

TOWN OF WINNSBORO, LOUISIANA

ANNUAL FINANCIAL REPORT

June 30, 2019

TOWN OF WINNSBORO, LOUISIANA
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J. WALKER & COMPANY^{APC}

ACCOUNTANTS AND ADVISORS

INDEPENDENT AUDITORS' REPORT

Honorable John Dumas, Mayor and Members of the Board of Aldermen
Town of Winnsboro, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Winnsboro, Louisiana (the "Town"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedule of proportionate share of net pension liability, the schedule of pension contributions, the schedule of changes in total OPEB liability and related ratios, and accompanying notes be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The schedule of compensation paid to the members of the board of aldermen, and the schedule of insurance in force presented as referenced in the table of contents, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of compensation paid to the members of the board of aldermen, and the schedule of insurance in force are the responsibility of management and were derived from and relate 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 in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation and the schedule of insurance in force are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2019 on our consideration of the Town of Winnsboro, Louisiana'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 audit performed in accordance with *Government Auditing Standards* in considering the Town of Winnsboro, Louisiana's internal control over financial reporting and compliance.

J. Walker & Company, APC

Lake Charles, Louisiana

December 22, 2019



MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF WINNSBORO, LOUISIANA

Management's Discussion and Analysis For the Year Ended June 30, 2019

As management of the Town of Winnsboro, we offer readers of the Town of Winnsboro's financial statements this narrative overview and analysis of the financial activities of the Town of Winnsboro for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the Town's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Town's financial performance.

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

- The assets and deferred outflows of resources of the Town of Winnsboro exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$6,069,312. Of this amount, (\$4,238,759) represents unrestricted net position (deficit).
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balances of \$1,617,392 an increase of \$475,158 or 41% in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance (deficit) for the general fund was \$83,661 or approximately 5% of total governmental fund balance.

Government-wide financial statements

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

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

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

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

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

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

TOWN OF WINNSBORO, LOUISIANA

Management's Discussion and Analysis (continued)
For the Year Ended June 30, 2019

Fund financial statements

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

Governmental funds

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

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

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

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

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

Proprietary funds

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

The Town as a Whole

As noted earlier, net position may serve over time as a useful indicator of a government's financial condition. In the case of the Town of Winnsboro, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$6,069,312 at the close of the fiscal year ended June 30, 2019.

TOWN OF WINNSBORO, LOUISIANA

Management's Discussion and Analysis (continued)
For the Year Ended June 30, 2019

**Table 1
Schedule of Net Position
June 30, 2019**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<u>ASSETS</u>						
Current and other assets	\$ 1,880,578	\$ 1,662,702	\$ 675,111	\$ 275,763	\$ 2,555,689	\$ 1,938,465
Noncurrent assets	10,307,437	10,029,271	6,264,490	7,411,530	16,571,927	17,440,801
TOTAL ASSETS	<u>12,188,015</u>	<u>11,691,973</u>	<u>6,939,601</u>	<u>7,687,293</u>	<u>19,127,616</u>	<u>19,379,266</u>
Deferred outflows of resources	971,478	1,050,224	317,230	-	1,288,708	1,050,224
<u>LIABILITIES</u>						
Current and other liabilities	263,186	537,369	259,385	203,443	522,571	740,812
Long-term liabilities	6,029,314	7,422,609	4,587,291	3,813,544	10,616,605	11,236,153
Total liabilities	<u>6,292,500</u>	<u>7,959,978</u>	<u>4,846,676</u>	<u>4,016,987</u>	<u>11,139,176</u>	<u>11,976,965</u>
Deferred inflows of resources	797,678	607,106	163,919	-	961,596	607,106
<u>NET POSITION</u>						
Net investment in capital assets	10,286,151	9,986,209	2,601,153	3,116,397	12,887,304	13,102,606
Restricted	21,920	21,920	124,185	124,185	146,105	146,105
Unrestricted	(4,238,759)	(5,833,016)	(479,102)	429,724	(4,717,861)	(5,403,292)
Total net position	<u>6,069,312</u>	<u>4,175,113</u>	<u>2,246,236</u>	<u>3,670,306</u>	<u>8,315,548</u>	<u>7,845,419</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 13,159,493</u>	<u>\$ 12,742,197</u>	<u>\$ 7,256,831</u>	<u>\$ 7,687,293</u>	<u>\$ 20,416,324</u>	<u>\$ 20,429,490</u>

By far, the largest amount of the Town's net position reflects its investment in capital assets of \$12,887,304 (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves can't be used to liquidate these liabilities.

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

TOWN OF WINNSBORO, LOUISIANA

Management's Discussion and Analysis (continued)
For the Year Ended June 30, 2019

Table 2
Changes in Net Position
For the Years Ended June 30, 2019

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
REVENUES						
Program Revenues						
Charges for Services	\$ 192,239	\$ 94,322	\$ 1,889,335	\$ 1,838,020	\$ 2,081,574	\$ 1,932,342
Operating grants	146,221	-	-	-	146,221	-
Capital grants	699,254	-	-	-	699,254	-
General Revenues						
Taxes	3,438,724	2,927,088	-	-	3,438,724	2,927,088
License and permits	428,341	463,057	-	-	428,341	463,057
Intergovernmental	37,308	-	-	-	37,308	-
Fines and Forefeitures	91,392	-	-	-	91,392	-
Rent Income	14,400	-	-	-	14,400	-
Nonemployer pension contribution	56,487	-	-	-	56,487	-
Interest Earned	12,700	4,924	3,085	2,852	15,785	7,776
Other General Revenue	76,601	470,164	-	10,132	76,601	480,296
Total Revenues	<u>5,193,667</u>	<u>3,959,555</u>	<u>1,892,420</u>	<u>1,851,004</u>	<u>7,086,087</u>	<u>5,810,559</u>
EXPENDITURES						
Current:						
General government	1,013,008	2,881,734	1,746,377	-	2,759,385	2,881,734
Federal grant expense	699,254	-	-	-	699,254	-
Public safety	884,385	827,037	-	-	884,385	827,037
Public works	534,125	1,181,931	-	-	534,125	1,181,931
Culture and recreation	77,050	72,340	-	-	77,050	72,340
Utilities	-	-	1,423,979	1,321,748	1,423,979	1,321,748
Miscellaneous	91,643	325,468	146,134	952,344	237,777	1,277,812
Total Expenditures	<u>3,299,465</u>	<u>5,288,510</u>	<u>3,316,490</u>	<u>2,274,092</u>	<u>6,615,955</u>	<u>7,562,602</u>
NET CHANGE IN NET POSITIONS	1,894,202	(1,328,955)	(1,424,070)	(423,088)	470,132	(1,752,043)
Net Position, Beginning	4,175,113	5,504,068	3,670,306	4,093,394	7,845,419	9,597,462
Net Position, Ending	<u>\$ 6,069,312</u>	<u>\$ 4,175,113</u>	<u>\$ 2,246,236</u>	<u>\$ 3,670,306</u>	<u>\$ 8,315,548</u>	<u>\$ 7,845,419</u>

Governmental activities

In the current year, governmental activities had an increase of \$1,894,202 in net position, compared to a \$1,328,955 decrease in the prior year.

Taxes, which provided \$3,438,724 or 66% of revenue, were the largest source of general revenues for the Town's governmental activities. Licenses and permits experienced a decrease in collections of \$34,716 over the amounts reported in 2018. Charges for services provided \$192,239 of revenue for governmental activities for fiscal year 2019.

TOWN OF WINNSBORO, LOUISIANA

Management’s Discussion and Analysis (continued)
For the Year Ended June 30, 2019

Business-type activities

The decrease in net position for business-type operations for the current year was \$1,424,070 compared to a decrease of \$432,088 in the prior year. Charges for services increases by \$51,315 for the current year.

General Fund Budgetary Highlights

In accordance with Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA - R.S. 39:1301 et seq.), the Town must adopt a budget for the General Fund and all Special Revenue funds prior to June 30. The original budget for the Town was adopted on May 22, 2017 and no amendment in current year. The actual revenue does exceed budgeted amounts by \$849,389 for the year ending June 30, 2019. This difference was primarily because actual revenue collected exceed expected collections. The actual amounts exceed budgeted expenditure by \$281,195 primarily because of increased capital outlay.

Capital Assets and Debt Administration

Capital assets

As for the year ended June 30, 2019, the Town had \$16,547,922 (net of accumulated depreciation) invested in a broad range of capital assets including land, buildings, improvements, machinery and equipment for its governmental and business-type activities.

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

	Capital Asset June 30, 2019					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Nondepreciable assets:						
Land	\$ 704,058	\$ 704,058	\$ 16,033	\$ 16,033	\$ 720,091	\$ 720,091
Total nondepreciable assets	<u>704,058</u>	<u>704,058</u>	<u>16,033</u>	<u>16,033</u>	<u>720,091</u>	<u>720,091</u>
Depreciable assets, net:						
Buildings	1,327,158	1,326,371	-	-	1,327,158	1,326,371
Land Improvements	2,974,656	3,125,867	-	-	2,974,656	3,125,867
Machinery and Equipment	482,387	484,324	-	-	482,387	484,324
Other/General Government	4,020,582	4,388,651	-	-	4,020,582	4,388,651
Construction in progress	798,596	-	-	-	798,596	-
Water Distribution system	-	-	3,559,787	3,894,533	3,559,787	3,894,533
Gas Distribution system	-	-	2,664,665	2,969,913	2,664,665	2,969,913
Total depreciable assets, net	<u>9,603,379</u>	<u>9,325,213</u>	<u>6,224,452</u>	<u>6,864,446</u>	<u>15,827,831</u>	<u>16,189,659</u>
Total capital assets, net	<u>\$ 10,307,437</u>	<u>\$ 10,029,271</u>	<u>\$ 6,240,485</u>	<u>\$ 6,880,479</u>	<u>\$ 16,547,922</u>	<u>\$ 16,909,750</u>

TOWN OF WINNSBORO, LOUISIANA

Management's Discussion and Analysis (continued)
For the Year Ended June 30, 2019

Long-term Debt

The Town's governmental activities has two long-term bond debts at June 30, 2019, which was a \$150,000 General obligation bond and \$40,000 General obligation bond. Installments are due in payments of \$21,941 to 21,968, and \$5,851 through July 20, 2020, with interest at 4.0%. The outstanding balance as of June 30, 2019 is \$21,286.

