

TOWN OF JONESBORO

JONESBORO, LOUISIANA

FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023

TOWN OF JONESBORO
JONESBORO, LOUISIANA

TABLE OF CONTENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

	Page
INDEPENDENT AUDITOR'S REPORT	1-3
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	6
Reconciliation of the Governmental Funds' Balance Sheet to the Statement of Net Position	7
Statement of Revenues, Expenditures, and Changes in Fund Balances	8-9
Reconciliation of the Governmental Funds' Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	10
Proprietary Funds:	
Statement of Net Position	11
Statement of Revenues, Expenses, and Changes in Net Position	12
Notes to the Financial Statements	13-47
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Information:	
General Fund	48
Special Revenue Fund – Fire Ad Valorem Tax Fund	49
Special Revenue Fund – Street Ad Valorem Tax Fund	50
Special Revenue Fund – Street Sales Tax Fund	51
Schedules of Employer's Share of Net Pension Liability	52-54
Schedules of Employer Contributions to Pension Plans	55-57
OTHER SUPPLEMENTARY SCHEDULES	
Schedule of Compensation, Benefits, Reimbursements and Other Payments	
To or on Behalf of Agency Head	58
Schedule of Compensation to Town Council	59
Schedule of Expenditures of Federal Awards	60
OTHER REPORTS	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	61-62
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	63-64
Schedule of Findings and Questioned Costs	65-74
Schedule of Prior Audit Findings	75-76
Statewide Agreed-Upon Procedures Representation Letter	77-79
Independent Accountant's Report on Applying Statewide Agreed-Upon Procedures	80-93
Management's Corrective Action Plan	94-109

INDEPENDENT AUDITOR'S REPORT

To the Honorable Dr. James "Spike" Harris, Mayor
and the Honorable Members of the Board of Aldermen
Town of Jonesboro
Jonesboro, Louisiana

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Jonesboro, Louisiana's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

TOWN OF JONESBORO
JONESBORO, LOUISIANA

Independent Auditor's Report on Financial Statements

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the schedules of employer's proportionate share of net pension liability, and the schedules of employer contributions to pension plans be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted Management's Discussion and Analysis and the Statement of Cash Flows that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

TOWN OF JONESBORO
JONESBORO, LOUISIANA

Independent Auditor's Report on Financial Statements

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Jonesboro, Louisiana's basic financial statements. The accompanying Schedule of Compensation Paid to Councilpersons; the Schedule of Compensation, Benefits, and other Payments to Agency Head, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation Paid to Councilpersons; the Schedule of Compensation, Benefits, and other Payments to Agency Head; and the schedule of expenditures of federal awards 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 April 29, 2024, on our consideration of the Town of Jonesboro, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Jonesboro, Louisiana's 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 Town of Jonesboro, Louisiana's internal control over financial reporting and compliance.

Bosch & Statham, LLC

Ruston, Louisiana

April 29, 2024

Town of Jonesboro
Jonesboro, Louisiana

Statement of Net Position
As of June 30, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and equivalents	\$ 1,594,264	\$ 1,850	\$ 1,596,114
Investments	-	169,524	169,524
Accounts receivable	441,185	473,380	914,565
Inventory	18,169	-	18,169
Due from other funds	135,692	15,436	151,128
Cash and equivalents - restricted	-	455,873	455,873
Capital assets (net of accumulated depreciation)	3,319,751	5,948,999	9,268,750
Total Assets	<u>5,509,061</u>	<u>7,065,062</u>	<u>12,574,123</u>
Deferred Outflows of Resources			
Pension	1,160,575	150,185	1,310,760
Total Deferred Outflows of Resources	<u>1,160,575</u>	<u>150,185</u>	<u>1,310,760</u>
Liabilities			
Accounts payable	291,899	290,296	582,195
Payroll liabilities	9,238	-	9,238
Due to other funds	151,127	-	151,127
Customer meter deposits	-	143,830	143,830
Interest payable	11,838	-	11,838
Current portion of long-term liabilities	156,336	84,118	240,454
Noncurrent portion of long-term liabilities	2,832,591	2,472,650	5,305,241
Total Liabilities	<u>3,453,029</u>	<u>2,990,894</u>	<u>6,443,923</u>
Deferred Inflows of Resources			
Deferred revenue - unearned	727,520	11,915	739,435
Total Deferred Inflows of Resources	<u>727,520</u>	<u>11,915</u>	<u>739,435</u>
Net Position			
Net investment in capital assets	2,699,689	4,302,528	7,002,217
Restricted	838,729	215,196	1,053,925
Unrestricted	(1,049,331)	(305,286)	(1,354,617)
Total Net Position	<u>\$ 2,489,087</u>	<u>\$ 4,212,438</u>	<u>\$ 6,701,525</u>

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

Town of Jonesboro
Jonesboro, Louisiana

Statement of Activities
For the Year Ended June 30, 2023

	Major Funds				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<u>Functions/Programs</u>							
Primary government							
Governmental activities							
General government	\$ 1,142,699	\$ 366,971	\$ 870,398	- \$	94,670	- \$	94,670
Fire	535,436	-	-	-	(535,436)	-	(535,436)
Police	653,680	29,946	-	-	(623,734)	-	(623,734)
Sanitation	277,001	-	-	-	(277,001)	-	(277,001)
Highways and streets	1,404,742	-	-	-	(1,404,742)	-	(1,404,742)
Parks and recreation	8,179	-	-	-	(8,179)	-	(8,179)
Other departments	-	-	-	568,831	568,831	-	568,831
Total governmental activities	4,021,737	396,917	870,398	568,831	(2,185,591)	-	(2,185,591)
Business-type activities							
Water and sewer	1,956,009	1,212,061	181,456	10,150	-	(552,342)	(552,342)
Total primary government	\$ 5,977,746	\$ 1,608,978	\$ 1,051,854	\$ 578,981	(2,185,591)	(552,342)	(2,737,933)
<u>General Revenues</u>							
Taxes:							
Property taxes, levied for general purposes					462,573	-	462,573
Sales taxes					2,196,972	-	2,196,972
Franchise taxes					180,373	-	180,373
Other taxes					8,230	-	8,230
Licenses					230,413	-	230,413
Intergovernmental					73,554	-	73,554
Investment earnings					29,118	2,450	31,568
Rental income					20,043	-	20,043
Other revenue					457,521	91,658	549,179
Gain (loss) on sale of fixed assets					5,201	-	5,201
Operating transfers					(410,930)	410,930	-
Total general revenues and transfers					3,253,068	505,038	3,758,106
Change in net position					1,067,477	(47,304)	1,020,173
Prior period adjustment - restated for equipment lease-purchase agreement					(147,371)	-	(147,371)
Net position - June 30, 2022					1,568,981	4,259,742	5,828,723
Net position - June 30, 2023					\$ 2,489,087	\$ 4,212,438	\$ 6,701,525

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

Town of Jonesboro
Jonesboro, Louisiana

Balance Sheet - Governmental Funds
As of June 30, 2023

	General Fund	Fire Ad Valorem Tax	Street Ad Valorem Tax	Street Sales Tax	American Rescue Plan	LCDBG	Total
Assets							
Cash and equivalents	\$ 416,434	\$ 822	\$ 1,000	\$ 616,787	\$ 559,221	\$ -	\$ 1,594,264
Accounts receivable	201,384	-	-	97,218	-	142,583	441,185
Inventory	18,169	-	-	-	-	-	18,169
Due from other funds	-	-	-	135,692	-	-	135,692
Total Assets	<u>635,987</u>	<u>822</u>	<u>1,000</u>	<u>849,697</u>	<u>559,221</u>	<u>142,583</u>	<u>2,189,310</u>
Liabilities & Fund Balances							
Liabilities:							
Accounts payable	\$ 186,408	\$ -	\$ -	\$ -	\$ -	\$ 105,491	\$ 291,899
Payroll liabilities	9,238	-	-	-	-	-	9,238
Capital lease payable - current	156,336	-	-	-	-	-	156,336
Capital lease payable - interest	11,838	-	-	-	-	-	11,838
Due to other funds	151,127	-	-	-	-	-	151,127
Total Liabilities	<u>514,947</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,491</u>	<u>620,438</u>
Deferred Inflows of Resources							
Unearned	-	-	-	-	559,221	-	559,221
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>559,221</u>	<u>-</u>	<u>559,221</u>
Fund balances:							
Nonspendable, reported in:							
Special revenue fund	-	-	-	-	-	-	-
Restricted, reported in:							
Special revenue fund	-	822	1,000	849,697	-	37,092	888,611
Unassigned, reported in:							
General revenue fund	121,041	-	-	-	-	-	121,041
Total Fund Balances	<u>121,041</u>	<u>822</u>	<u>1,000</u>	<u>849,697</u>	<u>-</u>	<u>37,092</u>	<u>1,009,652</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 635,988</u>	<u>\$ 822</u>	<u>\$ 1,000</u>	<u>\$ 849,697</u>	<u>\$ 559,221</u>	<u>\$ 142,583</u>	<u>\$ 2,189,311</u>

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

Town of Jonesboro
Jonesboro, Louisiana

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
As of June 30, 2023

Total Fund Balances at June 30, 2023 - Governmental Funds (Statement C)	\$	1,009,652
---	----	-----------

Total Net Position reported for governmental activities in the Statement of Net Position (Statement A) are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds, net of depreciation.		3,319,751
---	--	-----------

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Noncurrent portion of long-term liabilities		(2,832,591)
Deferred outflows of resources		1,160,575
Deferred inflows of resources		(168,299)
		(168,299)

Net Position at June 30, 2023	\$	2,489,088
-------------------------------	----	-----------

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

Town of Jonesboro
Jonesboro, Louisiana

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

	General Fund	Fire Ad Valorem Tax	Street Ad Valorem Tax	Street Sales Tax	American Rescue Plan	LCDBG	Total
Revenues							
Taxes:							
Ad valorem tax	\$ 234,046	\$ 113,622	\$ 114,905	\$ -	\$ -	\$ -	\$ 462,573
Franchise tax	180,373	-	-	-	-	-	180,373
Sales tax	1,050,716	-	-	1,146,256	-	-	2,196,972
Other tax	8,230	-	-	-	-	-	8,230
Licenses and permits	230,413	-	-	-	-	-	230,413
Operating grant	73,698	-	-	-	796,700	-	870,398
Intergovernmental	73,554	-	-	-	-	-	73,554
Fines, forfeitures, and court costs	29,946	-	-	-	-	-	29,946
Rent, royalty, and commission	20,043	-	-	-	-	-	20,043
Charges for services	366,971	-	-	-	-	-	366,971
Miscellaneous	314,187	-	-	-	-	84,667	398,854
Total revenues	<u>2,582,177</u>	<u>113,622</u>	<u>114,905</u>	<u>1,146,256</u>	<u>796,700</u>	<u>84,667</u>	<u>4,838,327</u>
Expenditures							
Current:							
General government	1,174,651	-	-	-	-	-	1,174,651
Public safety							
Police	652,417	-	-	-	-	-	652,417
Fire	436,012	-	-	-	-	-	436,012
Streets	1,342,859	-	-	-	-	-	1,342,859
Sanitation	277,001	-	-	-	-	-	277,001
Parks and recreation	8,179	-	-	-	-	-	8,179
Capital outlay	463,718	-	-	-	-	837,365	1,301,083
Total expenditures	<u>4,354,837</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>837,365</u>	<u>5,192,202</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,772,660)</u>	<u>113,622</u>	<u>114,905</u>	<u>1,146,256</u>	<u>796,700</u>	<u>(752,698)</u>	<u>(353,875)</u>

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

Town of Jonesboro
Jonesboro, Louisiana

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

	General Fund	Fire Ad Valorem Tax	Street Ad Valorem Tax	Street Sales Tax	American Rescue Plan	LCDBG	Total
Other financing sources (uses)							
Capital grant	-	-	-	-	-	568,831	568,831
Interest earnings	29,118	-	-	-	-	-	29,118
Capital lease payment	(226,829)	-	-	-	-	-	(226,829)
Capital lease interest	(15,539)	-	-	-	-	-	(15,539)
Capital lease proceeds	411,270	-	-	-	-	-	411,270
Proceeds from the sale of fixed assets	5,201	-	-	-	-	-	5,201
Operating transfers	1,526,804	(113,622)	(114,905)	(1,133,466)	(796,700)	220,959	(410,930)
Total other financing sources (uses)	<u>1,730,025</u>	<u>(113,622)</u>	<u>(114,905)</u>	<u>(1,133,466)</u>	<u>(796,700)</u>	<u>789,790</u>	<u>361,122</u>
Net changes in fund balances	(42,635)	-	-	12,790	-	37,092	7,247
Fund balances - June 30, 2022	163,676	822	1,000	836,907	-	-	1,002,405
Fund balances - June 30, 2023	<u>\$ 121,041</u>	<u>\$ 822</u>	<u>\$ 1,000</u>	<u>\$ 849,697</u>	<u>\$ -</u>	<u>\$ 37,092</u>	<u>\$ 1,009,652</u>

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

Town of Jonesboro
Jonesboro, Louisiana

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Funds Balances to the Statement of Activities
For the Year Ended June 30, 2023

Total net change in Fund Balances - Governmental Funds (Statement E)	\$	7,247
--	----	-------

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets capitalized over their estimated useful lives as depreciation expense. This is the amount by which capital outlay differs from depreciation for the period.

