u>2,679,675</u>

There are a number of limitations and restrictions contained in the various bond indentures. The Town is in compliance with all significant limitations and restrictions.

Interest Expense for the year was 256,687.

The bond authorization agreement requires that the Town meet the following reserve requirements:

- A) Reserve Fund - The required monthly deposit to the Reserve Fund is 5% of the amount to be paid into the Sinking Fund for the corresponding monthly period. Such deposits to continue until such time as there is on deposit in the Reserve Fund an amount equal to the highest combined principal and interest requirements falling due in any succeeding bond year.
- B) Contingency Fund - The required monthly deposit to the Contingency Fund is 5% of the amount to be paid into the Sinking Fund for the corresponding monthly period. Such deposits to continue for the life of the bond. These funds can be used for the repair and maintenance of the sewer system.
- C) Sinking Fund - The required monthly deposit to the Sinking Fund is equal to 1/12 of the sum of the required semi-annual interest payments and the annual principal payment.

(6) INDIVIDUAL FUND INTERFUND RECEIVABLE AND PAYABLE BALANCES

Such balances at June 30, 1996 were:

	<u>Interfund Receivables</u>	<u>Interfund Payable</u>
General Fund	3,654	3,014
Special Revenue Funds:		
Sales Tax Fund	500,000	-0-
Industrial Fund	392,014	-0-
Mainstreet Fund	-0-	3,654
Utility Enterprise Fund:		
Unrestricted	50,300	-0-
Restricted	203,800	-0-
Agency Fund	-0-	1,143,100
	<u>1,149,768</u>	<u>1,149,768</u>

(7) SALES TAX FUND REVENUE USES

A 1% sales tax was instituted September 10, 1968. Any monies remaining in the Sales Tax Fund in excess of 1,000 to be retained for operating capital can be used for any purposes as designated by the Town of Winnsboro.

(8) LITIGATION

Various lawsuits are presently pending against the Town of Winnsboro. The attorney representing the Town estimates that the potential claims against the Town which are not covered by insurance will not be in amounts sufficiently material to affect the financial statements taken as a whole.

(9) PENSION COMMITMENTS

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