The Town's business-type activities have three long-term bond debts at June 30, 2019, which was a \$840,000 Sewer revenue bond - USDA dated 1996, \$3,054,000 Water revenue bonds - USDA dated in 2004, and \$851,757 Sewer revenue bonds – LA Department of Environmental Quality dated 1996. Installment for Sewer revenue bond - USDA is due monthly payments of \$4,091 through May 6, 2034, with interest at 5%. Installment for Water revenue bonds – USDA is due monthly payments of 13,866 through May 6, 2041, with an interest at 4.5%. Installment for Sewer revenue bonds – LA Department of Environmental Quality is due monthly payments of \$4,547 through May 6, 2031, with interest at 4.5%. The outstanding balance as of June 30, 2019 is \$3,639,332.

Another obligation for both the governmental and business-type activities is the net pension liability.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

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

TOWN OF WINNSBORO, LOUISIANA

Statement of Net Position
June 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash	\$ 1,586,428	\$ 37,670	\$ 1,624,098
Accounts receivables, net	-	103,697	103,697
Receivables, net	11,943	231	12,174
Investments	80,148	366,626	446,774
Due from other funds	202,059	-	202,059
Total current assets	1,880,578	508,224	2,388,802
Noncurrent assets:			
Restricted investment	-	166,902	166,902
Capital assets, net	10,307,437	6,240,485	16,547,922
Other noncurrent assets	-	23,990	23,990
Total noncurrent assets	10,307,437	6,431,377	16,738,814
Total assets	12,188,015	6,939,601	19,127,616
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pension	660,828	317,230	978,058
Deferred outflows of resources related to OPEB	310,650	-	310,650
Total deferred outflows of resources	971,478	317,230	1,288,708
Total assets and deferred outflows of resources	\$ 13,159,493	\$ 7,256,831	\$ 20,416,324
LIABILITIES			
Current liabilities:			
Accounts payables	\$ 21,446	\$ 267	\$ 21,713
Payroll and related liabilities	108,050	35,643	143,693
Due to other funds	109,000	93,059	202,059
Current portion of bond payable	21,286	130,416	151,702
Other current liabilities	3,404	-	3,404
Total current liabilities	263,186	259,385	522,571
Noncurrent liabilities:			
Customers deposits	-	166,902	166,902
Noncurrent portion of bond payable	-	3,508,916	3,508,916
Compensated absences	19,418	-	19,418
Net pension liability	1,718,814	911,473	2,630,287
OPEB liability	4,291,082	-	4,291,082
Total noncurrent liabilities	6,029,314	4,587,291	10,616,605
Total liabilities	6,292,500	4,846,676	11,139,176
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pension	583,908	163,919	747,827
Deferred inflows of resources related to OPEB	213,770	-	213,770
Total deferred inflows of resources	797,678	163,919	961,597
NET POSITION			
Invested in capital asset, net of related debt	10,286,151	2,601,152	12,887,303
Restricted for debt service	21,920	124,185	146,105
Unrestricted	(4,238,759)	(479,102)	(4,717,861)
Total net position	6,069,312	2,246,235	8,315,547
Total liabilities, deferred inflows of resources, and net position	\$ 13,159,493	\$ 7,256,831	\$ 20,416,324

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

TOWN OF WINNSBORO, LOUISIANA

Statement of Activities
Year Ended June 30, 2019

Activities	Expense	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contribution	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 1,013,008	\$ 192,239	\$ 146,221	\$ -	\$ (674,548)	\$ -	\$ (674,548)
Federal grant expense	699,254	-	-	699,254	-	-	-
Public safety:							
Police	536,728	-	-	-	(536,728)	-	(536,728)
Fire	347,657	-	-	-	(347,657)	-	(347,657)
Street department	534,125	-	-	-	(534,125)	-	(534,125)
Recreation department	77,050	-	-	-	(77,050)	-	(77,050)
Animal control department	60,923	-	-	-	(60,923)	-	(60,923)
NP USDA community center	11,139	-	-	-	(11,139)	-	(11,139)
Airport	19,581	-	-	-	(19,581)	-	(19,581)
Total governmental activities	3,299,465	192,239	146,221	699,254	(2,261,751)	-	(2,261,751)
Business-type activities:							
Water plant	247,413	1,101,611	-	-	-	854,198	854,198
WWTP	22,507	2,650	-	-	-	(19,857)	(19,857)
Water department	627,479	3,163	-	-	-	(624,316)	(624,316)
Sewer department	476,304	776,443	-	-	-	300,139	300,139
Shop department	50,276	-	-	-	-	(50,276)	(50,276)
Interest	146,134	-	-	-	-	(146,134)	(146,134)
General government	1,746,377	5,468	-	-	-	(1,740,909)	(1,740,909)
Total business-type activities	3,316,490	1,889,335	-	-	-	(1,427,155)	(1,427,155)
Total	6,615,955	2,081,574	146,221	699,254	(2,261,751)	(1,427,155)	(3,688,906)
General revenues:							
Taxes					3,438,724	-	3,438,724
Licenses and permits					428,341	-	428,341
Intergovernmental					37,308	-	37,308
Fines and forfeitures					91,392	-	91,392
Rent income					14,400	-	14,400
Interest income					12,700	3,085	15,785
Nonemployer pension contribution					56,487	-	56,487
Miscellaneous					76,601	-	76,601
Total general revenues					4,155,953	3,085	4,159,038
Change in net position					1,894,202	(1,424,070)	470,132
Net position - July 1, 2018					4,175,113	3,670,306	7,845,419
Net position - June 30, 2019					\$ 6,069,312	\$ 2,246,235	\$ 8,315,547

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

FUND FINANCIAL STATEMENTS (FFS)

TOWN OF WINNSBORO, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Industrial Fund	Sales Tax Fund	Total Governmental Funds
ASSETS				
Cash	\$ 220,399	\$ 111,912	\$ 1,254,117	\$ 1,586,428
Receivables, net	11,943	-	-	11,943
Investments	-	-	80,148	80,148
Due from other funds	93,059	9,000	100,000	202,059
Total assets	325,401	120,912	1,434,265	1,880,578
 LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	-	21,446	-	21,446
Payroll and related liabilities	108,050	-	-	108,050
Due to other funds	109,000	-	-	109,000
Bonds payable	21,286	-	-	21,286
Other liabilities	3,404	-	-	3,404
Total liabilities	241,740	21,446	-	263,186
 Fund balances				
Unassigned	83,661	99,466	1,434,265	1,617,392
Total fund balances	83,661	99,466	1,434,265	1,617,392
Total liabilities and fund balances	\$ 325,401	\$ 120,912	\$ 1,434,265	\$ 1,880,578

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

TOWN OF WINNSBORO, LOUISIANA

Reconciliation Of The Governmental Funds Balance Sheet
To the Statement Of Net Position
June 30, 2019

Total fund balances for governmental funds at June 30, 2019		\$ 1,617,392
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The assets consist of:		
Land	704,058	
Building, net of \$2,468,685 accumulated depreciation	1,327,158	
Land improvements, net of \$1,250,627 accumulated depreciation	2,974,653	
Machinery and equipment, net of \$3,695,928 accumulated depreciation	482,386	
Other/General Government, net of \$5,396,406 accumulated depreciation	4,020,583	
Construction in progress	<u>798,596</u>	10,307,434
Compensated absences		(19,418)
Deferred outflows related to pension		660,828
Deferred inflows related to pension		(583,908)
Net pension liability		(1,718,814)
OPEB liability		(4,291,082)
Deferred outflows related to OPEB		310,650
Deferred inflows related to OPEB		<u>(213,770)</u>
Total net position of governmental activities at June 30, 2019		<u>\$ 6,069,312</u>

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

TOWN OF WINNSBORO, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2019

	General Fund	Industrial Fund	Sales Tax Fund	Total
Revenues:				
General Revenue				
Taxes	\$ 274,839	\$ -	\$ 3,163,885	\$ 3,438,724
Licenses and permits	428,341	-	-	428,341
Intergovernmental	736,562	-	-	736,562
Fines and forfeitures	91,392	-	-	91,392
Rent income	-	14,400	-	14,400
Interest income	6,596	2,676	3,428	12,700
Miscellaneous	74,070	2,531	-	76,601
Program Revenue				
Charges for services	185,089	7,150	-	192,239
Operating grants	-	146,221	-	146,221
Total revenues	1,796,889	172,978	3,167,313	5,137,180
Expenditures:				
General government	1,026,435	569,382	463,994	2,059,811
Public safety:				
Police	536,728	-	-	536,728
Fire	347,657	-	-	347,657
Street department	500,145	-	33,980	534,125
Recreation department	77,050	-	-	77,050
Animal control department	60,923	-	-	60,923
Community center	11,139	-	-	11,139
Airport	-	19,581	-	19,581
Capital outlay projects	829,563	123,434	62,011	1,015,008
Total Expenditures	3,389,640	712,397	559,985	4,662,022
Other financing sources (uses):				
Transfers in	2,094,000	-	-	2,094,000
Transfers out	-	-	(2,094,000)	(2,094,000)
Total other financing sources (uses)	2,094,000	-	(2,094,000)	-
Net changes in fund balances	501,249	(539,419)	513,328	475,158
Fund balances, beginning	(417,586)	638,884	920,936	1,142,234
Fund balances, ending	\$ 83,661	\$ 99,466	\$ 1,434,265	\$ 1,617,392

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

TOWN OF WINNSBORO, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2019

Total net changes in fund balances for the year ended June 30, 2018 per Statement of Revenues, Expenditures and Changes in Fund Balances \$ 475,158

The change in net position reported for governmental activities in the Statement of Activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	1,015,008	
Depreciation expense for the year ended June 30, 2018	<u>(736,842)</u>	278,166