Depreciation		(200,577)
Capital outlay		1,301,083

Capital lease principal expense, which is considered an other financing use on the Statement of Revenues, Expenditures, and Changes in Fund Balance (Statement E), is a reduction of capital lease payable on the Government-Wide Statements. Capital loan proceeds, which is considered an other financing sources on the Statement of Revenues, Expenditures, and Changes in Fund Balance (Statement E), is an increase in capital assets on the Government-Wide Statements.

Capital lease principal expense		226,829
Capital lease proceeds		(411,270)
Net pension liability decrease (increase)		144,166
Change in net position of governmental activities (Statement B)	\$	1,067,478

Town of Jonesboro
Jonesboro, Louisiana

Statement of Net Position - Proprietary Fund
As of June 30, 2023

	Proprietary Fund - Enterprise Funds
	Utility Fund
Assets	
Current Assets:	
Cash and equivalents	\$ 1,850
Accounts receivable	473,380
Due from other funds	15,436
Total Current Assets	<u>490,666</u>
Noncurrent Assets:	
Cash and equivalents - restricted	455,873
Investments - restricted	169,524
Capital assets (net of accumulated depreciation)	5,948,999
Total Noncurrent Assets	<u>6,574,396</u>
Total Assets	<u>7,065,062</u>
Deferred Outflows of Resources	
Pension	150,185
Total Deferred Outflows of Resources	<u>150,185</u>
Liabilities	
Current Liabilities:	
Accounts payable	290,296
Current portion of long-term liabilities	84,118
Total Current Liabilities	<u>374,414</u>
Current liabilities payable from restricted assets:	
Customer meter deposits	143,830
Long-Term Liabilities:	
Long-term liabilities	2,472,650
Total Liabilities	<u>2,990,894</u>
Deferred Inflows of Resources	
Pension	11,915
Total Deferred Inflows of Resources	<u>11,915</u>
Net Position	
Net investment in capital assets	4,302,528
Restricted	215,196
Unrestricted	(305,286)
Total Net Position	<u>\$ 4,212,438</u>

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

Town of Jonesboro
Jonesboro, Louisiana

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund
For the Year Ended June 30, 2023

	Proprietary Fund - Enterprise Funds
	Utility Fund
Operating Revenues	
Charges for services	\$ 1,212,061
Miscellaneous income	84,022
Total operating revenues	<u>1,296,083</u>
Operating Expenses	
Personnel services	305,244
Supplies	208,707
Utilities	132,106
Repairs and maintenance	939,837
Contractual services	32,840
Miscellaneous	117,678
Depreciation	219,597
Total operating expenses	<u>1,956,009</u>
Operating Income (Loss)	(659,926)
Non-operating Revenues (Expenses)	
Interest earnings	2,450
Grant income	191,606
Miscellaneous revenue	7,636
Total non-operating revenues (expenses)	<u>201,692</u>
Income (loss) before transfers	(458,234)
Transfers	<u>410,930</u>
Total transfers	<u>410,930</u>
Change in net position	(47,304)
Total Net Position - June 30, 2022	<u>4,259,742</u>
Total Net Position - June 30, 2023	<u><u>\$ 4,212,438</u></u>

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

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

INTRODUCTION

The Town of Jonesboro, Louisiana (Town), was incorporated as a village on September 4, 1901, and as a town on May 14, 1903, under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Aldermen form of government with five aldermen. Aldermen are elected for four year terms and compensated as shown in this report. The Town of Jonesboro serves 4,680 citizens; services provided include police protection, fire protection, sanitation services, street maintenance, and various administration functions. The Town of Jonesboro also operates a water distribution system and sewer system. The Town of Jonesboro employs approximately fifty people to serve the needs of the citizens of the Town of Jonesboro.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of the Town of Jonesboro have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Town of Jonesboro applies all relevant GASB pronouncements, and GAAP, as applicable to governmental entities. Also, the Town's financial statements are prepared in accordance with the requirements of Louisiana R.S. 24:513, the Louisiana Municipal Audit and Accounting Guide, and the industry guide, Audits of State and Local Government Units, published by the American Institute of Certified Public Accountants.

B. Reporting Entity

GASB Statement No. 14, The Financial 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 Town of Jonesboro is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Town of Jonesboro may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, establishes criteria for determining which, if any, component units should be considered part of the Town of Jonesboro for financial reporting purposes. GASB Statement No. 61 provides additional criteria for classifying entities as component units. The basic criterion for including a potential component unit within the reporting entity is financial accountability, which includes:

1. Appointing a voting majority of an organization's governing body, and:
 - i. The ability of the government to impose its will on that organization and/or
 - ii. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

2. Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government and there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the above criteria, no component units were identified for the Town of Jonesboro.

C. Government-Wide Financial Statements

The Town of Jonesboro's government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements present summaries of the governmental activities and the business-type activities for the Town of Jonesboro. Fiduciary activities of the Town of Jonesboro are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Town of Jonesboro's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Town of Jonesboro's governmental activities.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the Town of Jonesboro's taxpayers or citizenry, including (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program; program revenues reduce the cost of the function to be financed from the Town of Jonesboro's general revenues.

Direct Expenses - The Town of Jonesboro reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

Indirect Expenses - The Town of Jonesboro reports all indirect expenses separately on the Statement of Activities (Statement B). Indirect expenses are those expenses that are not clearly identifiable with a function. Interest on long-term debt is considered an indirect expense.

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

General revenues are taxes and other items that are not properly included among program revenues. The effect of interfund activity has been removed from the government-wide financial statements.

D. Fund Financial Statements

The accounts of the Town of Jonesboro are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, expenditures or expenses, as appropriate, additions, and deductions. 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 maintained is consistent with legal and managerial requirements. Funds of the Town of Jonesboro are classified into two categories: governmental and proprietary.

Governmental Funds

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The Town of Jonesboro has presented all major funds.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are included on the Balance Sheets. Amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. Long-term debts are reported as an other financing source, and repayment of long-term debt is reported as an expenditure. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon thereafter to pay liabilities of the current period. Accordingly, revenues are recorded when received in cash and when collected within 60 days after year-end. Expenditures are recorded in the accounting period in which the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized when due.

The Town of Jonesboro reports the following major governmental funds:

General Fund - The primary operating fund of the Town of Jonesboro, the General Fund, accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Town policy.

Fire Ad Valorem Tax Fund - The Fire Ad Valorem Fund is a special revenue fund used to account for the proceeds of Ad Valorem taxes restricted to expenditures of the Fire Department.

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

Street Ad Valorem Tax Fund - The Street Ad Valorem Tax Fund is a special revenue fund used to account for the proceeds of Ad Valorem taxes restricted to expenditures of the Street Department.

Street Sales Tax Fund - The Street Sales Tax Fund is a special revenue fund used to account for the proceeds of the special 1% sales and use tax levied for the purposes of construction, maintenance, repair, and improvements of the Town of Jonesboro's streets.

Revenues

The governmental funds use the following practices in recording revenues:

Those revenues susceptible to accrual are property taxes, franchise taxes, and charges for services. Fines and permit and license revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Entitlements and shared revenues are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible-to-accrual criteria are met. Expenditure-driven grants are recognized when the qualifying expenditures have been incurred and all other grant requirements have been met, and the susceptible-to-accrual criteria have been met.

Interest earnings are recorded when the investments have matured and the interest is available.

Expenditures

The governmental funds use the following practices in recording expenditures:

Salaries are recorded as expenditures when earned by employees.

Purchases of various operating supplies, etc. are recorded as expenditures when the related fund liability is incurred.

Compensated absences are recognized as expenditures when leave is actually taken or when employees, or their heirs, are paid for accrued leave upon retirement or death.

Principal and interest on long-term debt are recognized when due.

Other Financing Sources (Uses)

The governmental funds use the following practices in recording other financing sources (uses):

Transfers between funds that are not expected to be repaid, sales of fixed assets, and long-term debt proceeds and payments, are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

Proprietary Fund

The proprietary fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of this fund is included on the balance sheet. Fund equity (net total position) is segregated into three components-net investment in capital assets, restricted net position, and unrestricted net position. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total position. The proprietary fund uses the accrual basis of accounting, where revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of the related cash flows.

The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis are financed 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 purpose.

The Enterprise Fund of the Town of Jonesboro is the Water and Sewer Fund, which accounts for the operations of the waterworks and sewerage systems. The intent of the Town of Jonesboro for these facilities is (a) that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Revenues and Expenses

Operating revenues in the proprietary fund are those that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

E. Equity Classifications

The Town of Jonesboro has implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.

In the Government-Wide Financial Statements and the Proprietary Fund Financial Statements, the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources is classified as net position and reported in three components:

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

Restricted net position: This classification consists of net position with constraints placed on its use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provision or enabling legislation.

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

Unrestricted net position: Any other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When an expense is incurred for the purposes for which both restricted and unrestricted net position are available, management applies unrestricted net position first, unless a determination is made to use restricted net position. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

The Governmental Fund Financial Statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town of Jonesboro is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Town had no nonspendable funds for the year ended June 30, 2023.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town had \$888,611 in restricted funds for the year ended June 30, 2023.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town Council. These amounts cannot be used for any other purpose unless the Town Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town Council typically establishes commitments through the adoption and amendment of the budget. The Town did not have any committed funds for the year ended June 30, 2023.

Assigned: This classification includes amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Town Council or through the Town Council delegating this responsibility to a body or official (Mayor) for specific purposes. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Town did not have any assigned funds for year ended June 30, 2023.

Unassigned: This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts. The General Fund amount of \$121,041 is designated as unassigned.

The Town of Jonesboro would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

F. Budgets

The Mayor prepares a proposed budget and submits it to the Town Council no later than fifteen days prior to the beginning of each fiscal year. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted. The budget ordinance is structured such that revenues are budgeted by source and appropriations are budgeted by department and by principal object of expenditure. The Town Council may revise or amend the budget at its discretion during legally convened sessions. Management may amend the budget only below the department level. The Town of Jonesboro utilizes formal budgetary integration as a management control device for all funds.

The June 30, 2023 General Fund and Utility Fund budgets were published in the official journal and made available for public inspection. Budgets for the Special Funds (Streets Sales Tax, Streets Ad Valorem, and Fire Ad Valorem) were not adopted. A public hearing for the proposed budgets was held on June 14, 2022, and the budgets were adopted by the Mayor and Town Council. There were no amendments made to the budget.

G. Encumbrances

The Town of Jonesboro does not utilize encumbrance accounting, and management does not believe that the use of encumbrance accounting would provide any significant benefit for budgetary purposes.

H. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Town of Jonesboro may deposit funds in demand deposits in stock-owned federally insured depository institutions organized under the laws of the state of Louisiana or of any other state of the United States, or under the laws of the United States. The Town may invest in certificates and time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

For the purposes of the statement of cash flows, cash equivalents include all highly liquid investments with a maturity date of 90 days or less when purchased.

Under state law, the Town of Jonesboro may invest in United States bonds, treasury notes, or certificates. Those with maturities of 90 days or less would be classified as cash equivalents and all other reported as investments.

The Town of Jonesboro reports restricted assets on the Statement of Net Position (Statement A), which includes restricted cash (customer deposits) that is collected by the Water and Sewer Department.

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

I. Investments

The Town of Jonesboro's investments comply with Louisiana Revised Statute 33:2955. Under state law, the Town of Jonesboro may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Town of Jonesboro may invest in United States bonds, treasury notes and bills, or government-backed agency securities or certificates, and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. These deposits are classified as investments if their original maturities exceed 90 days. Investments are stated at fair value except for the following, which are permitted under GASB Statement No. 31:

Investments in non-participating interest earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

The Town of Jonesboro reported at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at the time of purchase of one year or less.

Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

J. Inventories

Inventory is accounted for using the consumption method, where expenditures are recognized as inventory is used. All purchased inventory items are valued at cost (average cost method). Inventories of the Enterprise Fund consists of repair materials, spare parts, consumable supplies, and fuel.

K. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are recorded in the applicable governmental or business-type activities columns of the government-wide financial statements, but are not reported in the governmental fund financial statements. Acquisitions of property and equipment are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Improvements and replacements of property and equipment are capitalized. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the Statement of Activities.

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method. Depreciation is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. The estimated useful life for classes of assets are as follows:

Description	Estimated Lives
Computer and Peripheral Equipment	4-5 years
Machinery and Equipment	3-20 years
Vehicles	5-10 years
Portable Building	10 years
Water Meters	10 years
Water Pumping Station	20 years
Sewerage Treatment Plan	20 years
Sewerage Collection System	20 years
Streets and Sidewalks	20 years
Building Improvements	40 years
Water Distribution System	40 years

In accordance with GASB Statement No. 34, general infrastructure capital assets consisting of streets, bridges, sidewalks, and drainage systems acquired before July 1, 2003, are excluded from capital assets.

M. Deferred Outflows of Resources

The Town of Jonesboro reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position.

The Town of Jonesboro reported deferred outflows of resources of \$1,160,575 for the governmental activities and \$150,185 for the business-type activities. The deferred outflows of resources are entirely due to the net pension liability, and they do not affect the governmental funds financial statements.

N. Compensated Absences

In accordance with GASB Statement No. 16, a liability for unpaid vacation that is attributable to services already rendered and that is not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

Employees of the Town of Jonesboro earn one week to three weeks vacation leave annually, depending on length of service; with the exception of appointed department heads, vacation leave does not accumulate. Employees earn from one week to three weeks of sick leave annually, depending on length of service, and all sick leaves are forfeited upon termination of employment. Liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. The cost of leave privileges is recognized as a current-year expenditure in the General Fund when leave is actually taken.