Nonemployer pension contribution 56,487

Change in net pension obligations are reported only in the Statement of Activities 388,670

Change in other post employment benefits obligations 695,721

Total changes in net position at June 30, 2019 per Statement of Activities \$ 1,894,202

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

TOWN OF WINNSBORO, LOUISIANA

Statement of Net Position
Proprietary Funds
June 30, 2019

	Enterprise Fund
	Utility System Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 37,670
Investments	366,626
Accounts receivables, net	103,697
Other receivables	231
Total current assets	508,224
Noncurrent assets:	
Restricted investment	166,902
Capital assets, net	6,240,485
Other noncurrent assets	23,990
Total noncurrent assets	6,431,377
Total assets	6,939,601
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pension	317,230
Total assets and deferred outflows of resources	7,256,831
LIABILITIES	
Current liabilities:	
Accounts payable	267
Accrued liabilities	35,643
Due to other funds	93,059
Current portion of bonds payable	130,416
Total current liabilities	259,385
Noncurrent liabilities:	
Customers deposits	166,902
Net pension liability	911,473
Bonds payable	3,508,916
Total noncurrent liabilities	4,587,291
Total liabilities	4,846,676
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pension	163,919
NET POSITION	
Invested in capital assets, net of related debt	2,601,152
Restricted for debt service	124,185
Unrestricted	(479,102)
Total net position	2,246,235
Total liabilities, deferred inflows of resources, and net position	\$ 7,256,831

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

TOWN OF WINNSBORO, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position
 Proprietary Funds
 Year Ended June 30, 2019

	Enterprise Fund
	Utility System Fund
Operating revenues:	
Charges for services	\$ 1,883,867
Miscellaneous income	5,468
Total operating revenues	1,889,335
Operating expenses:	
General government	1,664,493
WWTP	22,507
Water plant	247,413
Shop department	50,276
Water department	627,479
Sewer department	476,304
Total operating expenses	3,088,472
Operating loss	(1,199,137)
Non-operating revenues (expenses):	
Interest income	3,085
Interest expense	(146,135)
Other loss	(81,884)
Total non-operating revenues (expenses)	(224,934)
Change in net position	(1,424,071)
Net position, beginning	3,670,306
Net position, ending	\$ 2,246,235

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

TOWN OF WINNSBORO, LOUISIANA

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

Cash flows from operating activities:	
Receipts from customers	\$ 1,898,112
Receipts from other funds	26,246
Other operating receipts	20,121
Payments to suppliers	(12,937)
Payments to employees	(1,732,032)
Other operating payments	<u>(805,247)</u>
Net cash provided by operating activities	(605,737)
Cash flows from noncapital financing activities:	
Principal paid on noncapital debt	<u>(124,750)</u>
Net cash (used) provided by noncapital financing activities	(124,750)
Cash flows from capital and related financing activities:	
Proceeds from capital debt	1,075,392
Purchases of capital assets	(17,304)
Interest paid on capital debt	(146,134)
Other capital payments	<u>(317,230)</u>
Net cash used for capital and related financing activities	594,724
Cash flows from investing activities:	
Proceeds from sale and maturity of investments	164,410
Interest	3,085
Purchases of investments	<u>(166,887)</u>
Net cash (used) provided by investing activities	608
Net increase (decrease) in cash and cash equivalents	(135,155)
Cash, cash equivalents and restricted cash, beginning of period	<u>172,825</u>
Cash, cash equivalents and restricted cash, end of period	<u>\$ 37,670</u>

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

TOWN OF WINNSBORO, LOUISIANA

Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2019

Reconciliation of Operating Income to Net Cash Provided by Operating Activities

Operating loss	\$ (1,199,137)
Adjustments to reconcile operating income to net cash provided (used by) operating activities:	
Depreciation and amortization	657,298
(Increase) decrease in:	
Accounts receivables, net	(759)
Increase (decrease) in:	
Accounts payable	(12,178)
Accrued interest payable	(97,328)
Due to other funds	26,246
Other current liabilities	<u>20,121</u>
Net cash (used) provided by operating activities	<u>\$ (605,737)</u>

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

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements
June 30, 2019

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement Presentation

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

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

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

Financial Reporting Entity

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

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

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

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

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued)
June 30, 2019

Basis of Presentation

Government-wide Financial Statements (GWFS)

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

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

Fund Financial Statements

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

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

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

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued) June 30, 2019

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

Governmental Funds

- General Funds - This fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.
- Debt Service Funds - These funds are used to account for the accumulation of resources for, and the payments of, general long-term debt principal, interest and related costs.
- Capital Projects Funds - These funds are used to account for the financial resources used for the acquisition or construction of major capital facilities.

Proprietary Fund

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

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

Measurement Focus, Basis of Accounting

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

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued)

June 30, 2019

Measurement Focus

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

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

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

Basis of Accounting

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

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

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

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

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued)
June 30, 2019

Cash and Cash Equivalents

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

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

Investments

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

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

Accounts Receivable and Bad Debts

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

Interfund receivables and payables

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

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued)
June 30, 2019

Restricted Cash

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

Inventory

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

Prepaid Expenses

In the primary government's governmental fund types, insurance expenses are recorded as expenditures at the time of consumption.

Capital Assets

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

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

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

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued)
June 30, 2019

Fund Balance and Equity Classifications

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

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

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

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued)

June 30, 2019

Compensated Absences

Allowable annual vacation and sick leave is prescribed by municipal ordinance, based on length of continuous employment by the Town, accrued on an employment anniversary basis, and accrued to specified maximums. Compensatory time is also granted to supervisory personnel in lieu of overtime pay. Employees may accumulate unused compensatory time which is paid to the employee in the form of time off or at the employee's current rate of pay upon separation from service.

Estimated accrued compensated absences resulting from unused vacation and compensatory time at the end of the fiscal year are recorded as long-term liabilities in the government-wide financial statements in

accordance with GASB Statement No. 16, Accounting for Compensated Absences. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

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

Long-Term Obligations

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

Net Pension Liability

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

Deferred Outflows of Resources and Deferred Inflows of Resources

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

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued)
June 30, 2019

Accounting and Financial Reporting for Pensions

GASB approved Statement No. 68, *Accounting and Financial Reporting for Pensions* and Statement No. 71, *Pension Transition for Contributions Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. GASB Statement No. 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements that meet the criteria established by this standard. GASB Statement 71 requires a government employer to recognize a net pension liability measured as of a date (“measurement date”) no earlier than the end of its prior fiscal year. If the government employer makes a contribution to a defined benefit plan between the measurement date of the reported net pension liability and the end of the government’s reporting period, the government is required to recognize its contribution as a deferred outflow of resources. The provisions of GASB Statement No. 68 and GASB Statement No. 71 were implemented by the Town during the fiscal year ending June 30, 2019.

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

Balance and Equity Classifications

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

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

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

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

Budget Policy and Budgetary Accounting

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

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

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued)
June 30, 2019

Estimates

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

NOTE 2- CASH AND INVESTMENTS

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

Custodial credit risk is the risk that in the event of the financial institution failure, the Town's deposits may not be returned to them. To mitigate this risk, state law requires deposit to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of June 30, 2019, the Town had no unsecured deposits.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pools of assets. Investment earnings are shared by each fund on a pro rata basis according to its average cash balance.

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

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAA by Standard & Poor's.
- Custodial risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued)
June 30, 2019

more than 90 days and consists of no securities with maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments.

- Foreign currency risk: Not applicable.

At June 30, 2019, the Town had cash and investments totaling \$2,237,774 as Follows:

	Governmental Activites	Business-Type Activities	Totals
Demand deposits	\$ 1,586,428	\$ 37,670	\$ 1,624,098
Time deposits	80,148	366,626	446,774
Restricted investment	-	166,902	166,902
Total	<u>\$ 1,666,576</u>	<u>\$ 571,198</u>	<u>\$ 2,237,774</u>

NOTE 3 – PROPERTY TAX

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

The Town is permitted by the Municipal Finance Law of the state to levy taxes up to 8.160 mills on the total assessed value for the Town for governmental services other than the payment of principal and interest on long term debt and in required amounts for the payment of principal and interest on long term debt.

For the year ended June 30, 2019 taxes of 8.160 mills were levied on property with taxable assessed valuations totaling \$27,612,889 for a total of \$225,322. The taxes were dedicated for general corporate purposes.

NOTE 4 – DUE FROM OTHER GOVERNMENTS

Amounts due from other governmental units at June 30, 2019 was zero.

NOTE 5 – RECEIVABLES

Receivables at June 30, 2019 consisted of the following:

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued)
June 30, 2019

Class of Receivables	Governmental Activities	Business-type Activities	Total
Accounts receivable	\$ -	\$ 115,219	\$ 115,219
Fines	7,582	-	7,582
Garbage fees	4,361	-	4,361
Other receivables	-	231	231
Less: Allowance for bad debts	-	(11,522)	(11,522)
Total	<u>\$ 11,943</u>	<u>\$ 103,928</u>	<u>\$ 115,871</u>

NOTE 6 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2019 was as follows:

	Balance 07/01/18	Additions	Deletions	Balance 06/30/19
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 704,058	\$ -	\$ -	\$ 704,058
Other capital assets:				
Buildings	3,710,659	85,184	-	3,795,843
Land Improvements	4,225,280	3	-	4,225,283
Machinery and equipment	4,082,405	95,909	-	4,178,314
Other/ general government	9,381,673	35,315	-	9,416,988
Construction in progress	-	798,596	-	798,596
Totals	<u>22,104,075</u>	<u>1,015,007</u>	-	<u>23,119,082</u>
Less accumulated depreciation				
Buildings	2,384,288	84,397	-	2,468,685
Land Improvements	1,099,341	151,286	-	1,250,627
Machinery and equipment	3,598,081	97,846	-	3,695,927
Other/ general government	4,993,094	403,312	-	5,396,406
Total accumulated depreciation	<u>12,074,804</u>	<u>736,841</u>	-	<u>12,811,645</u>
Governmental activities, capital assets, net	<u>\$10,029,271</u>	<u>\$ 278,166</u>	<u>\$ -</u>	<u>\$10,307,437</u>