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

The Town of Jonesboro has the following policy relating to vacation and sick leave:

A full-time employee after completing one year of continuous employment from the date of hire is eligible for five days of vacation with pay. An employee, upon completion of two years continuous employment from the date of hire is eligible for 10 days of vacation with pay. Upon completion of five years of continuous employment, the employee is eligible for 15 days of vacation with pay.

Full time employees who have completed their 90-day probation period will be given four hours of sick time per month until their first anniversary. Thereafter, each employee is granted 80 hours sick leave with pay annually. Each employee may accrue up to 360 hours of paid sick leave.

The Town of Jonesboro's recognition and measurement criteria for compensated absences follow:

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees when both of the following conditions are met:

- The employee's right to receive compensation is attributable to services already rendered, and
- It is probable that the employee will be compensated for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

A liability for sick leave should be accrued using one of the following termination approaches:

- An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

The Town of Jonesboro uses the first approach to accrue the liability for sick leave which includes salary-related payments.

There are no compensated absences for the year ended June 30, 2023.

O. Long-Term Obligations

In the government-wide financial statements and the proprietary fund financial statements, long-term obligations are reported as liabilities in the statement of net position. Bond payables are reported net applicable bond premium or discount. Bond issuance costs are reported as deferred outflows of resources and amortized over the term of the related debt.

In the fund financial statements, expenditures for principal and interest payments for long-term obligations are recognized when due as current liabilities and other financing uses. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

P. Deferred Inflows of Resources

The Town of Jonesboro reports increases in net position that relate to future periods as deferred inflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The Town of Jonesboro will not recognize the related revenues until a future event occurs. The Town of Jonesboro reported deferred inflows of resources of \$727,520 in the governmental activities and \$11,915 in the business-type activities, and no deferred inflows of resources affect the governmental funds financial statements.

Q. Interfund Transactions

Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements are when a fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or enterprise funds are netted as part of the reconciliation to the government-wide financial statements.

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without the expectation of repayment, the transaction is reported as a transfer and is treated as a source of income by the recipient fund and as an expenditure by the providing fund.

Activity between funds that is representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as "due from other funds" or "due to other funds" on the Fund Financial Statements Balance Sheet (Statement C), as well as all other outstanding balances between funds.

In the process of aggregating data for the Statement of Net Position (Statement A) and the Statement of Activities (Statement B), some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

R. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts 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.

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

2. Ad Valorem Taxes

Ad Valorem taxes are levied on a calendar year basis on real and business property located within the Town of Jonesboro's boundaries. Taxes attach as an enforceable lien on property as of January 1 of each year. Ad valorem taxes are levied by the Town of Jonesboro on property values assessed by the Jackson Parish Tax Collector and approved by the state of Louisiana Tax Commission in November of each year. Taxes are levied by the Town of Jonesboro in September or October, and taxpayers are billed in November. Billed taxes become delinquent on January 1 of the following year. State law requires the Town to collect property taxes in the calendar year in which the assessment is made, and if the taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Town is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

Revenues from ad valorem taxes is recognized in the period for which taxes are levied, and, accordingly, taxes are budgeted in the year billed. The amount of taxes to be collected occurs in December of the current year, and January and February of the subsequent year. All property taxes are recorded in the general and special revenue funds. The Town of Jonesboro considers the date penalty and interest accrues (January 1) as the date an enforceable legal claim occurs for property taxes.

Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Historically, virtually all ad valorem taxes receivable were collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

The schedule below summarizes the millage that was approved by the Town Council on July 12, 2022, and the millage that is the maximum millage that can be assessed without the approval of the voter of the Town of Jonesboro. For Ad Valorem taxes for the year ended June 30, 2023, three rates of taxes were levied on property within the corporate limits, as follows:

	Authorized Millage	Levied Millage
Constitutional	6.89	6.89
Operation and maintenance - fire protection	4.89	4.86
Operation and maintenance - streets	4.89	4.86

The difference between authorized and levied millages is the result of reassessments of taxable property required by Article 7, Section 18 (f) of the Louisiana Constitution of 1974. A revaluation of all property is required after 1978 to be completed no less than every four years. Total assessed value was \$23,378,600 in calendar year 2022.

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

3. Sales Tax

The voters of the Town of Jonesboro levied a one percent sales and use tax on April 1, 1980, to provide funds for any lawful activity of the Town of Jonesboro.

In January of 1988, the taxpayers of the Town of Jonesboro levied an additional one percent sales and use tax for a period of 10 years commencing August 1, 1989. In July of 1998, the taxpayers of the Town of Jonesboro renewed the one percent sales and use tax for an additional 10 years commencing August 1, 1999. On May 4, 2019, the taxpayers renewed the one percent sales and use tax for an additional 10 year commencing August 1, 2019. The purpose of this tax is for the general construction, maintenance, repair, and improvements of the Town of Jonesboro's streets.

4. Cash and Cash Equivalents

At June 30, 2023, the Town of Jonesboro had cash and cash equivalents (book balances) totaling \$2,051,987. The following schedule shows the cash and cash equivalents by type:

Demand Deposits	\$ 1,596,114
Restricted Funds	<u>455,873</u>
Total	<u>\$ 2,051,987</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

Cash and investments are categorized to give an indication of the level of risk assumed by the Town at June 30, 2023. Deposits are considered to be exposed to custodial credit risk if they are not covered by depository insurance and the deposits are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the the pledging financial institution's trust department or agent but not in the depositor-government's name. The Town of Jonesboro has cash and cash equivalents that are covered by \$250,000 of federal depository insurance. The remaining balance is exposed to custodial credit risk because it is uninsured and collateralized with securities held by the pledging financial institution.

At June 30, 2023, the Town of Jonesboro had \$2,450,063 in deposits (collected bank balances). These deposits are secured from risk by \$750,000 of federal deposit insurance and \$2,411,907 of pledged securities. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 40, Louisiana Revised Statute 30:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand. Louisiana R.S. 39:1224 requires bonds, or other such instruments furnished as security, to be deposited with the depositing authority or with an unaffiliated bank or trust company, Federal Reserve Bank, or any Federal Home Loan Bank or its successor. This security is deemed to be under the control and in the possession of the public entity and deemed to be held in its name. The Town of Jonesboro has complied with these requirements of state law.

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

5. Investments

As stated above in Note 4, Cash and Cash Equivalents, investments are categorized to give an indication of the level of risk assumed by the Town. Investments are shown below at June 30, 2023. These amounts are exposed to custodial credit risk because they are uninsured and collateralized with securities held by the pledging financial institution.

Type of Investment	
Certificates of Deposit	\$ <u>169,524</u>

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of investments. The Town of Jonesboro does not have a policy addressing interest rate risk.

6. Receivables

The receivables of \$914,565 at June 30, 2023, are as follows:

Class of Receivables	Fund				Total
	General	Street Sales Tax	LCDBG	Enterprise	
Taxes receivables	\$ 97,218	\$ 97,218	\$ -	\$ -	194,436
Other receivables	-	-	142,583	-	142,583
Grants	6,700	-	-	181,456	188,156
Utilities	-	-	-	-	-
Billed receivables	97,466	-	-	291,924	389,390
Total Receivables	<u>\$ 201,384</u>	<u>\$ 97,218</u>	<u>\$ 142,583</u>	<u>\$ 473,380</u>	<u>914,565</u>

Management believes all receivables to be collectible; therefore, no allowance is recorded as of June 30, 2023.

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

7. Capital Assets

A summary of changes in capital assets for the year ended June 30, 2023, is as follows:

A. Capital Assets - Governmental Activities

	Balance, July 01, 2022	Additions	Deletions	Balance, June 30, 2023
Capital assets not depreciated				
Land	\$ 148,177	\$	\$	148,177
Construction in progress	521,108	869,749	-	1,390,857
Total capital assets not being depreciated	669,285	869,749	-	1,539,034
Capital assets being depreciated or amortized				
Buildings	922,006	-	-	922,006
Equipment and furniture	2,160,230	20,064	-	2,180,295
Land improvements	1,869,457	-	-	1,869,457
Vehicles	1,307,905	-	226,054	1,081,851
Right of Use Asset	-	793,824	-	793,824
Total capital assets being depreciated or amortized	\$ 6,259,599	\$ 813,888	\$ 226,054	\$ 6,847,433
Less accumulated depreciation or amortization				
Buildings	871,389	7,072	-	878,460
Equipment and furniture	1,965,095	35,610	-	2,000,705
Land improvements	943,924	93,557	-	1,037,481
Vehicles	1,076,603	15,800	54,702	1,037,701
Right of Use Asset	-	112,368	-	112,368
Total accumulated depreciation or amortization	4,857,010	264,407	54,702	5,066,715
Capital assets, net	\$ 1,402,589	\$ 549,481	\$ 171,352	\$ 1,780,718
Governmental capital assets - net	\$ 2,071,874	\$ 1,419,230	\$ 171,352	\$ 3,319,752

Depreciation and amortization expense for the year ended June 30, 2023, is charged to the following governmental functions:

Functional Allocation of Depreciation Expense

General government	\$ 88,873
Public safety	52,393
Public works	59,311
Total	<u>\$ 200,577</u>

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

B. Capital Assets - Business-Type Activities

	Balance, July 01, 2022	Additions	Deletions	Balance, June 30, 2023
Capital assets not depreciated				
Land	\$ -	\$ -	\$ -	-
Construction in progress	-	-	-	-
Total capital assets not being depreciated	-	-	-	-
Capital assets being depreciated or amortized				
Building	\$ 125,411	\$ 6,735	\$ -	132,146
Equipment	1,379,763	-	-	1,379,763
Sewer	5,230,593	-	-	5,230,593
Water	4,829,965	-	-	4,829,965
Right of Use Asset	-	219,459	-	219,459
Total capital assets being depreciated or amortized	\$ 11,565,732	\$ 226,194	\$ -	11,791,926
Less accumulated depreciation or amortization				
Building	\$ 77,946	\$ 2,372	\$ -	80,319
Equipment	1,342,430	3,659	-	1,346,089
Sewer	2,161,630	110,697	-	2,272,327
Water	2,041,325	95,566	-	2,136,891
Right of Use Asset	-	7,302	-	7,302
Total accumulated depreciation or amortization	\$ 5,623,331	\$ 219,597	\$ -	5,842,928
Capital assets, net	\$ 5,942,401	\$ 6,597	\$ -	5,948,998

8. Payables

The payables of \$591,433 at June 30, 2023, are as follows:

	Fund			
	General	LCDBG	Enterprise	Total
Accounts payable	\$ 186,408	\$ 105,491	\$ 290,296	\$ 582,195
Payroll liabilities	9,238	-	-	9,238
Total	\$ 195,646	\$ 105,491	\$ 290,296	\$ 591,433

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

9. Retirement Systems

Substantially all employees of the Town of Jonesboro are members of the Municipal Employees' Retirement System of Louisiana, Municipal Police Employees' Retirement System of Louisiana, or Firefighters' Retirement System of Louisiana. These systems are cost-sharing, multi-employer defined benefit pension plans administered by separate boards of trustees.

A. Municipal Employees' Retirement System of Louisiana (System)

Plan Description

The Town of Jonesboro contributes to the Municipal Employees' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System.

Any member of Plan A can retire providing the member meets one of the following criteria:

1. Any age with 25 years of creditable service.
2. Age 60 with a minimum of ten years of creditable service.
3. Under age 60 with five years of creditable service eligible for disability benefits.
4. Survivor's benefits require five years creditable service at death of member.
5. Any age with 20 years creditable service, exclusive of military service with an actuarially reduced early benefit.

Generally, the monthly amount of the retirement shall consist of an amount equal to 3% of the employee's monthly average final compensation multiplied by his or her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. The System also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended June 30, 2023, the Town of Jonesboro's total payroll for all employees was \$1,471,139. Total covered payroll was \$627,733. Covered payroll refers to all compensation paid by the Town of Jonesboro to active employees covered by the Plan.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810, or by visiting the System's website www.mersla.com.

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2023, the actual employer contribution rate was 29.50% for Plan A, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The Town of Jonesboro's contributions to the System under Plan A for the year ending June 30, 2023 were \$185,180. Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Town of Jonesboro to the System monthly.

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

At June 30, 2023, the Town of Jonesboro reported a liability of \$1,349,465 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Town of Jonesboro's proportion of the Net Pension Liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Town's proportion was 0.324919%, which was a decrease of 0.010013% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Town of Jonesboro recognized pension expense of \$196,472 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$209,415). Total pension expense for the Town of Jonesboro for the year ended June 30, 2023 was (\$12,943).

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,594	\$ 5,168
Changes in assumptions	13,075	-
Net difference between projected and actual earnings on pension plan	224,546	-
Changes in employer's proportion of beg NPL	30,712	23,326
Differences between employer and proportionate share of contributions	-	7,611
Subsequent measurement contributions	185,180	-
Total	<u>\$ 455,107</u>	<u>\$ 36,105</u>

The \$185,180 reported as deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended June 30:	
2024	\$ 76,887
2025	27,763
2026	21,488
2027	107,683

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022, are as follows:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.85%, net of pension plan investment expense, including inflation
Inflation rate	2.50%
Salary increases, including inflation and merit increases	1 to 4 years of service - 7.4% More than 4 years of service - 4.9%
Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Employee mortality	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Disabled lives mortality	PubNE-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.
Expected Remaining Service Lives	3 years

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public equity	53%	2.31%
Public fixed income	38%	1.65%
Alternatives	9%	0.39%
Totals	100%	4.35%
Inflation		2.60%
Expected arithmetic nominal return		6.95%

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

Discount Rate

The discount rate used to measure the total pension liability was 6.85% for the years ended June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town of Jonesboro's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town of Jonesboro's proportionate share of the net pension liability calculated using the discount rate of 6.85%, as well as what the Town of Jonesboro's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.85%) or one percentage-point higher (7.85%) than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer's proportionate share of net pension liability	\$ 1,795,051	\$ 1,349,465	\$ 972,958

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Municipal Employees' Retirement System of Louisiana Audit Report at www.mersla.com.

B. Municipal Police Employees' Retirement System of Louisiana (System)

Plan Description

The Town of Jonesboro contributes to the Municipal Police Employees' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. Membership in the System is mandatory for all full-time police officers employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria.

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

1. Any age with 25 years of creditable service.
2. Age 50 with a minimum of twenty or more years of creditable service.
3. Age 55 with a minimum of twelve years of creditable service.
4. After 20 years of creditable service at any age, with actuarially reduced benefit from age 55.

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

The monthly amount of benefits are 3 1/3% of their average final compensation (employee's average monthly earnings during the highest 36 consecutive or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

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

Hazardous Duty

1. Any age with 25 years of creditable service.
2. Age 55 with twelve or more years of creditable service.
3. After 20 years of creditable service at any age, with actuarially reduced benefit from age 55.

Non Hazardous Duty

1. Any age with 30 years of creditable service.
2. Age 55 with twenty-five or more years of creditable service.
3. Age 60 with ten or more years of creditable service.
4. After 20 years of creditable service at any age, with actuarially reduced benefit from age 55.

The benefit rates are three percent and two and a half percent, 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.

The system also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended June 30, 2023, the Town of Jonesboro's total payroll for all employees was \$1,471,139. Total covered payroll was \$269,525. Covered payroll refers to all compensation paid by the Town of Jonesboro to active employees covered by the Plan.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 7722 Office Park Boulevard, Suite 200, Baton Rouge, Louisiana 70809, or by calling (225) 929-7411, or by visiting the System's website www.lampers.org.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2023, the actual employer contribution rate was 31.25%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer and employee contribution rates for all members hired prior to January 1, 2013 and Hazardous Duty members hired after January 1, 2013 were 31.25% and 10.00%, respectively. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

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

At June 30, 2023, the Employer reported a liability of \$859,713 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Town of Jonesboro's proportion of the Net Pension Liability was based on a projection of the Town of Jonesboro's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Town of Jonesboro's proportion was 0.084106%, which was an increase of 0.010735% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Town of Jonesboro recognized pension expense of \$147,183 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$51,949). Total pension expense for the Town of Jonesboro for the year ended June 30, 2023 was \$95,234.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,240	\$ 7,007
Changes in assumptions	29,655	6,394
Net difference between projected and actual earnings on pension plan	153,486	-
Changes in employer's proportion of beg NPL	202,219	66,444
Differences between employer and proportionate share of contributions	4,405	4,749
Subsequent measurement contributions	84,227	-
Total	<u>\$ 478,232</u>	<u>\$ 84,594</u>

The \$84,227 reported as deferred inflows of resources related to pensions resulting from Town of Jonesboro contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended June 30:	
2024	\$ 68,286
2025	130,592
2026	30,023
2027	80,510

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022, are as follows:

Valuation Date	June 30, 2022	
Actuarial Cost Method	Entry Age Normal Cost	
Actuarial Assumptions:		
Investment Rate of Return	6.750%, net of investment expense	
Inflation Rate	2.500%	
Mortality	<p>For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 sale was used.</p> <p>For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.</p> <p>For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.</p>	
Projected Salary Increases	Years of Service	Salary Growth Rate
	1-2	12.30%
	Above	4.70%
Expected Remaining Service Lives	4 years	
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period of July 1, 2014 through June 30, 2019, 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, 2022 are summarized in the following table:

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	56%	3.60%
Fixed income	31%	0.85%
Alternatives	14%	0.95%
Other	-%	-%
Totals	100%	5.40%
Inflation		2.66%
Expected arithmetic nominal return		8.06%

Discount Rate

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

Sensitivity of the Town of Jonesboro's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town of Jonesboro's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the Town of Jonesboro's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer's proportionate share of net pension liability	\$ 1,203,433	\$ 859,713	\$ 572,592

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Municipal Employees' Retirement System of Louisiana Audit Report at www.lampers.com.

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

C. Firefighters' Retirement System of Louisiana (System)

Plan Description

The Town of Jonesboro contributes to the Firefighters' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. Membership in the System is mandatory for all full-time firefighters who earn more than \$375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana.

Any member of the Plan can retire providing the member meets one of the following criteria:

1. Any age with 25 years of creditable service.
2. Age 50 with a minimum of twenty or more years of creditable service.
3. Age 55 with a minimum of twelve years of creditable service.

The monthly amount of benefits are 3 1/3% 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% of final salary.

The system also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended June 30, 2023, the Town's total payroll for all employees was \$1,471,139. Total covered payroll was \$211,328. Covered payroll refers to all compensation paid by the Town to active employees covered by the Plan.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Firefighters' Retirement System of Louisiana, 3100 Brentwood Drive, Baton Rouge, Louisiana, or by visiting the System's website www.lafirefightersret.com.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2022, total contributions due for employers and employees were 43.25%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer and employee contribution rates for all members were 33.25% and 10.00%, respectively. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

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

At June 30, 2023, the Town of Jonesboro reported a liability of \$605,762 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Town of Jonesboro's proportion of the Net Pension Liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Town's proportion was 0.085908% which was a decrease of 0.003847% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Town of Jonesboro recognized pension expense of \$96,629 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$59,695). Total pension expense for the Town for the year ended June 30, 2023 was \$36,934.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,621	\$ 28,552
Changes in assumptions	49,950	-
Net difference between projected and actual earnings on pension plan	137,221	-
Changes in employer's proportion of beg NPL	110,927	30,556
Differences between employer and proportionate share of contributions	5,435	407
Subsequent measurement contributions	70,269	-
Total	<u>\$ 377,423</u>	<u>\$ 59,515</u>

The \$70,269 reported as deferred inflows of resources related to pensions resulting from Town of Jonesboro contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended June 30:	
2024	\$ 50,833
2025	54,503
2026	38,382
2027	95,257
2028	13,162
2029	(4,499)

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022, are as follows:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	6.90% per annum (net of investment expenses, including inflation)
Expected Remaining Service Lives	7 years, closed period
Inflation Rate	2.50%
Salary Increases	14.10% in the first two years of service and 5.20% with 3 or more years of service; includes inflation and merit increases
Mortality rates	<ul style="list-style-type: none">· For active members, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees.· For annuitants and beneficiaries, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees.· For disabled retirees, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees.· In all cases the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP-2019 scale.

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

The long-term expected real rate of return is an important input into the actuary's determination of the reasonable range for the discount rate which is used in determining the total pension liability. The actuary's method incorporates information from multiple consultants and investments firms regarding future expected rates of return, standard deviations, and correlation coefficients for each asset class. The process integrates data from multiple sources to produce average values thereby reducing reliance on a single data source.

The June 30, 2022, estimated long-term expected rate of return on pension plan investments was determined by the System's actuary using the System's target asset allocation as of January 2022 and the Curran Actuarial Consulting average study for 2022. The consultant's average study included projected nominal rates of return, standard deviations of returns, and correlations of returns for a list of common asset classes collected from a number of investment consultants and investment management firms. Each consultant's response included nominal expected long term rates of return. In order to arrive at long-term expected arithmetic real rates of return, the actuary normalized the data received from the consultant's responses in the following ways. Where nominal returns received were arithmetic, the actuary simply reduced the return assumption by the long-term inflation assumption. Where nominal returns were geometric, the actuary converted the return to arithmetic by adjusting for the long-term standard deviation and then reduced the assumption by the long-term inflation assumption. Using the target asset allocation for the System and the average values for expected real rates of return, standard deviation of returns, and correlation of returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. The System's long-term assumed rate of inflation of 2.50% was used in this process for the fiscal year ended June 30, 2022.

Best estimates of arithmetic real rates of return for each major class included in the System's target asset allocation as of June 30, 2022, and June 30, 2021, are summarized in the following tables:

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

Asset Class		Target Allocation	Long-Term Expected Real Rate of Return
Equity	US Equity	27.50%	5.64%
	Non-US Equity	11.50%	5.89%
	Global Equity	10.00%	5.99%
	Emerging Market Equity	7.00%	7.75%
Fixed Income	US Core Fixed Income	18.00%	0.84%
	US TIPS	3.00%	0.51%
	Emerging Market Debt	5.00%	2.99%
Multi-Asset Strategies	Global Tactical Asset Allocation	-%	3.14%
	Risk Parity	-%	3.14%
Alternatives	Private Equity/Private Debt	9.00%	8.99%
	Real Estate	6.00%	4.57%
	Real Assets	3.00%	4.89%
Total		100%	

Discount Rate

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

Sensitivity of the Town of Jonesboro's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town of Jonesboro's proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.90%) or one percentage-point higher (7.90%) than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer's proportionate share of net pension liability \$	\$ 896,158	\$ 605,762	\$ 363,552

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Firefighters' Retirement System of Louisiana Audit Report at www.ffret.com.

10. On Behalf Supplemental Pay

Certain employees meeting statutory qualifications in the fire and police departments receive supplemental pay directly from the State of Louisiana. This supplemental pay in the amount of \$28,850 is recognized as intergovernmental revenue and public safety expenditures in the following departments:

Department	Amount
Police	\$ 5,900
Fire	22,950
Total	<u>\$ 28,850</u>

11. Commitments and Contingencies

A. Litigation

At June 30, 2023, the Town of Jonesboro is involved in several lawsuits. In the opinion of the Town of Jonesboro's legal counsel, the outcome of any remaining lawsuits will not materially affect the financial statements.

B. Grants Receivable

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town of Jonesboro expects such amounts, if any, to be immaterial.

12. Long-Term Obligations

The following schedule is a summary of the long-term obligation transactions for the year ended June 30, 2023. The schedule also includes the current portion (due in one year or less) of the long-term obligations.

The capital lease is paid using resources from the governmental activities, whereas the compensated absences are paid using resources from the corresponding fund in which the salaries are being paid. The bond principal payments are being paid from the business-type activities.

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

	Balance, July 01, 2022	Additions	Deletions	Balance, June 30, 2023	Amount Due Within One Year
Governmental activities:					
Capital lease - Fire Trucks	\$ 139,360	\$ -	\$ 39,449	\$ 99,911	\$ 31,065
Capital lease - Enterprise	-	411,270	13,436	397,834	94,325
Capital lease - Boom Truck	139,173	-	17,608	121,565	30,946
Net pension liability	1,271,583	1,098,034	-	2,369,617	-
Total governmental activities	\$ 1,550,116	\$ 1,509,304	\$ 70,493	\$ 2,988,927	\$ 156,336
Business type activities:					
Bonds payable	\$ 1,938,219	\$ -	\$ 38,998	\$ 1,899,221	\$ 40,666
Capital lease - Enterprise	-	219,459	7,235	212,224	43,452
Net pension liability	369,217	76,106	-	445,323	-
Total capital assets being depreciated	\$ 2,307,436	\$ 295,565	\$ 46,233	\$ 2,556,768	\$ 84,118
Total long-term liabilities	\$ 3,857,552	\$ 1,804,869	\$ 116,726	\$ 5,545,695	\$ 240,454

The individual bond issue is as follows:

Bond Issue	Issue Date	Original Issue	Interest Rate	Final Payment Due	Interest to Maturity	Principal Outstanding
Business-type activities						
USDA - Water Revenue Bonds Series 2008	01/22/2009	\$ 2,300,000	4.50%	01/22/2049	\$ 1,305,000	\$ 1,899,221

The annual requirements to amortize all bonds outstanding at June 30, 2023, are scheduled below.

For the year ended June 30:	Principal	Interest	Total
2024	\$ 40,666	\$ 84,638	\$ 125,304
2025	42,534	82,770	125,304
2026	44,488	80,816	125,304
2027	46,532	78,772	125,304
2028	48,671	76,635	125,306
2029-2033	278,796	347,724	626,520
2034-2038	348,702	277,719	626,421
2039-2043	437,190	195,339	632,529
2044-2048	546,797	79,723	626,520
2049	64,846	863	65,709
Total	\$1,899,222	\$1,304,999	\$3,204,221

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

The Town of Jonesboro records items under capital lease as a capital asset and an obligation in the accompanying financial statements. The cost of the 2018 Ford F550 9' Mini Pumper was \$105,000, and the entire cost was financed by Government Capital Corporation at an interest rate of 4.725% for 10 years. Lease payments are due on November 23 annually.

The annual requirements to amortize the capital lease at June 30, 2023, are scheduled below.