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued)
June 30, 2019

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

General government	\$ 198,427
Police	18,692
Fire	67,047
Streets	437,925
Recreation	<u>14,750</u>
Total depreciation expense	<u>\$ 736,841</u>

Capital assets of business-type activities for the year ended June 30, 2019 was as follows:

	Balance 07/01/18	Additions	Deletions	Balance 06/30/19
Capital assets not being depreciated:				
Land	\$ 16,033	\$ -	\$ -	\$ 16,033
Other capital assets:				
Water distribution system	10,933,787	-	-	10,933,787
Sewer distribution system	<u>11,303,895</u>	<u>17,304</u>	-	<u>11,321,199</u>
Totals	22,253,715	17,304	-	22,271,019
Less accumulated depreciation				
Water distribution system	7,039,254	334,746	-	7,374,000
Sewer distribution system	<u>8,333,982</u>	<u>322,552</u>	-	<u>8,656,534</u>
Total accumulated depreciation	<u>15,373,236</u>	<u>657,298</u>	-	<u>16,030,534</u>
Business-type activities, capital assets, net	<u>\$ 6,880,479</u>	<u>\$ (639,994)</u>	<u>\$ -</u>	<u>\$ 6,240,485</u>

Depreciation expense was charged to business-type activities as follows:

Water	\$ 334,746
Sewer	<u>322,552</u>
Total depreciation expense	<u>\$ 657,298</u>

NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

The payables of \$165,406 at June 30, 2019, were as follows:

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued)
June 30, 2019

	Governmental Activities	Business - Type Activities	Total
Accounts payable	\$ 21,446	\$ 267	\$ 21,713
Accrued payroll and related liabilities	108,050	35,643	143,693
Total	\$ 129,496	\$ 35,910	\$ 165,406

NOTE 8 – LONG -TERM DEBT

Governmental Activities

The following is a summary of changes in governmental activities long-term debt in the statement of net position for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due Within one Year
General obligation bonds	\$ 34,074	\$ -	\$ (17,189)	\$ 16,885	\$ 16,885
General obligation bonds	8,988	-	(4,587)	4,401	4,401
Total	\$ 43,062	\$ -	\$ (21,776)	\$ 21,286	\$ 21,286

Bonds payable at June 30, 2019, are comprised of the following in governmental activities:

General obligation bonds - \$150,000 general obligation bonds due in installments of \$21,941 to \$21,968 through July 20, 2020, bearing interest at a rate of 4.0%	\$ 16,885
General obligation bonds - \$40,000 general obligation bonds due in installments of \$5,851 through July 20, 2020, bearing interest at a rate of 4.0%	4,401
Total	\$ 21,286

The annual requirements to amortize the general obligation bonds as of June 30, 2019, are as follows:

Year Ended	Principal
2020	\$ 21,286
Total	\$ 21,286

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued)
June 30, 2019

The following is a summary of the business-type activities long- term liabilities for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Water and sewer notes	\$ 3,764,083	\$ -	\$ (124,751)	\$ 3,639,332	\$ 130,416
Total	<u>\$ 3,764,083</u>	<u>\$ -</u>	<u>\$ (124,751)</u>	<u>\$ 3,639,332</u>	<u>\$ 130,416</u>

Business - Type Activities

Long- term debt as of June 30, 2019, is comprised of the following in business:

Sewer revenue bonds - USDA - \$840,000 in 1996 bonds due in monthly installments totaling \$49,092 annually through May 6, 2034, bearing interest at a rate of 5.0%	\$ 510,322
Water revenue bonds - USDA - \$3,054,000 in 2004 bonds due in monthly installments totaling \$166,392 annually through May 6, 2041, bearing interest rate of 4.5%.	2,508,010
Sewer revenue bonds - Louisiana Department of Environmental Quality - \$851,757 in 1996 bonds due in monthly installments totaling \$54,561 annually through May 6, 2031, bearing interest rate of 4.5%.	<u>621,000</u>
Total	<u>\$ 3,639,332</u>

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TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued)
June 30, 2019

The annual requirements to amortize all outstanding debt as of June 30, 2019 including interest payments, are as follows:

	<u>Principal</u>
2020	\$ 130,416
2021	135,910
2022	139,992
2023	144,270
2024	149,751
2025	155,446
2026-2030	859,866
2031-2035	724,825
2036-2040	643,315
2041-2045	<u>555,541</u>
Totals	<u>\$ 3,639,332</u>

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

1. The Town shall maintain a sinking fund into which monthly deposits totaling \$19,883 shall be made.
2. The Town shall maintain a reserve fund which when fully funded shall have a total of \$238,596 balance.

At June 30, 2019, the Town of Winnsboro was in compliance with these requirements.

NOTE 9 – COMPENSATED ABSENCES

Compensated absences are absences for which employees will be paid, such as vacation, sick leave. GASB Statement No.16 requires the compensated absences liability generally to be measured using the pay or salary rates in effect at the balance sheet date. It also requires additional amounts to be accrued for certain salary-related payments associated with the payment of compensated absences, for example, the employer's share of social security and Medicare taxes. Under the Town's personnel policies, the Town compensated absences were \$19,418 for the year ended June 30, 2019.

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued)
June 30, 2019

NOTE 10 – PENSION PLANS

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

MERS: 7937 Office Park Boulevard | Baton Rouge, Louisiana 70809 | www.mersla.com

MPERS: 7722 Office Park Boulevard | Baton Rouge, Louisiana 70809 | www.lampers.org

MFRS: 3100 Brentwood Drive | Baton Rouge, Louisiana 70809 | www.ffret.com

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

Municipal Employees' Retirement System of Louisiana (System) (“MERS”)

Plan Description:

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

Benefits provided:

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

Retirement Benefits:

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

- I. Any age with twenty-five (25) or more years of creditable service.
2. Age 60 with a minimum often (10) years of creditable service.
3. Any age with five (5) years of creditable service eligible for disability benefits.
4. Survivor's benefits require five (5) or more years creditable service with legal spouse at least last 12 months before death- 40% at age 60 or minimum of 20% immediately (actuarially calculated).

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued) June 30, 2019

5. Any age with 20 years of creditable service, exclusive of military service with an actuarially reduced early benefit.

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

1. Age 67 with seven (7) years of creditable service.
2. Age 62 with ten (10) years of creditable service.
3. Age 55 with thirty (30) years of creditable service.
4. Any age with twenty-five (25) years of creditable service with an actuarially reduced early benefit.
5. Survivor's benefits require five or more years of creditable service with legal spouse at least last 12 months before death- 40% at age 60 or minimum of 20% immediately (actuarially calculated).

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

Survivor Benefits:

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

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

DROP Benefits:

The System has established a DROP plan. When members enter DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period up to three years.

The election is irrevocable once participation begins. During participation, benefits otherwise payable are fixed and deposited in an individual DROP account. Upon leaving DROP, members must choose among available alternatives for the distribution of benefits that have accumulated in their DROP accounts.

Disability Benefits:

For Plan A, a member shall be eligible to retire and receive a disability benefit if he has at least five years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of forty-five percent of his final average Note compensation or three

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued)

June 30, 2019

percent of his final average compensation multiplied by his years of creditable service, whichever is greater, or an amount equal to three percent of the member's final average compensation multiplied by his years of creditable service projected to his earliest nonanal retirement age.

Deferred Benefits:

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

Cost of Living Adjustments:

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

Contributions:

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2019, the actual employer contribution rate was 24.75% for Plan A. The actuarially determined rate is the rate calculated to provide employer contributions that, when combined with employee contributions, is expected to finance the cost of benefits earned by the employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. The Town's contributions to the System under Plan A for the years ending June 30, 2019 was \$300,227.

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TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued)
June 30, 2019

Actuarial Assumptions:

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

Valuation date	June 30, 2018
Actuarial cost method	Entry age normal cost
Expected remaining service	3 years
Investment rate of return	7.275%
Inflation rate	2.60%
Salary increase, including inflation and merit increases	5.00%
Annuitant and beneficiary mortality	RP-2000 Healthy Annuitant Sex Distinct Mortality Tables set forward 2 years for males and set forward 1 year for females projected to 2028 using scale AA
Employee mortality	RP-2000 Employees Sex Distinct Table set back 2 years for both males and females
Disabled lives mortality	RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females.

Discount rate:

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

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TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued)
June 30, 2019

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, 2018 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Public equity	50%	2.2%
Public fixed income	35%	1.5%
Alternatives	<u>15%</u>	<u>0.6%</u>
Totals	<u>100%</u>	<u>4.3%</u>
Inflation		<u>2.7%</u>
Expected arithmetic nominal return		<u>7.0%</u>

The discount rate used to measure the total pension liability was 7.275% for the year ended June 30, 2018. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Plan Description

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

Membership Prior to January 1, 2013:

A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit rates are 3⅓% of average final compensation (average monthly earnings during the highest 36 consecutive months or

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued) June 30, 2019

joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Membership Commencing January 1, 2013:

Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55. Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are 3% and 2½%, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Cost-of-Living Adjustments:

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

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

Members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

Deferred Retirement Option Plan:

A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is 36 months or less. If employment is terminated after the three-year period, the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued) June 30, 2019

investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account.

Employer contribution:

Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay. For the year ended June 30, 2019, contributions due from employers and employees were 32.25% and 10%, respectively. The Town's contributions to the system for the years ending June 30, 2019, was \$101.719.

Actuarial methods and assumptions:

The actuarial assumptions used in the June 30, 2018 valuation were based on the assumptions used in the June 30, 2018 actuarial funding valuation and were based on the results of an actuarial experience study for the period of July 1, 2009 through June 30, 2014. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018, are as follows:

Valuation date	June 30, 2018
Actuarial cost method	Entry age normal cost
Expected remaining service	4 years
Investment rate of return	7.2% net of investment expense
Inflation rate	2.60%
Salary increase, including inflation and merit increases	Year of service: 1-2 , Salary Growth 9.75% Year of service: 3-23 , Salary Growth 4.75% Year of service: Over 23, Salary Growth
	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table Projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and
Mortality	RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for RP-2000 Employee Table set back 4 years for males and 3 years for females for active
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.