For the year ended June 30:	Principal	Interest	Total
November 23, 2024	\$ 10,577	\$ 2,746	\$ 13,323
November 23, 2025	11,076	2,247	13,323
November 23, 2026	11,600	1,723	13,323
November 23, 2027	12,148	1,175	13,323
November 23, 2028	12,722	601	13,323
	<u>\$ 58,122</u>	<u>\$ 8,492</u>	<u>\$ 66,615</u>

The Town of Jonesboro records items under capital lease as a capital asset and an obligation in the accompanying financial statements. The cost of the 2004 American LaFrance 500 Gallon tankers was \$121,054, and \$100,895 of the cost was financed by Government Capital Corporation at an interest rate of 3.97% for five years. Lease payments are due on February 3 annually.

The annual requirements to amortize the capital lease at June 30, 2023, are scheduled below.

For the year ended June 30:	Principal	Interest	Total
February 03, 2024	\$ 20,488	\$ 1,659	\$ 22,147
February 03, 2025	21,302	846	22,148
	<u>\$ 41,790</u>	<u>\$ 2,505</u>	<u>\$ 44,295</u>

The Town of Jonesboro records items under capital lease as a capital asset and an obligation in the accompanying financial statements. The cost of the Boom Truck was \$156,500, and the whole amount was financed by Cadence Bank at an interest rate of 2.290% for three years. Lease payments are due monthly on the 17th.

The annual requirements to amortize the capital lease at June 30, 2023, are scheduled below.

For the year ended June 30:	Principal	Interest	Total
2024	\$ 30,946	\$ 2,171	\$ 33,117
2025	90,619	1,978	92,597
	<u>\$ 121,565</u>	<u>\$ 4,149</u>	<u>\$ 125,714</u>

The Town of Jonesboro records items under capital lease as a capital asset and an obligation in the accompanying financial statements. The capitalized cost of the Enterprise Fleet Management vehicles was \$646,266, with a residual book value of \$94,962 at the end of the term. These costs are amortized over the term of 5 years. These amortized costs do not include monthly fees. Lease payments are due on the 20th of each month of the term.

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

The annual requirements to amortize the capital lease at June 30, 2023, are scheduled below.

For the year ended June 30:	Principal	Interest	Total
2024	\$ 113,416	\$ 37,622	\$ 151,037
2025	121,040	29,998	151,037
2026	129,179	21,858	151,037
2027	137,867	13,170	151,037
2028	129,228	3,941	133,169
	<u>\$ 630,729</u>	<u>\$ 106,589</u>	<u>\$ 737,317</u>

13. Grants

During the year ended June 30, 2023, in the governmental activities, the Town of Jonesboro recorded \$796,700 from the American Rescue Plan for revenue replacement, \$32,488 from the Federal Aviation Administration for airport improvements, and \$41,210 from the Department of Environmental Quality for sewer improvements. In addition, in the governmental activities, the Town received \$568,831 from the LCDBG for capital improvements. In the business-type activities, the Town received \$10,150 for capital improvements and \$181,456 from the DEQ for the Sewer Trunk Main Replacement/Rehab.

14. Risk Management

The Town of Jonesboro is exposed to various risk of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town of Jonesboro maintains commercial insurance coverage from independent third parties covering each of these risks of loss, except for general liability, law enforcement officers' liability, and public officials' liability coverages that were obtained from the Louisiana Municipal Risk Management Agency (Agency). The Louisiana Municipal Risk Management Agency is a municipal risk pool administered by the Louisiana Municipal Association, and the Agency operated similar to a commercial insurance company.

Premiums are assessed for members of the Louisiana Municipal Association annually, based on past experience of claims. The Agency services all claims for risk of loss to which the Town of Jonesboro is exposed and cannot assess additional amounts if losses exceed their premium (the covered risks are transferred to the Agency). Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town of Jonesboro. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were not significant reductions in insurance coverage during the year ended June 30, 2023.

15. Deficit Net Position

At June 30, 2023, an unrestricted net position deficit of \$889,642 exists for the Town of Jonesboro (for the governmental activities, \$1,049,331, offset by the business-type activities, \$159,689), resulting from the net pension liability that was accounted for according to GASB Statement 68. The liability is an estimate of the Town's proportionate share of the cost-sharing retirement plan for municipal employees, firefighters, and police. Please refer to Note 9 for a detailed explanation of the retirement plan.

Town of Jonesboro
Jonesboro, Louisiana

Notes to the Financial Statements
As of and for the year ended June 30, 2023

16. Prior Period Adjustment

In a prior period, on November 3, 2021, the Town entered into an equipment lease-purchase agreement with Cadence Bank for the use and subsequent purchase of a boom truck for the Streets Department. In the government-wide statements, the governmental activities beginning fund balance is restated to reflect this agreement.

17. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 29, 2024, and determined that one event occurred that requires disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Town of Jonesboro
Jonesboro, Louisiana

Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2023

	Budget - Original	Actual	Variance - Favorable (Unfavorable)
Revenues			
Taxes:			
Ad valorem tax	\$ 152,250	\$ 234,046	\$ 81,796
Franchise tax	130,000	180,373	50,373
Sales tax	1,050,000	1,050,716	716
Other tax	12,000	8,230	(3,770)
Licenses and permits	177,700	230,413	52,713
Operating grant	878,674	73,698	(804,976)
Intergovernmental	85,500	73,554	(11,946)
Fines, forfeitures, and court costs	50,500	29,946	(20,554)
Rent, royalty, and commission	34,650	20,043	(14,607)
Charges for services	313,600	366,971	53,371
Miscellaneous	35,000	314,187	279,187
Total revenues	<u>2,919,874</u>	<u>2,582,177</u>	<u>(337,697)</u>
Expenditures			
Current:			
General government	952,620	1,174,651	(222,031)
Public safety			
Police	576,325	652,417	(76,092)
Fire	423,525	436,012	(12,487)
Streets	1,309,200	1,342,859	(33,659)
Parks and recreation	23,500	8,179	15,321
Sanitation	305,000	277,001	27,999
Capital outlay	-	463,718	(463,718)
Total expenditures	<u>3,590,170</u>	<u>4,354,837</u>	<u>(764,667)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(670,296)</u>	<u>(1,772,660)</u>	<u>(1,102,364)</u>
Other financing sources (uses)			
Interest earnings	500	29,118	28,618
Capital lease payment	(56,000)	(226,829)	(170,829)
Capital lease interest	-	(15,539)	(15,539)
Capital lease proceeds	-	411,270	411,270
Proceeds from the sale of fixed assets	-	5,201	5,201
Operating transfers	1,436,200	1,526,804	90,604
Total other financing sources (uses)	<u>1,380,700</u>	<u>1,730,025</u>	<u>349,325</u>
Net changes in fund balances	<u>710,404</u>	<u>(42,635)</u>	<u>(753,039)</u>
Fund balances - June 30, 2022	<u>163,676</u>	<u>163,676</u>	<u>-</u>
Fund balances - June 30, 2023	<u>\$ 874,080</u>	<u>\$ 121,041</u>	<u>\$ (753,039)</u>

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

Town of Jonesboro
Jonesboro, Louisiana

Budgetary Comparison Schedule - Fire Ad Valorem Tax
For the Year Ended June 30, 2023

	Budget - Original	Actual	Variance - Favorable (Unfavorable)
Revenues			
Taxes:			
Ad valorem tax	\$ -	\$ 113,622	\$ 113,622
Total revenues	<u>-</u>	<u>113,622</u>	<u>113,622</u>
Expenditures			
Current:			
Public safety			
Fire	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>113,622</u>	<u>113,622</u>
Other financing sources (uses)			
Operating transfers	-	(113,622)	(113,622)
Total other financing sources (uses)	<u>-</u>	<u>(113,622)</u>	<u>(113,622)</u>
Fund balances - June 30, 2022	<u>822</u>	<u>822</u>	<u>-</u>
Fund balances - June 30, 2023	<u>\$ 822</u>	<u>\$ 822</u>	<u>\$ -</u>

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

Town of Jonesboro
Jonesboro, Louisiana

Budgetary Comparison Schedule - Streets Ad Valorem Tax
For the Year Ended June 30, 2023

	Budget - Original	Actual	Variance - Favorable (Unfavorable)
Revenues			
Taxes:			
Ad valorem tax	\$ -	\$ 114,905	\$ 114,905
Total revenues	<u>-</u>	<u>114,905</u>	<u>114,905</u>
Expenditures			
Current:			
Public works	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>114,905</u>	<u>114,905</u>
Other financing sources (uses)			
Operating transfers	<u>-</u>	<u>(114,905)</u>	<u>(114,905)</u>
Total other financing sources (uses)	<u>-</u>	<u>(114,905)</u>	<u>(114,905)</u>
Fund balances - June 30, 2022	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Fund balances - June 30, 2023	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>

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

Town of Jonesboro
Jonesboro, Louisiana

Budgetary Comparison Schedule - Streets Sales Tax
For the Year Ended June 30, 2023

	Budget - Original	Actual	Variance - Favorable (Unfavorable)
Revenues			
Taxes:			
Sales taxes	\$ -	\$ 1,146,256	\$ 1,146,256
Total revenues	-	1,146,256	1,146,256
Expenditures			
Current:			
Public works	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	1,146,256	1,146,256
Other financing sources (uses)			
Operating transfers	-	(1,133,466)	(1,133,466)
Total other financing sources (uses)	-	(1,133,466)	(1,133,466)
Net changes in fund balances	-	12,790	12,790
Fund balances - June 30, 2022	836,907	836,907	-
Fund balances - June 30, 2023	<u>\$ 836,907</u>	<u>\$ 849,697</u>	<u>\$ 12,790</u>

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

Town of Jonesboro
Jonesboro, Louisiana

Schedule of Employer's Share of Net Pension Liability
Municipal Employees Retirement System
For the year ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.324919%	0.334932%	0.310949%	0.344175%	0.332852%	0.288100%	0.284821%	0.259739%	0.325444%
Employer's proportionate share of the net pension liability (asset)	\$ 1,349,465	\$ 931,614	\$ 1,344,360	\$ 1,438,191	\$ 1,378,233	\$ 1,205,244	\$ 1,167,399	\$ 927,828	\$ 835,235
Employer's covered employee payroll	\$ 620,609	\$ 663,228	\$ 628,236	\$ 589,676	\$ 607,693	\$ 523,205	\$ 508,788	\$ 443,307	\$ 530,325
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	217.44 %	140.47 %	213.99 %	243.90 %	226.80 %	230.36 %	229.45 %	209.30 %	157.49 %
Employer's proportion of the net pension liability (asset)	67.87 %	77.82 %	64.52 %	64.68 %	63.94 %	62.49 %	62.11 %	66.18 %	73.99 %

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

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

Town of Jonesboro
Jonesboro, Louisiana

Schedule of Employer's Share of Net Pension Liability
Municipal Police Employees Retirement System
For the year ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.084106 %	0.073371 %	0.040108 %	0.072350 %	0.069455 %	0.060219 %	0.049137 %	0.035852 %	0.028929 %
Employer's proportionate share of the net pension liability (asset)	\$ 859,713	\$ 391,108	\$ 370,691	\$ 657,059	\$ 587,177	\$ 525,737	\$ 460,552	\$ 280,860	\$ 180,981
Employer's covered employee payroll	\$ 254,750	\$ 196,238	\$ 183,719	\$ 225,943	\$ 204,943	\$ 179,772	\$ 137,645	\$ 95,903	\$ 81,307
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	337.47 %	199.30 %	201.77 %	290.81 %	286.51 %	292.45 %	334.59 %	292.86 %	222.59 %
Employer's proportion of the net pension liability (asset)	70.80 %	84.09 %	70.94 %	71.01 %	71.89 %	70.08 %	66.04 %	70.73 %	75.10 %

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

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

Town of Jonesboro
Jonesboro, Louisiana

Schedule of Employer's Share of Net Pension Liability
Firefighters' Retirement System
For the year ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.085908%	0.089755%	0.074040%	0.062552%	0.060359%	0.059324%	0.077495%	0.078851%	0.076682%
Employer's proportionate share of the net pension liability (asset)	\$ 605,762	\$ 318,078	\$ 513,212	\$ 391,695	\$ 347,190	\$ 340,036	\$ 506,887	\$ 425,569	\$ 341,228
Employer's covered employee payroll	\$ 221,326	\$ 225,131	\$ 183,662	\$ 151,178	\$ 143,703	\$ 138,515	\$ 174,733	\$ 167,572	\$ 155,770
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	273.70 %	141.29 %	279.43 %	259.10 %	241.60 %	245.49 %	290.09 %	253.96 %	219.06 %
Employer's proportion of the net pension liability (asset)	74.68 %	86.78 %	72.61 %	73.96 %	74.76 %	73.55 %	68.16 %	72.45 %	76.02 %

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

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

Town of Jonesboro
Jonesboro, Louisiana

Schedule of Employer Contributions
Municipal Employees Retirement System
For the year ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 185,180	\$ 183,078	\$ 195,650	\$ 174,335	\$ 153,315	\$ 150,404	\$ 119,029	\$ 100,486	\$ 87,553
Contributions in relation to statutorily required contribution	185,180	183,078	195,650	174,335	153,315	150,404	119,029	100,486	87,553
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Employer's covered payroll	\$ 627,733	\$ 620,609	\$ 663,228	\$ 628,236	\$ 589,676	\$ 607,693	\$ 523,205	\$ 508,788	\$ 443,307
Contributions as a percentage of covered employee payroll	29.50 %	29.50 %	29.50 %	27.75 %	26.00 %	24.75 %	22.75 %	19.75 %	19.75 %