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued)
June 30, 2019

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period of July 1, 2009 through June 30, 2014, and review of similar law enforcement mortality. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System’s liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

The best estimates of the arithmetic nominal rates of return for each major asset class included in the System’s target allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Equity	52%	3.58%
Fixed Income	22%	0.46%
Alternatives	20%	1.07%
Other	<u>6%</u>	<u>0.17%</u>
Totals	100%	5.28%
Inflation		<u>2.75%</u>
Expected nominal return		<u>8.03%</u>

Discount rate:

The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System’s actuary. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Firefighters’ Retirement System of Louisiana (System) (“MFRS”)

Plan Description:

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

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued) June 30, 2019

Eligibility Requirements

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

Retirement Benefits

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

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

Disability Benefits

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

Death Benefits

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

Deferred Retirement Option Plan:

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

Upon commencement of participation in DROP, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the member's DROP account. Upon termination of employment, a participant in the program has several options to receive their DROP benefit. A member may (1) elect to roll over all or a portion of their DROP balance into another eligible qualified plan, (2) receive a lump-sum payment from the account, (3) receive single withdrawals at the discretion of the member, (4) receive monthly or annual withdrawals, or (5) receive an annuity based on the DROP account balance. These withdrawals are in addition to his regular monthly benefit.

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued) June 30, 2019

Cost-of-Living Adjustments:

Under the provisions of R.S. 11:246 and 11:2260(A)(7), the board of trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of up to 3% of their current benefit, and all retired members and widows who are 65 years of age and older a 2% increase in their original benefit. In order for the board to grant either of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings (R.S. 11:243). In lieu of these COLAs, pursuant to R.S. 11:241, the board may also grant an increase in the form of "X x (A+B)," Where "X" is any amount up to \$1 per month, and "A" is equal to the number of years of credited service accrued at retirement or at death of the member or retiree, and "B" is equal to the number of years since retirement or since death of the member or retiree to June 30th of the initial year of such increase.

Contribution:

According to state statute, employer contributions are actuarially-determined each year. For the year ended June 30, 2019, employer and employee contribution rates for members above the poverty line were 26.50% and 10.00%, respectively. The Town's contributions to the system for the years ending June 2019, was \$59,228.

Actuarial Assumptions:

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

Valuation date	June 30, 2018
Actuarial cost method	Entry age normal cost
Investment rate of return	7.3% net of investment expense
Expected remaining service	7years, closed period
Inflation rate	2.70%
Salary increase, including inflation and merit increases	Vary from 15% in the first two years of service to 4.75% with 25 or more years of service.
Cost of living Adjustments	For the purpose of determining the present value of benefits, COLAs were deemed not to be substantively automatic and only those previously granted.

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, 2.75%. The resulting long-term expected arithmetic nominal rate of return was 8.29% as of June 30, 2018, are summarized in the following table:

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued)
June 30, 2019

	Asset Class	Target Asset Allocation	Long-term Expected Real Rate of Return
Equity	U.S. Equity	22%	6.14%
	Non -U.S. Equity	22%	7.46%
	Global Equity	10%	6.74%
Fixed Income	Fixed Income	26%	1.76%
Alternatives	Real Estate	6%	4.38%
	Private Equity	4%	8.73%
Multi-Asset Strategies	Global Tactical Asset Allocation	5%	4.31%
	Risk Party	<u>5%</u>	4.89%
	Totals	<u>100%</u>	

The discount rate used to measure the total pension liability was 7.3%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates, and that contributions from participating employers and non-employer contributing entities will be made at the actuarially-determined rates approved by the Board of Trustees and by the Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

At June 30, 2019, the Town reported a liability of \$1,822,946, \$339,904, and \$467,437 for its proportionate share of the net pension liability for MERS, MPERS, and MFRS, respectively. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Town's proportion was 0.440253% for MERS, 0.040206% for MPERS, and 0.081264% for MFRS.

The following schedule lists each pension plan's recognized pension expense (benefit) for the Town for the year ended June 30, 2019:

	<u>MERS</u>	<u>MPERS</u>	<u>MFRS</u>
Pension expense (benefit)	\$ 139,603	\$ (163,785)	\$ 92,479

At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued)
June 30, 2019

Deferred Outflows of Resources:	<u>MERS</u>	<u>MPERS</u>	<u>MFRS</u>	<u>TOTAL</u>
Differences between expected and actual experience	\$ -	\$ 1,532	\$ -	\$ 1,532
Net difference between projected and actual investment earnings on pension plan investments	279,356	16,294	30,395	326,045
Changes of assumptions	54,876	22,213	32,608	109,697
Changes in proportion			79,609	79,609
Town contributions subsequent to measurement date	<u>300,228</u>	<u>101,719</u>	<u>59,228</u>	<u>461,175</u>
Total deferred outflows of resources	<u>\$ 634,460</u>	<u>\$ 141,758</u>	<u>\$ 201,840</u>	<u>\$ 978,058</u>

Deferred Inflows of Resources:	<u>MERS</u>	<u>MPERS</u>	<u>MFRS</u>	<u>TOTAL</u>
Differences between expected and actual experience	\$ 64,814	\$ 17,370	\$ 35,577	\$ 117,761
Net difference between projected and actual investment earnings on investments	-	-	-	
Changes of assumptions	-	-	74	74
Changes in proportion	<u>263,025</u>	<u>335,927</u>	<u>31,040</u>	<u>629,992</u>
Total deferred inflows of resources	<u>\$ 327,839</u>	<u>\$ 353,297</u>	<u>\$ 66,691</u>	<u>\$ 747,827</u>

The Town reported a total of \$461,175 as deferred outflows of resources related to pension contributions made subsequent to the measurement date will be recognized as reduction in net pension liability in the year ended June 30, 2019.

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

Year ending June 30:	<u>MERS</u>	<u>MPERS</u>	<u>MFRS</u>
2020	\$ 8,368	\$ (105,042)	\$ 38,832
2021	(34,598)	(110,947)	21,062
2022	24,639	(97,862)	(4,314)
2023	7,984	593	8,242
2024	-	-	3,487
2025	<u>-</u>	<u>-</u>	<u>8,612</u>
	<u>\$ 6,393</u>	<u>\$ (313,258)</u>	<u>\$ 75,921</u>

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued)
June 30, 2019

Sensitivity to changes in discount rate.

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

MERS: (Plan A)	Changes in Discount Rate		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	6.275%	7.275%	8.275%
Net Pension Liability	\$2,341,740	\$1,822,946	\$1,380,137

MPERS:	Changes in Discount Rate		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	6.20%	7.20%	8.20%
Net Pension Liability	\$477,659	\$339,904	\$224,333

MFRS:	Changes in Discount Rate		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	6.30%	7.30%	8.30%
Net Pension Liability	\$682,101	\$467,437	\$287,045

Contributions: Proportionate Share

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

Payables to the System

At June 30, 2019, the Town payables to the pension plan was \$25,722.

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued)
June 30, 2019

NOTE 11 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

Plan description - The Town of Winnsboro (the Town) provides certain continuing health care and life insurance benefits for its retired employees. The City of Winnsboro’s OPEB Plan (the OPEB Plan) is a single employer defined benefit OPEB plan administered by the City. The authority to established and/or amend the obligation of the employer, employees and retirees’ rests with the City. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions- Reporting for Benefits Not Provided Through Trusts That Meet Specified Criteria- Defined Benefit*.

Benefits Provided- Medical and life insurance benefits are provided to employees upon actual retirement. The employer pays 100% of the medical coverage for the retiree (not dependents). Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions as follows: 25 years of service at any age or, age 60 and 10 years of service.

Employees covered by benefit terms. At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits payments	28
Inactive employees entitled to but not yet receiving benefit payments	-
Active Employees	<u>37</u>
Total	<u><u>65</u></u>

Total OPEB Liability

The Town’s total OPEB Liability of \$4,291,082 was measured as of June 30, 2019 and determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs- The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.0%, including inflation
Discount rate	3.87% annually (Beginning of Year to Determine ADC)
	3.50% annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the Bond Buyers’ 20 Year General Obligation municipal bond index as of June 30, 2019, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table.

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued)
June 30, 2019

The actuarial assumption used in the June 30, 2019 valuation were based on the results of ongoing evaluation of the assumptions from July 1, 2009 to June 30, 2019.

Changes in the Total OPEB Liability

Service Cost		\$	64,132
Interest Cost			154,475
Changes of benefit terms			-
Difference between Actual and Expected Experience			137,213
Changes in Assumptions/Inputs			191,711
Benefit payments			<u>(215,993)</u>
Net Change in Total OPEB Liability			331,538
Total OPEB Liability- beginning			<u>3,959,544</u>
Total OPEB Liability - end			<u><u>\$ 4,291,082</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate.

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
Total OPEB Liability	<u>\$4,908,980</u>	<u>\$4,291,082</u>	<u>\$3,788,150</u>

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

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 4.50%	Current Discount Rate 5.50%	1% Increase 6.50%
Total OPEB Liability	<u>\$3,780,319</u>	<u>\$4,291,082</u>	<u>\$4,911,422</u>

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued)
June 30, 2019

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

For the year ended June 30, 2019, the Town recognized an OPEB expense of \$224,306. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 129,590	\$ (77,801)
Changes of assumptions or other inputs	181,060	(135,969)
Total Deferred Outflows and Inflows	\$ 310,650	\$ (213,770)

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

Year Ended June 30:	
2020	\$ 5,699
2021	5,699
2022	5,699
2023	5,699
2024	5,699
Thereafter	68,386
Total	\$ 96,881

Payables to the OPEB Plan

At June 30, 2019, the Town did not have any amounts owed to the OPEB plan.