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

Town of Jonesboro
Jonesboro, Louisiana

Schedule of Employer Contributions
Municipal Police Employees Retirement System
For the year ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 84,227	\$ 77,237	\$ 66,230	\$ 57,976	\$ 72,866	\$ 63,029	\$ 57,078	\$ 40,605	\$ 30,209
Contributions in relation to statutorily required contribution	84,227	77,237	66,230	57,976	72,866	63,029	57,078	40,605	30,209
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Employer's covered payroll	\$ 269,525	\$ 254,750	\$ 196,238	\$ 182,003	\$ 225,943	\$ 204,970	\$ 179,772	\$ 137,645	\$ 95,903
Contributions as a percentage of covered employee payroll	31.25 %	30.32 %	33.75 %	31.85 %	32.25 %	30.75 %	31.75 %	29.50 %	31.50 %

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

Town of Jonesboro
Jonesboro, Louisiana

Schedule of Employer Contributions
Firefighters' Retirement System
For the year ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 70,269	\$ 74,697	\$ 72,605	\$ 51,152	\$ 40,063	\$ 38,082	\$ 34,975	\$ 47,615	\$ 49,015
Contributions in relation to statutorily required contribution	70,269	74,697	72,605	51,152	40,063	38,082	34,975	47,615	49,015
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Employer's covered payroll	\$ 211,328	\$ 221,326	\$ 225,131	\$ 183,662	\$ 151,178	\$ 143,703	\$ 138,515	\$ 174,733	\$ 167,572
Contributions as a percentage of covered employee payroll	33.25 %	33.75 %	32.25 %	27.85 %	26.50 %	26.50 %	25.25 %	27.25 %	29.25 %

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

Town of Jonesboro
Jonesboro, Louisiana

Schedule of Compensation Paid Councilpersons
For the year ended June 30, 2023

	2023
Devin R. Flowers	\$ 8,400
James W. Ginn	8,400
Robert L. Hunter	4,200
Nia E. Johnson	8,400
Robbie A. Siadek	8,400
Aaron Stringer	4,200
	<u>\$ 42,000</u>

Town of Jonesboro
Jonesboro, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the year ended June 30, 2023

Leslie Thompson Mayor		
Salary	\$	32,308
Payroll Taxes - Medicare		468
Retirement		9,531
Health Insurance		5,911
Conferences		-
Travel		536
Reimbursements		-
	\$	<u>48,754</u>

Dr. James "Spike" Harris Mayor		
Salary	\$	28,846
Payroll Taxes - Medicare		418
Retirement		8,068
Conferences		246
Travel		796
Reimbursements		143
	\$	<u>38,517</u>

TOWN OF JONESBORO
Schedule of Expenditures of Federal Awards By Grant
For the Year Ended June 30, 2023

<i>Award Information</i>	<i>AL/other #</i>	<i>Pass-Through Entity Name</i>	<i>Pass-Through Entity #</i>	<i>Name of Grant - Grant ID No.</i>	<i>Federal Expenditures (\$)</i>
<i>Clean Water State Revolving Fund Cluster-Cluster</i>					
United States Environmental Protection Agency					
Clean Water State Revolving Fund					
Clean Water State Revolving Fund	66.458	LDEQ			41,270
Total Clean Water State Revolving Fund					41,270
<i>Total United States Environmental Protection Agency</i>					41,270
<i>Total Clean Water State Revolving Fund Cluster-Cluster</i>					41,270
<i>Other Programs (Treated individually for major program determination)</i>					
Delta Regional Authority					
Delta Regional Authority					91,287
Total Delta Regional Authority					91,287
<i>Total Default Agency</i>					91,287
Department of Housing and Urban Development					
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii					
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	Division of Administration	2000562601	LCDBG Public Facilities Program--2000562601	568,435
Total Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii					568,435
<i>Total Department of Housing and Urban Development</i>					568,435
Department of Transportation					
Airport Improvement Program and COVID-19 Airports Programs					
Airport Improvement Program and COVID-19 Airports Programs	20.106				32,384
Total Airport Improvement Program and COVID-19 Airports Programs					32,384
<i>Total Department of Transportation</i>					32,384
Department of the Treasury					
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS					
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	Direct		ARPA	796,700
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	GOHSEP	LAWSP 1067	LA Water Sector Program--LAWSP 1067	371,687
Total CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS					1,168,387
<i>Total Department of the Treasury</i>					1,168,387
<i>Total Other Programs (Treated individually for major program determination)</i>					1,860,493
<i>Total Expenditures of Federal Awards</i>					<u><u>\$ 1,901,763</u></u>

The accompanying notes are an integral part of this schedule.

NOTES:

General

The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Town as defined in Note 1 to the financial statements. All federal award programs received directly from federal agencies, as well as federal awards through other government agencies, are included on the schedule.

Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Town's financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts in, or used in the preparation of, the financial statements.

Indirect Cost Rate

The Town has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

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

To the Honorable Dr. James "Spike" Harris, Mayor
and the Honorable Members of the Board of Aldermen
Town of Jonesboro
Jonesboro, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Jonesboro, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Jonesboro, Louisiana's basic financial statements and have issued our report thereon dated April 29, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Jonesboro, Louisiana's internal control over financial reporting (internal control) as a basis for designing 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 Jonesboro, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Jonesboro, Louisiana's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-002, 2023-003, 2023-004, 2023-006, 2023-007 and 2023-008 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Jonesboro, 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 financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-003, 2023-004, 2023-005, and 2023-006.

TOWN OF JONESBORO
JONESBORO, LOUISIANA

Independent Auditor's Report – GAGAS

Town of Jonesboro, Louisiana's Response to Findings

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

Purpose of This Report

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

BOSCH & STATHAM, LLC

Bosch & Statham, LLC

Ruston, Louisiana

April 29, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable James "Spike" Harris, Mayor
and the Honorable Members of the Board of Aldermen
Town of Jonesboro
Jonesboro, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town of Jonesboro, Louisiana's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

Independent Auditor's Report – Uniform Guidance

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

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

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BOSCH & STATHAM, LLC

Bosch & Statham, LLC

Ruston, Louisiana

April 29, 2024

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

I. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the Town of Jonesboro, Louisiana, (the Entity) were prepared in accordance with GAAP.
2. Six material weaknesses disclosed during the audit of the financial statements are reported in the Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit of Financial Statements Performed In Accordance With *Government Auditing Standards*.
3. Five instances of noncompliance material to the financial statements of the Entity, which are required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No material weaknesses in internal control over compliance with requirements applicable to major federal award programs are reported in the Independent Auditor's Report on Compliance and Internal Control over Financial Reporting.
5. The auditor's report on compliance for the major federal award program for the Town expresses an unqualified opinion on the Coronavirus State and Local Fiscal Recovery Funds.
6. No audit findings are required to be reported in accordance with 2 CFR section 200.516(a).
7. The program tested as a major program was: United States Department of Treasury – Coronavirus State and Local Fiscal Recovery Funds (Assistance Listing No. 21.027).
8. The threshold used for distinguishing Type A and B programs was \$750,000.
9. The Union Parish Police Jury was determined not to be a low-risk auditee.
10. No management letter was issued.

II. FINDINGS

The following should be considered when reading the findings:

1. It should be noted that the audit period began July 1, 2022, and ended June 30, 2023.
2. The contracted accountant withdrew their services as of March 2022 due to alleged actions of Mayor Leslie Thompson.
3. Mayor Leslie Thompson's term ended December 31, 2022.
4. The report was due to the Louisiana Legislative Auditor on December 31, 2023.
5. Mayor James "Spike" Harris' term began January 2023.

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

A. FINANCIAL STATEMENT FINDINGS

2023-001 Noncompliance with Public Bid Law

First reported
2015

Type
Noncompliance

Condition

Since the 2015 audit, we have reported a finding for failure to comply with the bid law with respect to the purchase of fuel. For the 2021 audit, we requested an opinion from the Town Attorney. He was unable to state that the Town has complied with the bid law.

Criteria

Louisiana Revised Statute 38:2212.1 states in part, "A.(1)(a) All purchases of any materials or supplies exceeding the sum of thirty thousand dollars to be paid out of public funds shall be advertised and let by contract to the lowest responsible bidder who has bid according to the specifications as advertised, and no such purchase shall be made except as provided in this Part. (b) However, purchases of ten thousand dollars or more, but less than thirty thousand dollars, shall be made by obtaining not less than three telephone or facsimile quotations. A written confirmation of the accepted offer shall be obtained and made a part of the purchase file. If quotations lower than the accepted quotation are received, the reasons for their rejection shall be recorded in the purchase file." The statute also states in part, "C.(1) Whenever a public entity desires to purchase technical equipment, apparatus, machinery, materials, or supplies of a certain type and such purchases are clearly in the public interest, the public entity may specify a particular brand, make, or manufacturer in the specifications let out for public bid as provided by this Part. If a particular brand, make, or manufacturer is specified, the model or catalog number also shall be specified. (2) Wherever in specifications the name of a certain brand, make, manufacturer, or definite specification is utilized, the specifications shall state clearly that they are used only to denote the quality standard of product desired and that they do not restrict bidders to the specific brand, make, manufacturer, or specification named; that they are used only to set forth and convey to prospective bidders the general style, type, character, and quality of product desired; and that equivalent products will be acceptable."

Louisiana Revised Statute 42:20, part A states, "All public bodies shall keep written minutes of all of their open meetings. The minutes to be kept by the legislature and legislative committees and subcommittees shall be governed by the provisions of R.S. 42:21. The minutes of all other public bodies shall include but need not be limited to: (1) The date, time, and place of the meeting. (2) The members of the public body recorded as either present or absent. (3) The substance of all matters decided, and, at the request of any member, a record, by individual member, of any votes taken. (4) Any other information that the public body requests be included or reflected in the minutes."

Cause

Former management believed that the fact that the vendor owns the dispensing equipment meant that bids were not required. For the year ended June 30, 2022, there were 13 findings. The audit was not issued before the former Mayor left office on December 31, 2022. The audit for that fiscal year could not be completed in a timely manner due to the state of the records left behind. The audit was submitted September 30, 2023, three months into the current audit year. Current management has not had sufficient time to address all issues since taking office January 2023.

Effect

It appears that the Town did not comply with state law. The Town may have paid more for fuel than necessary.

Recommendation

We recommend that current management ensure that the public bid law is followed when making any purchases. In unusual circumstances, legal counsel should be consulted. If considered necessary, an Attorney General opinion should be requested.

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

Management's Response

See management's corrective action plan.

2023-002 Failure in Internal Control Over Purchasing

First reported

2016

Type

Material Weakness

Condition

We selected twenty-five disbursements haphazardly. Current management was not in office during the first half of the audit period. Therefore, they were searching through records that they inherited. Those records were allegedly left in disarray.

Excluding certain types of transactions and certain recurring transactions, we also selected disbursements for each fund that were greater than a selected threshold based on the fund's expenditure level. We selected a total of four disbursements. "Not applicable" is marked if we were unable to test an attribute because an invoice could not be found. Below is a summary of the results of the test:

	Not Applicable	No Exception	Exception	Total
Supported by invoice or other documentation	0	33	16	49
Supported by documentation of the receipt of goods or services	29	16	4	49
Properly classified	12	37	0	49
Documentation included evidence of segregation of duties	29	5	15	49

Criteria

Basic internal control procedures include: 1) Requiring a purchase order prior to incurring expenses on behalf of the Town and 2) Requiring signatures to document goods or services were received and 3) Requiring signatures by authorized personnel on all checks. The Town's purchasing policy requires: 1) Purchase orders to be obtained with the Mayor's signature and filed with the invoice and 2) Invoices to be signed by a responsible employee.

Cause

Internal control is not properly designed or operating effectively. As of June 30, 2023, current management had not had sufficient opportunity to address all issues. For the year ended June 30, 2022, there were 13 findings. The audit was not issued before the former Mayor left office on December 31, 2022. The audit for that fiscal year could not be completed in a timely manner due to the state of the records left behind. The audit was submitted September 30, 2023, three months into the current audit year.

Effect

The Town did not comply with its own policies. Unauthorized purchases could be made. The Town could pay for goods or services that it did not receive.

Recommendation

We recommend:

- That employees be reminded of the policies and their purposes.
- That employees be notified that policies will be enforced.
- That checks to vendors are not prepared or signed if the documentation is not appropriate.

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

- Proper internal control includes the environment, risk assessment, information and communication, and monitoring. It is imperative that all employees who are involved in purchasing in any manner believe that management expects the policies to be followed.

Management's Response

See management's corrective action plan.

2023-003 Noncompliance with Budget Act

First reported

2016

Type

Material Weakness, Noncompliance

Condition

For 2021, we noted the following exceptions:

According to the minutes, the 2021 budgets were adopted June 2020. There were no amendments. We noted no budget message. The minutes of meetings did not reflect a budget hearing.

Per the Budgetary Comparison schedule:

- The Fire Ad Valorem Special Revenue Fund budget did not include transfers out of \$100,877.
- The Street Ad Valorem Special Revenue Fund budget did not include transfers out of \$100,501.
- The Street Sales Tax Revenue Fund budget did not include transfers out of \$772,507.

For 2022, we noted the following exceptions:

- The minutes concerning budget actions were difficult to follow.
- The budget was introduced before the beginning of the fiscal year but was vetoed by the former mayor. The veto was overridden after the year began.
- According to the minutes, the 2022 budgets were adopted July 2022.
- We noted no budget message.
- The minutes of meetings did not reflect a budget hearing.
- No budgets were adopted for the three special revenue funds.

For 2023, we noted the following exceptions:

- The minutes concerning budget actions were difficult to follow.
- We noted no budget message.
- The minutes of meetings did not reflect a budget hearing.
- No budgets were adopted for the three special revenue funds.

Criteria

Section 406 of the Lawrason Act, states in part, "A. (3) Any act of the Board of Aldermen which would provide for the appropriation of funds, the incurrence of debt, or the issuance of bonds or other evidences of indebtedness shall be by ordinance."

Section 1313 of the Budget Act also states in part, "The chief executive or administrative officer shall retain and file certified copies of the adopted budget, budget adoption instrument, duly authorized budget amendments, and copies of supporting schedules and correspondence related to the budget at the domicile of the governing authority."

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

Louisiana Revised Statute 42:20, part A states, "All public bodies shall keep written minutes of all of their open meetings. The minutes to be kept by the legislature and legislative committees and subcommittees shall be governed by the provisions of R.S. 42:21. The minutes of all other public bodies shall include but need not be limited to: (1) The date, time, and place of the meeting. (2) The members of the public body recorded as either present or absent. (3) The substance of all matters decided, and, at the request of any member, a record, by individual member, of any votes taken. (4) Any other information that the public body requests be included or reflected in the minutes."

Cause

For the year ended June 30, 2022, there were 13 findings. The audit was not issued before the former Mayor left office on December 31, 2022. The audit for that fiscal year could not be completed in a timely manner due to the state of the records left behind. The audit was submitted September 30, 2023, three months into the current audit year.

Effect

The Town's budget file does not clearly demonstrate the Town's compliance with the Budget Act. Controls did not operate effectively to prevent noncompliance.

Recommendation

We recommend that management consult with the Town Attorney to revise procedures to ensure that the Town complies with laws affecting the budget process.

Management's Response

See management's corrective action plan.

2023-004 Financial Statements Issued After Due Date

First reported

2016

Type

Material Weakness, Noncompliance

Condition

The audit report was submitted after the statutory due date.

Criteria

State law requires the Town to submit to the Louisiana Legislative Auditor audited financial statements within six months of year end.

Cause

For the year ended June 30, 2022, there were 13 findings. The audit was not issued before the former Mayor left office on December 31, 2022. The audit for that fiscal year could not be completed in a timely manner due to the state of the records left behind. The audit was submitted September 30, 2023, three months into the current audit year. Management and the auditor requested an extension on the 2023 audit when it became clear that the report could not be submitted by December 31, 2023.

Effect

When an entity is late filing its report, the entity can be placed on the LLA's noncompliance list. Being placed on the list results in an entity receiving no funds from the State until the entity is removed from the list. Management cannot work in a timely manner to resolve internal control deficiencies and noncompliance with laws, regulations, contracts, and grants identified by the auditor.

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

Recommendation

We recommend the following:

- Implement recommendations in other findings.
- Clearly communicate proper lines of authority and responsibility to all employees.
- Ensure that the internal control system design includes proper monitoring, supervision, and review and ensure that such monitoring, supervision, and review is taking place.
- Ensure that management is present and actively monitoring operations and supervising employees.
- Engage the outside CPA to monitor accounting monthly to ensure that proper accounting and control procedures are followed.
- Ensure that the outside CPA is allowed access to complete year-end adjustments and submit data to the auditor by August 31st each year.

Management's Response

See management's corrective action plan.

2023-005 Omitted Supplementary Information Required by State Law

First reported

2021

Type

Noncompliance

Condition

The Justice System Schedules were not included with the financial statements.

Criteria

Per the LLA's website:

"Act 87 of the 2020 Regular Legislative Session (R.S. 24:515.2) requires the Louisiana Legislative Auditor (LLA) and the Louisiana Supreme Court (LSC) to develop a uniform reporting format for local and state entities that assess, collect, or receive revenue from pre- or post-adjudication costs, fines, and fees. The uniform reporting format must include, at a minimum, the amounts of all pre- and post-adjudication court costs, fines, and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed; and the amounts received from disbursements."

"To satisfy the requirements of the Act, the LLA and LSC have developed two reporting schedules (Schedules) to be included in audit reports, review/attest reports, and compilation reports. Schedules are not required for Justices of the Peace or Constables, nor are they required if the entity does not have any amounts to report (i.e., blank schedules are not required).

These Schedules must be included in reports submitted by entities with a December 31, 2020, or later fiscal year end. The Schedules are considered to be Supplementary Information, requiring an in-relation opinion for audit reports, and must be completed on the cash basis. All amounts on the Schedules should be entered as positive numbers.

Each Schedule includes two six-month columns to allow the LLA to reconcile between collecting/dispersing and receiving entities with different fiscal year ends. The two six-month columns should reflect each six months of the entity's fiscal year activities (e.g. a December 31, 2020 fiscal year end report should include columns reflecting January 1, 2020 through June 30, 2020 and July 1, 2020 through December 31, 2020, respectively."

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

Cause

Management has not had sufficient time to address all issues since taking office January 2023. For the year ended June 30, 2022, there were 13 findings. The audit was not issued before the former Mayor left office on December 31, 2022. The audit for that fiscal year could not be completed in a timely manner due to the state of the records left behind. The audit was submitted September 30, 2023, three months into the current audit year. Current management has not had sufficient time to address all issues since taking office January 2023.

Effect

It appears that the Town did not comply with state law.

Recommendation

We recommend that management prepare the schedule for the year ended June 30, 2024.

Management's Response

See management's corrective action plan.

2023-006 Capital Assets – Lack of Controls

First reported

2022

Type

Material Weakness, Noncompliance

Condition

Former Mayor Leslie Thompson is alleged to have used magnetic placards on the Mayor's car owned by the town to conceal when the car was being used for personal reasons. Mayor Thompson is also alleged to have used the vehicle for personal out of state travel.

There is no licensed CDL driver for Town vehicles.

The depreciation schedule does not include sufficient information (such as make, model, year, and serial number) to allow for identification when items need to be removed from the depreciation schedule.

Some vehicles were not properly registered and/or insured.

Criteria

LRS 24:515 B (1), *Accounts of offices, boards, commissions, agencies, and departments; records of general fixed assets* states the following:

B.(1) The head of every auditee subject to examination and audit under the provisions of R.S. 24:513(A) shall maintain records of all land, buildings, improvements other than buildings, equipment, and any other general fixed assets which were purchased or otherwise acquired, and for which such entity is accountable. The records shall include information as to the date of purchase of such property or equipment, the initial cost, the disposition, if any, the purpose of such disposition, and the recipient of the property or equipment disposed of. When ascertaining the exact cost, exact selling price, or any other relevant information on property or equipment obtained prior to January 1, 1980, creates a hardship on the auditee, such agency may provide estimates of the information. The records shall be made available to the legislative auditor or, when the audit is conducted by a certified public accountant, the certified public accountant, at the time of examination and audit of the auditee, or any such time as the legislative auditor or certified public accountant requests the copies of such records be furnished. The records shall not include office supplies. Said records shall be used as one of the criteria in determining the rating which the auditee will be given.

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

(2) The records required to be maintained by Paragraph (1) hereof for state government shall be prepared on forms and conform to procedures developed and established by the division of administration in accordance with the Administrative Procedure Act. . Article VII, Section 14, prohibits the donation of public property or the use of such property.

Common accounting practice includes including sufficient information on the depreciation schedule to allow management to physically track the asset and to properly record disposal of the asset.

Cause

The former administration did not design or follow proper a proper internal control system to prevent errors and ensure proper accounting and prevention of noncompliance with state law. For the year ended June 30, 2022, there were 13 findings. The audit was not issued before the former Mayor left office on December 31, 2022. The audit for that fiscal year could not be completed in a timely manner due to the state of the records left behind. The audit was submitted September 30, 2023, three months into the current audit year. Current management has not had sufficient time to address all issues since taking office January 2023.

Effect

Assets were not properly accounted for and were at risk for theft and misuse. Mayor Harris was unable to determine whether all assets were still present. Some vehicles were not properly registered and insured.

Recommendation

Management performed a thorough physical inventory during our audit fieldwork for fiscal year ended June 30, 2022. We recommend the following:

- Adjust the depreciation schedule to the physical inventory.
- Perform a physical inventory annually.
- Audit titles and insurance coverage to ensure that all vehicles are properly registered and insured.
- Evaluate written policies and procedures to ensure they are properly designed.
- Communicate requirements, policies and procedures to appropriate personnel.

Management's Response

See management's corrective action plan.

2023-007 Bills Paid Late

First reported

2022

Type

Material Weakness

Condition

As of June 30, 2022, the Town's accounts payable including the following amounts that were past due:

- Garbage pickup – May and June service - \$35,014
- Electricity - \$75,597

Criteria

Best practices include paying costs in a timely manner. Failing to do so indicates poor internal control and/or poor financial condition.

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

Cause

Based on comparison to prior years and the budget, it appears that overspending was causing cash flow shortages. For the year ended June 30, 2022, there were 13 findings. The audit was not issued before the former Mayor left office on December 31, 2022. The audit for that fiscal year could not be completed in a timely manner due to the state of the records left behind. The audit was submitted September 30, 2023, three months into the current audit year. Current management has not had sufficient time to address all issues since taking office January 2023.

Effect

The Town may be overspending which increases the risk that other issues will develop including inability to provide services, vendors refusing credit and a shortage of employees.

Recommendation

We recommend that management consider the budget as a critical tool for determining when spending is possible. All bills for critical services must be paid on time.

Management's Response

See management's corrective action plan.

2023-008 Authorized Pay Not Properly Documented

First reported

2022

Type

Material Weakness

Condition

Current management could not find evidence of authorized pay for 3 out of 5 employees tested.

Criteria

When employees are hired, management should document their starting rate of pay as approved by authorized personnel. Changes in rates should be documented in the same manner. The documentation serves as authorization for the payroll clerk to establish the payroll rate. The lack of documentation could lead to errors in actual pay and makes it impossible to audit.

Cause

For the year ended June 30, 2022, there were 13 findings. The audit was not issued before the former Mayor left office on December 31, 2022. The audit for that fiscal year could not be completed in a timely manner due to the state of the records left behind. The audit was submitted September 30, 2023, three months into the current audit year. Current management has not had sufficient time to address all issues since taking office January 2023.

Effect

Employees may have been over or underpaid.

Recommendation

We recommend that written policies and procedures be evaluated and revised to include proper procedures to authorize and document salaries and pay rates.

Management's Response

See management's corrective action plan.

**TOWN OF JONESBORO
JONESBORO, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

B. UNIFORM GUIDANCE FINDINGS

No findings are reported.

TOWN OF JONESBORO
JONESBORO, LOUISIANA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

2022-001 Noncompliance with Public Bid Law

Status

Repeated as Finding 2023-001.

2022-002 Failure in Internal Control Over Purchasing

Status

Repeated as Finding 2023-002.

2022-003 Overtime Pay

Status

Substantially Resolved

2022-004 Utility Billing Procedures

Status

Substantially Resolved

2022-005 Noncompliance with Budget Act

Status

Repeated as Finding 2023-003.

2022-006 Financial Statements Issued After Due Date

Status

Repeated as Finding 2023-004.

2022-007 Lack of Segregation of Duties over Collections

Status

Substantially Resolved

2022-008 Omitted Supplementary Information Required by State Law

Status

Repeated as Finding 2023-005.

2022-009 Accounting Errors

TOWN OF JONESBORO
JONESBORO, LOUISIANA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

Status

Substantially Resolved.

2022-010 Capital Assets – Lack of Controls

Status

Repeated as Finding 2023-006.

2022-011 No Fraud/Theft Bond/Insurance Policy

Status

Resolved

2022-012 Bills Paid Late

Status

Repeated as Finding 2023-007.

2022-013 Authorized Pay Not Properly Documented

Status

Repeated as Finding 2023-008.



Town of Jonesboro

Mayor James "Spike" Harris
Ph: 318-259-2385
Fax: 318-259-4177

P.O. Box 610
128 Allen Avenue
Jonesboro, Louisiana 71251

April 29, 2024

Bosch & Statham, LLC
Post Office Box 2377
Ruston, Louisiana 71273-2377

In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUPs), for the fiscal period **July 1, 2022, through June 30, 2023**, we confirm, to the best of our knowledge and belief, the following representations made to you during your engagement.

1. We acknowledge that we are responsible for the C/C areas identified in the SAUPs, including written policies and procedures; board or finance committee; bank reconciliations; collections; non-payroll disbursements; credit/debit/fuel/purchasing cards; travel and travel-related expense reimbursement; contracts; payroll and personnel; ethics; debt service; and other areas (should be customized by entity, as applicable).

Yes ☒ No ☐
2. For the fiscal period **July 1, 2022, through June 30, 2023**, the C/C areas were administered in accordance with the best practices criteria presented in the SAUPs.

Yes ☒ No ☐
3. We are responsible for selecting the criteria and procedures and for determining that such criteria and procedures are appropriate for our purposes.

Yes ☒ No ☐
4. We have provided you with access to all records that we believe are relevant to the C/C areas and the agreed-upon procedures.

Yes ☒ No ☐
5. We have disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.

Yes ☒ No ☐

6. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between **June 30, 2023, and April 29, 2024.**

Yes ☒ No ☐

7. We represent that the listing of bank accounts for the fiscal period that we provided to you is complete. We also represent that we have identified and disclosed to you our main operating account.