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TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued)
June 30, 2019

NOTE 12 – INTERFUND TRANSACTIONS

Transfer

Transfers consisted of the following at June 30, 2019:

	Transfers In	Transfers Out
Governmental Funds:		
General Fund	\$ 2,094,000	\$ -
Industrial Fund	-	-
Sale Tax Fund	-	2,094,000
Proprietary Fund:	-	-
Total	\$ 2,094,000	\$ 2,094,000

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

NOTE 13 – SEGMENT INFORMATION FOR ENTERPRISE FUND

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

	Water Utility	Sewer Service	Total
Operating revenue	\$ 1,107,424	\$ 781,912	\$ 1,889,335
Salaries	226,859	160,177	387,036
Administrative	975,634	688,860	1,664,493
Power	53,466	49,352	102,818
Depreciation	335,170	322,128	657,298
Supplies and other expenses	114,723	162,103	276,826
Total Operating expense	1,705,852	1,382,620	3,088,472
Operating loss	\$ (598,428)	\$ (600,709)	\$ (1,199,137)

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Litigation

As of the date of this report, there were no pending or threatening litigation suits involving the Town.

TOWN OF WINNSBORO, LOUISIANA

Notes to Basic Financial Statements (continued)

June 30, 2019

Grants and Loans

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

Risk Management

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

NOTE 15 – SUBSEQUENT EVENT

The Town evaluated subsequent events through December 22, 2019, the date the financial statements were available to be issued.

On January 17, 2019, the Town was the victim of a spear phishing campaign which resulted in the loss of funds in the amount of \$81,884. The loss occurred by the unauthorized and illegal withdrawal of funds from the Town's proprietary funds operating account. The Town, along with the affected financial institution and insurance company agreed to work together to resolve the loss due to the spear phishing event. In October 2019, the Town paid the insurance deductible in the amount of \$25,000, and also received the funds that were lost.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF WINNSBORO, LOUISIANA

General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 246,500	\$ 246,500	\$ 274,839	\$ 28,339
Licenses and permits	521,000	521,000	428,341	(92,659)
Intergovernmental	108,500	108,500	736,562	628,062
Fines and forfeits	68,000	68,000	91,392	23,392
Charge for services	69,300	69,300	185,089	115,789
Interest income	140	140	6,596	6,456
Other	55,060	55,060	74,070	19,010
Total Revenues	<u>1,068,500</u>	<u>1,068,500</u>	<u>1,796,889</u>	<u>728,389</u>
Other financing sources:				
Transfer in	2,215,000	2,215,000	2,094,000	121,000
Total other financing sources	<u>2,215,000</u>	<u>2,215,000</u>	<u>2,094,000</u>	<u>121,000</u>
Amounts Available for appropriation	<u>\$ 3,283,500</u>	<u>\$ 3,283,500</u>	<u>\$ 3,890,889</u>	<u>\$ 849,389</u>
Expenditures:				
Current				
General government	630,307	630,307	1,026,435	(396,128)
Public safety:				
Police	641,098	641,098	536,728	104,370
Fire	359,874	359,874	347,657	12,217
Highways and streets	519,537	519,537	500,145	19,392
Culture and recreation	115,000	115,000	77,050	37,950
Capital outlay	15,000	15,000	829,563	(814,563)
Animal Control	69,395	69,395	60,923	8,472
Employee Benefit	735,121	735,121	11,139	723,982
Notes Payable	23,112	23,112	-	23,112
Other	-	-	-	-
Total Expenditure	<u>3,108,445</u>	<u>3,108,445</u>	<u>3,389,640</u>	<u>(281,195)</u>
Change in fund Balance	175,055	175,055	501,249	1,130,584
Fund balances, beginning	(417,586)	(417,586)	(417,586)	-
Fund balances, ending	<u>\$ (242,531)</u>	<u>\$ (242,531)</u>	<u>\$ 83,661</u>	<u>\$ 1,130,584</u>

See Independent Auditors' Report.

TOWN OF WINNSBORO, LOUISIANA

Industrial Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Budget		Actual Amounts Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Charge of Services	\$ 45,000	\$ 45,000	\$ 7,150	\$ (37,850)
General Revenue	8,629	8,629	19,607	10,978
Operating Grants	-	-	146,221	146,221
Transfer From Ind Fund Reserve	<u>13,000</u>	<u>13,000</u>	<u>-</u>	<u>(13,000)</u>
Total Revenues	<u>66,629</u>	<u>66,629</u>	<u>172,978</u>	<u>119,349</u>
Expenditure:				
General Government	13,000	13,000	569,382	(556,382)
Airport	42,000	42,000	19,581	22,419
Capital Outlay	<u>-</u>	<u>-</u>	<u>123,434</u>	<u>(123,434)</u>
Total Expenditure	<u>55,000</u>	<u>55,000</u>	<u>712,397</u>	<u>(657,397)</u>
Change in fund balances	11,629	11,629	(539,419)	776,746
Fund balances, beginning	<u>638,884</u>	<u>638,884</u>	<u>638,884</u>	<u>-</u>
Fund balances, ending	<u>\$ 650,513</u>	<u>\$ 650,513</u>	<u>\$ 99,466</u>	<u>\$ 776,746</u>

See Independent Auditors' Report.

TOWN OF WINNSBORO, LOUISIANA

Sales Tax Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Budget		Actual Amounts Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes-sales taxes	\$ 3,059,000	\$ 3,059,000	\$ 3,163,885	\$ 104,885
Interest	4,500	4,500	3,428	(1,072)
Total Revenues	<u>3,063,500</u>	<u>3,063,500</u>	<u>3,167,313</u>	<u>103,813</u>
Expenditure:				
Street Project	941,700	941,700	33,980	907,720
General Government	28,000	28,000	463,994	(435,994)
Capital Outflow	91,300	91,300	62,011	29,289
Total Expenditure	<u>1,061,000</u>	<u>1,061,000</u>	<u>559,985</u>	<u>501,015</u>
Other financing uses:				
Transfer out	2,276,500	2,276,500	2,094,000	(182,500)
Total other financing uses	<u>2,276,500</u>	<u>2,276,500</u>	<u>2,094,000</u>	<u>(182,500)</u>
Total charges to appropriation	<u>3,337,500</u>	<u>3,337,500</u>	<u>2,653,985</u>	<u>318,515</u>
Change in Fund Balances	(274,000)	(274,000)	513,328	(214,702)
Fund Balances, beginning	920,936	920,936	920,936	-
Fund balances, ending	<u>\$ 646,936</u>	<u>\$ 646,936</u>	<u>\$ 1,434,265</u>	<u>\$ (214,702)</u>

See Independent Auditors' Report.

TOWN OF WINNSBORO, LOUISIANA

Required Supplementary Information

Schedule of Proportionate Share of Net Pension Liability

As of the fiscal year ended	2019		
	MERS (Plan A)	MPERS	MFRS
Employer's Proportion of the Net Pension Liability	0.4403%	0.0402%	0.0813%
Employer's Proportionate Share of the Net Pension Liability	\$ 1,822,946	\$ 339,904	\$ 467,437
Employer's Covered Payroll	\$ 969,999	\$ 241,395	\$ 209,653
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	187.93%	140.81%	222.96%
Plan Fiduciary Net Position as a Percentage Of the Total Pension Liability	65.60%	71.89%	74.76%

As of the fiscal year ended	2018		
	MERS (Plan A)	MPERS	MFRS
Employer's Proportion of the Net Pension Liability	0.5459%	0.0860%	0.0702%
Employer's Proportionate Share of the Net Pension Liability	\$ 2,283,579	\$ 750,965	\$ 402,359
Employer's Covered Payroll	\$ 999,713	\$ 295,338	\$ 175,893
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	228.42%	254.27%	228.75%
Plan Fiduciary Net Position as a Percentage Of the Total Pension Liability	62.49%	70.08%	73.55%

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

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

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

MERS (Plan A) = Municipal Employees' Retirement System

MPERS = Municipal Police Employees' Retirement System

MFRS = Firefighters' Retirement System of Louisiana

See Independent Auditors' Report.

TOWN OF WINNSBORO, LOUISIANA

Required Supplementary Information

Schedule of Proportionate Share of Net Pension Liability (Continued)

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

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

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

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

MERS (Plan A) = Municipal Employees' Retirement System

MPERS = Municipal Police Employees' Retirement System

MFRS = Firefighters' Retirement System of Louisiana

See Independent Auditors' Report.

TOWN OF WINNSBORO, LOUISIANA

Required Supplementary Information

Schedule of Pension Contributions

	2019		
	MERS (Plan A)	MPERS	MFRS
Contractually Required Contribution	\$ 199,814	\$ 36,486	\$ 51,271
Contributions in Relation to Contractually Required contribuion	<u>300,228</u>	<u>101,719</u>	<u>59,229</u>
Contribution (Excess) Deficiency	\$ (100,414)	\$ (65,233)	\$ (7,958)
Employer's Covered Employee Payroll	1,154,099	315,407	223,501
Contributions as a % of Covered Employee Payroll	26.01%	32.25%	26.50%

	2018		
	MERS (Plan A)	MPERS	MFRS
Contractually Required Contribution	\$ 225,527	\$ 81,530	\$ 41,402
Contributions in Relation to Contractually Required contribuion	<u>239,482</u>	<u>73,752</u>	<u>56,472</u>
Contribution (Excess) Deficiency	\$ (13,955)	\$ 7,778	\$ (15,070)
Employer's Covered Employee Payroll	969,999	241,395	209,653
Contributions as a % of Covered Employee Payroll	24.69%	30.55%	26.94%

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

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

- MERS (Plan A) = Municipal Employees' Retirement System
- MPERS = Municipal Police Employees' Retirement System
- MFRS = Firefighters' Retirement System of Louisiana

TOWN OF WINNSBORO, LOUISIANA

Required Supplementary Information

Schedule of Pension Contributions (Continued)

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

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

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

MERS (Plan A) = Municipal Employees' Retirement System
 MPERS = Municipal Police Employees' Retirement System
 MFRS = Firefighters' Retirement System of Louisiana

See Independent Auditors' Report.

TOWN OF WINNSBORO, LOUISIANA

Required Supplementary Information

Schedule of Changes in Total OPEB Liability and Related Ration

	2018	2019
Total OPEB Liability		
Service Cost	\$ 70,535	\$ 64,132
Interest	152,186	154,475
Changes of benefit terms	-	-
Differences between expected and actual experience	(86,954)	137,213
Changes in assumptions or other inputs	(151,965)	191,711
Benefit payments	(204,733)	(215,993)
Net Change in Total OPEB Liability	(220,931)	331,538
Total OPEB Liability - beginning	4,180,475	3,959,544
Total OPEB Liability - end	\$ 3,959,544	\$ 4,291,082
Covered Employee Payroll	\$ 1,136,409	\$ 1,170,501
Total OPEB Liability as a percentage of covered employee payroll	348.43%	366.60%

Notes to Schedule:

Changes of Benefit Terms:

None

None

Changes of Assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

June 30, 2018	3.87%
June 30, 2019	3.50%

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

TOWN OF WINNSBORO, LOUISIANA

Notes to Required Supplementary Information
June 30, 2019

NOTE 1 - BUDGETS

1. Budgetary and Budgetary Accounting

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

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

2. Basis of Accounting

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

NOTE 2 - NET PENSION LIABILITY

1. Changes of Benefit Terms

Municipal Employees' Retirement System (Plan A)

No Changes.

Municipal Police Employees' Retirement System

No Changes.

Firefighters' Retirement System

No Changes.

See Independent Auditors' Report.

TOWN OF WINNSBORO, LOUISIANA

Notes to Required Supplementary Information (Continued)
June 30, 2019

2. Changes of Assumptions

Municipal Employees' Retirement System (Plan A)

The investment rate of return and inflation rate decreased from 7.4% to 7.275% and 2.78% to 2.6%, respectively.

Municipal Police Employees' Retirement System

The investment rate of return and inflation rate decreased from 7.325% to 7.2% and 2.7% to 2.6%, respectively.

Firefighters' Retirement System of Louisiana

The investment rate of return and inflation rate decreased from 7.4% to 7.3% and 2.775% to 2.7%, respectively.

SUPPLEMENTARY INFORMATION

TOWN OF WINNSBORO, LOUISIANA

Schedule of Compensation Paid to the Mayor and Members of the Board of Alderman
Year Ended June 30, 2019

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

<u>Name/Position</u>	<u>Amount</u>
John C. Dumas, Mayor	\$ 59,615
<u>Aldermen:</u>	
Golden Berry	3,750.00
Tyrone Coleman	3,750.00
Eddie Dunn	3,833.33
Jerry Johnson	3,750.00
Rex McCarthy	<u>3,700.00</u>
Total Mayor and Council Members Compensation	<u>\$ 78,398.66</u>

TOWN OF WINNSBORO, LOUISIANA

Schedule of Insurance in Force
For the Year Ended June 30, 2019

Insurance Company	Expiring Date	Policy Description	Policy Limits	Policy Number
Louisiana Municipal Risk Management Agency	7/1/2019	Commercial General Liability - Bodily Injury and Property Damage	\$500,000 per Occurrence Premises Operations \$500,000 Aggregate Products Completed Operations \$1,000 per Accident Medical Payments \$50,000 per occurrence Fire Legal Liability	100-0200-16036
Louisiana Municipal Risk Management Agency	7/1/2019	Commercial General Liability - Personal injury and Property Damage	\$ 1,000 Deductible	100-0200-16036
Louisiana Municipal Risk Management Agency	7/1/2019	Law Enforcement Officer - Personal Injury and Property Damage	\$1,000 Deductible	100-0200-16036
Louisiana Municipal Risk Management Agency	7/31/2019	Errors and Omission	\$1,000 Deductible	100-0200-16036
Louisiana Municipal Risk Management Agency	7/31/2019	Automobile Liability - Property Damage	Non-Deductible	100-0200-16036
Western Surety Company	3/14/2020	Bond Coverage	\$100,000 Deductible	72132435
Western Surety Company	8/24/2019	Bond Coverage	\$260, 000 Peanalty Amount for Each	69212610
Employers Mutual Casualty Company	1/1/2020	Commercial Inland Marine Schedule	\$1,000 Deductible	5C2-40-15-20
Risk Management Inc.	10/4/2019	Workers' Compensation Coverage	\$100, 000 per Each Accident \$500,000 per Policy Limit \$100,000 per Each Employee	70-0211-2018-16866

See Independent Auditors' Report.

INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS



J. WALKER & COMPANY^{APC}

ACCOUNTANTS AND ADVISORS

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

Honorable John Dumas, Mayor and Members of the Board of Aldermen
Town of Winnsboro, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Winnsboro, Louisiana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Winnsboro, Louisiana's basic financial statements and have issued our report thereon dated December 22, 2019.

Internal Control over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness 2019-01.

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A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in the accompanying schedule of findings and questioned costs to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Winnsboro, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2019-02.

Town of Winnsboro, Louisiana's Response to Findings

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

Purpose of this Report

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

J. Walker & Company, APC

Lake Charles, Louisiana

December 22, 2019



TOWN OF WINNSBORO, LOUISIANA

Schedule of Findings and Responses
For the Year Ended June 30, 2019

I. Summary of Auditors' Results

a. Financial Statements

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

b. Federal Awards

N/A

c. Management Letter

No management letter was issued in connection with the audit for the year ended June 30, 2019.

TOWN OF WINNSBORO, LOUISIANA

Schedule of Findings and Responses (Continued)
For the Year Ended June 30, 2019

II. Findings- Financial Statement Audit

Audit Finding Reference Number

2019-01 - General Accounting

Condition

During our testing of expenses for the year ended June 30, 2019, we noted that capital outlay totaling \$946,122, and equipment totaling \$131,225 were expensed instead of capitalized in accordance with the Town's \$1,000 threshold policy.

Criteria

Louisiana Revised Statute 24:515. B.1 requires the municipality to maintain records of its capital assets. The clerk is responsible for recording, tagging (for identification purposes), and coordinating the annual inventory of all capital assets. The listing of capital assets is to be updated each year for assets acquired and disposed. Failure to identify and periodically account for municipality assets/property exposes the municipality to possible loss, theft, and misuse of its assets. Any missing assets should be addressed and appropriately resolved, including notifying the district attorney and Legislative Auditor.

Cause

The failure to utilize the capital assets subsidiary ledger to account for all additions.

Effect

The net position of the Town could be materially misstated due to insufficient management of the accounting records.

Recommendation

We recommend that the Town continues to strengthen the implementation of internal controls over capital assets to ensure the records are accurate and complete, and properly reflected in the Town's financial statements.

Management's Response

See management's corrective action plan.

TOWN OF WINNSBORO, LOUISIANA

Schedule of Findings and Responses (Continued)
For the Year Ended June 30, 2019

Audit Finding Reference Number

2019-02 – Noncompliance with Public Bid Law

Condition

During our testing of expenses for the year ended June 30, 2019, we noted a vehicle that was purchased without being advertised in accordance with R.S. 39:1594(C) (1-5) or obtained from the State's procurement list.

Criteria

Louisiana R.S. 39:1594(C)(1-5) states that an adequate public notice of the invitation for bids should be given at least twenty days prior to the opening of bids for equipment, and by advertising if the amount of purchase or \$25,000 dollars or more, or purchased from the State's procurement list.

Cause

The Town failed to procure equipment in accordance with the Louisiana Procurement Code.

Effect

The vehicle purchased by the Town may not have been obtained at the lowest available price.

Recommendation

Management should review annually all items purchased frequently and consider soliciting bids for such items to ensure the lowest possible prices and to ensure compliance with State bid laws. Also, management should review the requirements of the Louisiana Procurement Code relating to Public Bid Laws to become familiar with general requirements for small purchases.

Management's Response

See management's corrective action plan.

TOWN OF WINNSBORO, LOUISIANA

Summary of Prior Year Findings
For the Year Ended June 30, 2019

III. Summary of Prior Year Findings

2018-01 Bank Reconciliation

Condition:

The general fund operating, payroll, sales tax operating, and utility fund operating bank accounts are not being reconciled to the general ledger. This internal control deficiency is causing the Town's financials to be incorrect throughout the year.

Management's Response:

Town of Winnsboro will make sure that all bank accounts are reconciled to the general fund on a monthly basis and any differences be investigated and resolved. Management will also review, assess collectability, and write off outstanding items deemed uncollectible.

Current Status:

Resolved.

2018-02 Failure to timely file audit report

Condition:

The Town failed to submit audit report to LA Legislative Auditor in a timely manner.

Management's Response:

Management will prepare and submit a complete set of books to the external auditor as soon as possible after year end

Current Status:

Resolved.

2018-03 Unclaimed Property

Condition:

The Town regularly receives unclaimed property when refunds of water meter deposits are returned as undeliverable. The Town appears to have an unrecorded liability owed to the state as it is currently in possession of unclaimed property.

Management's Response:

Management will implement written policies and procedures to ensure that unclaimed property remitted to the state in compliance with state law. All full amounts owed to the state will be reconciled and review and solved immediately.

TOWN OF WINNSBORO, LOUISIANA

Summary of Prior Year Findings (Continued)
For the Year Ended June 30, 2019

Current Status:

Resolved.

2018-04 Adjusting Journal Entries

Condition:

The adjusting journal entries proposed by the auditor in the prior year were never recorded.

Management's Response:

Management will ensure all adjusting journal entries will be posted to the general ledger on a timely basis.

Current Status:

Resolved.

2018-05 Accounts Receivable

Condition:

The accounts receivable, per the general ledger, is not being reconciled to the accounts receivable subsidiary ledger.

Management's Response:

Management will ensure all accounts receivable will be reconciled to the general ledger on a monthly basis and any differences will be investigated and solved at that time.

Current Status:

Resolved.

2018-06 Customer Deposits

Condition:

Customer deposits, per the general ledger, are not being reconciled to the customer deposits subsidiary ledger.

Management's Response:

Management will ensure all customer deposits will be reconciled to the general ledger on a timely basis and any differences will be investigated and solved immediately.

TOWN OF WINNSBORO, LOUISIANA

Summary of Prior Year Findings (Continued)
For the Year Ended June 30, 2019

Current Status:

Resolved.

2018-07 Transfers

Condition:

Transfers between funds are not being recorded appropriately.

Management's Response:

Management will ensure all transfers will be reconciled to the general ledger on a timely basis and any differences will be investigated and solved at that time.

Current Status:

Resolved.

2018-08 Payroll Taxes

Condition:

For several months during the year, payroll tax liabilities were not paid by the Town. This resulted in a large amount of penalties and interest being assessed against the Town.

Management's Response:

Town of Winnsboro will review and pay payroll tax liability deposits in a timely manner.

Current Status:

Resolved.

2018-09 Retirement Payments

Condition:

Several months throughout the year, payments to retirement plans were not remitted timely. This resulted in numerous late fees throughout the year.

Management's Response:

Management will review and remit retirement payments in a timely manner.

Current Status:

Resolved.

Town of Winnsboro

SEAT OF FRANKLIN PARISH
STARS & STRIPES CAPITAL OF LOUISIANA

JOHN DUMAS *"Not Grown, but Growing"*

MAYOR

JULIA JACKSON, LCMC

TOWN CLERK

WILLIE PIERCE

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ALDERMEN:

TYRONE COLEMAN

KEITH BERRY

EDDIE DUNN

JERRY JOHNSON

REX McCARTHY

Responses from the Town of Winnsboro

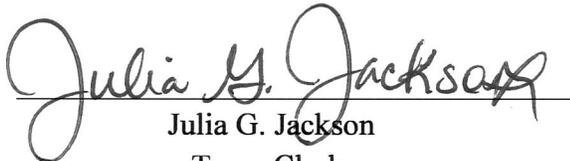
Internal Control and Compliance Findings

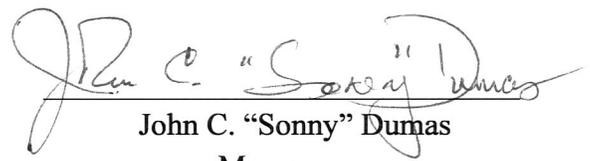
2019-01 – General Accounting

Beginning July 1, 2019, the Town of Winnsboro will make sure that our accounting statements recognize the differences between fixed assets, day to day expenses and capital outlay expenditures and make sure that they are properly coded in our general ledger.

2019-02 – Noncompliance with Public Bid Law

Beginning July 1, 2019, management will purchase equipment in accordance with State statutes to stay in compliance with the Public Bid Law.


Julia G. Jackson
Town Clerk


John C. "Sonny" Dumas
Mayor

Statewide Agreed Upon Procedures



J. WALKER & COMPANY^{APC}

ACCOUNTANTS AND ADVISORS

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable John Dumas
Town of Winnsboro
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Town of Winnsboro and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
We performed the procedures above and noted no exceptions.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
We performed the procedures above and noted no exceptions.
 - c) **Disbursements**, including processing, reviewing, and approving
We performed the procedures above and noted no exceptions.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
We performed the procedures above and noted no exceptions.

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- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

We performed the procedures above and noted no exceptions.

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

We performed the above procedures and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

We performed the procedure above and the following exceptions were noted.

Results: We noted that the current policies and procedures manual did not define or include a policy for Disaster Recovery/Business Continuity.

Recommendation: The Town of Winnsboro should update their policies and procedures manual to include a Disaster Recovery/Business Continuity plan.



Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

We performed the above procedures and noted no exceptions.

- 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.

We performed the procedures above and noted no exceptions.

- 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 period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

We performed the above procedures and noted no exceptions.

Bank Reconciliations

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 each selected account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

We performed the above procedures and noted no exceptions.

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

We performed the above procedures and noted no exceptions.

- 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.

We performed the above procedures and noted no exceptions.



Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

We performed the procedures above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

- 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.

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

We performed the procedures above and noted no exceptions.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

We performed the procedure above and noted no exceptions.



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

We performed the above procedure and noted no exceptions.

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

We performed the above procedure and noted no exceptions.

- 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).

We performed the above procedure and noted no exceptions.

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

We performed the above procedure and noted no exceptions.

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

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

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

We performed the above procedure and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

- 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:

- a) Observe that the disbursement matched the related original invoice/billing statement.

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

11. 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.

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

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

We performed the above procedures and noted no exceptions.

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

We performed the above procedure and noted no exceptions.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe 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).

We performed the above procedure and noted no exceptions.



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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- 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).

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

- 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).

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

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

We performed the procedure above and noted no exceptions.

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

We performed the above procedures and noted no exceptions.



- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

No contract reviewed was amended. Therefore, no procedures were performed.

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

We performed the above procedures and noted no exceptions.

Payroll and Personnel

- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

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

We performed the above procedure and noted no exceptions.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

We performed the above procedure and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

- 18. 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 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.

We performed the procedure above and noted no exceptions.



19. 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.

We performed the above procedure and noted no exceptions.

Ethics

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

We performed the above procedures and noted no exceptions.

- 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.

We performed the above procedures and noted no exceptions.

Debt Service

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

The Town did not issue new debt during the fiscal period. Therefore, these procedures are not applicable.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

We performed the procedures above and noted no exceptions.

Other

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.

We performed the procedures above and noted no exceptions.



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

We performed the procedure above and noted no exceptions.

J. Walker & Company, APC

Lake Charles, Louisiana
December 27, 2019



Town of Winnsboro

SEAT OF FRANKLIN PARISH
STARS & STRIPES CAPITAL OF LOUISIANA

JOHN DUMAS

"Not Grown, but Growing"

MAYOR

JULIA JACKSON

TOWN CLERK

WILLIE PIERCE

CHIEF OF POLICE

3814 Front Street

P.O Box 250

Winnsboro, LA 71295

Phone (318) 435-9087

Fax (318) 435-2308

ALDERMEN:

TYRONE COLEMAN

KEITH BERRY

EDDIE DUNN

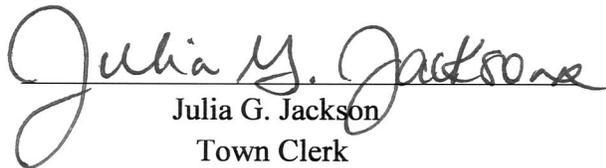
JERRY JOHNSON

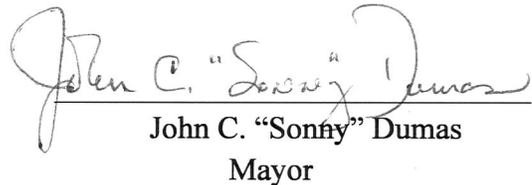
REX McCARTHY

Management's Response Letter to Statewide Agree-Upon Procedures

Written Policies and Procedures

1k. Beginning July 1, 2019, management will update the policies and procedures to include the Disaster Recovery/Business Continuity.


Julia G. Jackson
Town Clerk


John C. "Sonny" Dumas
Mayor



J. WALKER & COMPANY^{APC}

ACCOUNTANTS AND ADVISORS

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable John Dumas, Mayor
Members of the Board of Aldermen
Town of Winnsboro, Louisiana

We have performed the procedures enumerated below, which were agreed to by Town of Winnsboro, Louisiana, on the Schedule of Net Position and the Schedule of Revenues, Expenses and Changes in Net Position for the Town of Winnsboro LCDBG Street Improvements Project as of and for the year ended June 30, 2019. The Town of Winnsboro is responsible for the presentation of the Schedule of Net Position and the Schedule of Revenues, Expenses and Changes in Net Position for the Town of Winnsboro LCDBG Street Improvements Project as of and for the year ended June 30, 2019 in accordance with accounting standards generally accepted in the United States of America. The sufficiency of these procedures is solely the responsibility of the Town of Winnsboro, Louisiana. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

1. Trace balances per the Schedule of Net Position and the Schedule of Revenues, Expenses and Changes in Net Position for the Town of Winnsboro LCDBG Street Improvements Project as of and for the year ended June 30, 2019 to the underlying records used in the audit of the financial statements of the Town of Winnsboro, Louisiana as of and for the year ended June 30, 2019.

No exceptions were noted.

2. Verify the mathematical accuracy of the Schedule of Net Position and the Schedule of Revenues, Expenses and Changes in Net Position for the Town of Winnsboro LCDBG Street Improvements Project as of and for the year ended June 30, 2019.

No exceptions were noted.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the applicable attestation standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of those parties specified in the report.

We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion on the Schedule of Net Position and the Schedule of Revenues, Expenses and Changes in Net Position for the LCDBG Street Improvement Project as of and for the year ended June 30, 2019. Accordingly, we do not

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AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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.

This report is intended solely for the information and use of the Town of Winnsboro, Louisiana and is not intended to be and should not be used for any other purpose.

J. Walker & Company, APC

Lake Charles, Louisiana
February 17, 2020



TOWN OF WINNSBORO, LOUISIANA

Schedule of Net Position

June 30, 2019

Town of Winnsboro LCDBG Streets Improvements Project

ASSETS

Cash and cash equivalents	\$	8
Grant Receivable - LCDBG		-
Total assets		<u>8</u>

LIABILITIES

		<u>-</u>
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NET POSITION

	\$	<u>8</u>
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TOWN OF WINNSBORO, LOUISIANA

Schedule of Revenues, Expenses, and Changes in Fund Net Position
Year Ended June 30, 2019

Town of Winnsboro LCDBG Streets Improvements Project

Revenues:		
LCDBG Program	\$	699,254
LCDBG Program Income		-
Local Contribution		28,409
Other		-
Interest		-
Total operating revenues		<u>727,663</u>
Expenses:		
Administration		6,000
Acquisition		-
Engineering		22,409
Construction		699,254
Laboratory Services		-
Construction Inspection		-
Construction Contingencies		-
Total operating expenses		<u>727,663</u>
Operating loss		<u>-</u>
Other Financing Sources (Uses)		
Operating Transfer In		-
Operating Transfer Out		-
Total Other Financing Sources (Uses)		<u>-</u>
Change in net position		-
Net position, beginning		<u>8</u>
Net position, ending	\$	<u><u>8</u></u>