Yes ☒ No ☐

8. We represent that the listing of deposit sites for the fiscal period that we provided to you is complete.

Yes ☒ No ☐

9. We represent that the listing of collection locations for the fiscal period that we provided to you is complete.

Yes ☒ No ☐

10. We represent that the listing of locations that process payments for the fiscal period that we provided to you is complete.

Yes ☒ No ☐

11. We represent that the non-payroll disbursement transaction population for each location that processes payments for the fiscal period that we provided to you is complete.

Yes ☒ No ☐

12. We represent that the 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, that we provided to you is complete.

Yes ☒ No ☐

13. We represent that the listing of all travel and travel-related expense reimbursements during the fiscal period that we provided to you is complete.

Yes ☒ No ☐

14. We represent that the listing of all agreements/contracts (or active vendors) for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period that we provided to you is complete.

Yes ☒ No ☐

15. We represent that the listing of employees/elected officials employed during the fiscal period that we provided to you is complete.

Yes ☒ No ☐


16. We represent that the listing of employees/officials that received termination payments during the fiscal period that we provided to you is complete.

Yes ☒ No ☐

17. We represent that the 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 during the fiscal period.
- Yes ☒ No ☐
18. We represent that the listing of bonds/notes issued during the fiscal period that we provided to you is complete.
- Yes ☒ No ☐
19. We represent that the listing of bonds/notes outstanding at the end of the fiscal period that we provided to you is complete.
- Yes ☒ No ☐
20. We represent that the listing of misappropriations of public funds and assets during the fiscal period that we provided to you is complete.
- Yes ☒ No ☐
21. We are not aware of any material misstatements in the C/C areas identified in the SAUPs.
- Yes ☒ No ☐
22. We have disclosed to you any matters we are aware of that are related to the matters listed above or to compliance with state laws.
- Yes ☒ No ☐
23. We have responded fully to all inquiries made by you during the engagement.
- Yes ☒ No ☐
24. We have disclosed to you all known events that have occurred subsequent to **June 30, 2023**, that would have a material effect on the C/C areas identified in the SAUPs, or would require adjustment to or modification of the results of the agreed-upon procedures.
- Yes ☒ No ☐

The previous responses have been made to the best of our belief and knowledge.

Signature



Title

Mayor

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Governing Board of the Town of Jonesboro, Louisiana, and the Louisiana Legislative Auditor:

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

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

We obtained and inspected the written policies and procedures.

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

We 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.

The Town's policy did not include elements (1), (2), (4), or (5).

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

The Town's policy did not include processing of disbursements.

- 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).

The Town's policy did not address preparation of deposits.

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

The Town's policy does not adequately address all the required elements.

- 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.

The Town's policy does not address elements (2) or (5).

- 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).

The Town's policy did not include element (4).

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

We noted no exceptions.

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

The Town's policy does not include any of the required elements.

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

We noted no policy.

- k) Information Technology 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 noted no policy.

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

No sexual harassment policy was noted.

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:

We obtained and reviewed the board's minutes for the fiscal period.

- 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 noted the board met at least monthly.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds⁷, and semi-annual budget-to-actual, at a minimum, on all special revenue funds⁷. Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds⁸ if those public funds comprised more than 10% of the entity's collections during the fiscal period.

We noted none of the minutes had any reference or included monthly budget-to-actuals.

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

We obtained the prior year audit report and observed a positive unassigned fund balance in the general fund.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

We obtained a listing of accounts and management's representation that the listing is complete. We identified the main operating account as the "Control Account". We randomly selected 4 additional accounts for testing and selected the month of March 2023 for testing.

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

None of the reconciliations selected were prepared within 2 months of the related statement date.

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

None of the reconciliations selected showed evidence of a board/management member's review.

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

None of the reconciliations showed evidence of stale items outstanding for more than twelve months.

Collections (excluding electronic funds transfers)

- 4. Obtain a listing of deposit sites¹¹ 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**).

We obtained a listing of deposit sites from management.

- 5. For each deposit site selected, obtain a listing of collection locations¹² 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:

There is only one site. We obtained management's representation that the listing is complete. We selected one site.

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

Management asserted that employees do not share cash drawers.

- 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.

Employees responsible for collecting cash are not responsible for preparing/making bank deposits.

- 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.

Employees responsible for collecting cash are not responsible for posting collection entries to the general ledger. Cashiers use the utility billing system to enter collections, so they do enter collections into the subsidiary ledger.

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

The employees responsible for collecting cash are not responsible for reconciling.

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

We obtained a copy of the bond covering all employees who have access to cash and observed the bond was in force during the fiscal period.

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

We randomly selected deposits for each of the bank accounts selected under Procedure 3. Only the main operating accounts had deposits that could be tested. Others were electronically deposited by state or federal government or were transfers from other bank accounts.

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

When manual receipts were used, they were sequentially prenumbered.

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

We traced the selected receipts to the deposit slips without exception.

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

We traced the selected deposit slips to the bank statements, without exception.

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

The deposits were made within one business day of receipt.

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

We traced the actual deposits per the bank statements to the general ledgers.

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).

We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. There was one location on the list.

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:

There was one location.

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

We noted no exception in the policies.

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

We noted no exception in the policies.

- 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.

This issue was not addressed in the policies.

- 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.

This issue was not addressed in the policies.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

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:

We obtained the population and management's assertion that it is complete. We selected 5 disbursements.

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

Current management was unable to provide 2 out of 5 invoices. We noted no exceptions on 3 out of 5 disbursements.

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

Such evidence was not required for 1 disbursement. Current management could not provide backup for 2 out of 5 disbursements. We noted no exceptions for 2 out of 5 disbursements.

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 cards¹³. Obtain management's representation that the listing is complete.

We obtained a listing of all cards and 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:

Using the listing, we selected the only card listed. We randomly selected a month for testing and obtained the related statement.

- a) Observe whether 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) were reviewed and approved, in writing (or electronically approved), 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 noted no evidence the statement was reviewed or approved.

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

We noted no finance charges or late fees.

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)14. For each transaction, observe it is supported by

Using the card selected above, we selected the seven charges shown on the statement.

- (1) an original itemized receipt that identifies precisely what was purchased,

We noted two exceptions.

- (2) written documentation of the business/public purpose, and

We noted four exceptions.

- (3) documentation of the individuals participating in meals (for meal charges only)

There were no meals charges in the tested transactions.

13. For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

We noted no documentation for the transactions with no original receipts. We were unable to determine what was purchased. We noted no compensating control to address the missing receipts.

Travel and Travel-Related Expense Reimbursements¹⁵ (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:

We obtained the general ledgers for all funds, identified travel expense accounts, selected a sample of five reimbursements, and requested related documentation.

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

We noted five exceptions.

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized

receipt that identifies precisely what was purchased.

We noted no reimbursements at actual costs.

- c) Observe 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 noted one exception.

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

We noted four 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:

Management did not provide a list of contracts. We selected a sample from the Vendor list. One contract was for a project in the Fiscal year and had activity to be tested.

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law¹⁶ (e.g., solicited quotes or bids, advertised), if required by law.

We noted no exceptions.

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

We noted no exceptions.

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

We noted no amendments.

- 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 the invoice and related payment agreed to the terms and conditions of the contract.

We noted no exceptions.

Payroll and Personnel

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

We obtained a listing of employees and selected five for testing. We were unable to compare pay rates for four of the five employees due to their personnel files not including authorized pay documentation.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:

We selected one pay period and obtained the relevant information.

- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

We noted no exceptions.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials;

We noted no exceptions.

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

We were unable to inspect the leave records for one of the five employees. No time was accrued or taken during the period. However, we did note changes in leave balances stopped being recorded prior to our testing period.

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

See procedure #9A.

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

We obtained a listing of those employees that received a termination payment. We selected two from the listing and obtained the related documentation. We noted one of the payments was at least partially for hours worked. The leave records ended prior to termination so it is unclear if the remaining portion was for unused leave. The second termination payment tested agreed to the comp time leave balance. However, it also included supplemental pay. Neither employee's personnel files included the authorized pay rate.

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

We obtained management's representation.

Ethics

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

Using the selected employees from procedure #9A, we obtained the available related documentation.

- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

There was no documentation available for three out of five employees.

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

Management asserted the entity has no policy.

- c) Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Management asserted the entity has no policy. We did not identify evidence that the agency has officially appointed an ethics designee.

Debt Service

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

Management listed no new bonds/notes/debt instruments.

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

We obtained a listing from management. We selected the only bond/note listed. We obtained the related documentation noting all required funds were fully funded. The monthly payments were made both timely and accurately.

Fraud Notice

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

Management listed none.

24. Observe the entity has posted, on its premises²¹ and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

We noted no exceptions.

Information Technology Disaster Recovery/Business Continuity

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

29. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

Sexual Harassment

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

Using the employees selected under procedure #9A, we obtained the available sexual harassment training documentation. We noted four of the five employees selected did not have the required training or documentation.

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

We observed no policy.

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

Management was unaware of the required report. No report was found.

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

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

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

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the

SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

BOSCH & STATHAM, LLC

Bosch & Statham, LLC

Ruston, Louisiana

April 29, 2024



TOWN OF JONESBORO

Dr. James "Spike" Harris, Mayor
Telephone: 318-259-2385
Fax: 318-259-4177

P. O. Box 610
128 Allen Avenue
Jonesboro, Louisiana 71251

April 30, 2024

2023-001 Corrective Action Plan for Compliance with Public Bid Law Regarding Fuel Purchases

Background:

The audit that ended on June 30, 2023, revealed that the Town of Jonesboro is currently not in compliance with the public bid law as it pertains to the purchase of fuel. The current practice involves bulk purchases of fuel, with the equipment necessary for such purchases, including fuel pumps and containers, being owned by the vendor.

Objective:

To ensure full compliance with the public bid law and to establish a transparent, competitive bidding process for the procurement of fuel and associated equipment.

Actions to be Taken:

1. Review of Current Contracts and Agreements:

- Conduct a thorough review of existing contracts and agreements related to fuel purchases to identify specific areas of non-compliance.
- Assess whether current contracts were awarded in accordance with public bidding laws.

2. Development of New Procurement Policy:

- Develop and implement a new procurement policy that aligns with state and federal guidelines for public bidding.
- Ensure the policy includes clear criteria for the bidding process, vendor selection, and contract management.

3. Public Bidding Process:

- Initiate a public bidding process for the procurement of fuel and necessary equipment.

- Publish a Request for Proposal (RFP) that includes detailed specifications, terms, and conditions relating to fuel supply and equipment.

4. Vendor Selection and Contract Award:

- Evaluate bids based on predefined criteria such as price, service quality, and vendor reliability.
- Award the contract to the vendor that best meets the town's needs while ensuring the most cost-effective solution.
- Ensure all contracts include provisions for regular auditing and compliance checks.

5. Training and Compliance:

- Provide training for all personnel involved in the procurement process to ensure understanding and adherence to the new policies and procedures.
- Regularly review procurement activities and conduct compliance audits to prevent future violations.

6. Communication with Stakeholders:

- Inform town council members, employees, and the public about the changes in the procurement process and the reasons behind these changes.
- Regularly update stakeholders on progress and any adjustments to the plan.

This corrective action plan aims to rectify the non-compliance issues found in the audit regarding fuel purchases and to establish a robust framework for future procurement activities that are transparent, competitive, and in full compliance with the law.

2023-002 Failure in Internal Control Over Purchasing

The implementation of an online procurement system in 2023 has significantly improved the situation by requiring approvals before any purchases are made and issuing purchase order numbers, further measures are necessary to ensure comprehensive compliance and efficiency.

To reinforce internal controls over purchasing to prevent unauthorized expenditures and enhance the efficiency and accountability of the procurement process.

Actions to be Taken:

1. Evaluation of Current Procurement System:

- Conduct a thorough review of the current online procurement system to identify remaining gaps in the process where unauthorized purchases could occur.
- Assess user feedback to pinpoint any usability issues or additional training needs.

2. Enhanced Training Program:

- Develop and implement a detailed training program for all employees involved in the purchasing process, focusing on the importance of compliance with internal controls.
- Regularly schedule refresher training sessions to ensure that all employees are up-to-date with the system and procedures.

3. Streamlining Approval Processes:

- Review and possibly restructure the approval process to ensure it is both stringent and efficient, minimizing the time taken to approve purchases while maintaining thorough oversight.
- Implement tiered approval levels based on the value and type of purchase to streamline processing times for routine, low-risk items.

4. Regular Audits and Reviews:

- Introduce regular audits of purchasing records and system logs to monitor compliance with the procurement policy and identify any unauthorized or irregular activities.
- Use audit outcomes to further refine processes and training.

5. Enhancement of the Online Procurement System:

- Upgrade the online procurement system to include more robust verification features that can automatically flag purchases that do not comply with established guidelines.
- Integrate real-time analytics to monitor purchasing patterns and highlight deviations from the norm.

6. Clear Communication of Policies and Procedures:

- Ensure that all employees understand the importance of compliance through clear, accessible communication of policies and procedures.

This corrective action plan is designed to fortify the internal controls over purchasing within the Town of Jonesboro, ensuring that all procurements are authorized, appropriate, and in alignment with the town's fiscal policies. By addressing the identified weaknesses and continuously improving our systems and processes, we aim to uphold the highest standards of accountability and efficiency in town governance.

2023-003 Noncompliance with Budget Act

Corrective Action Plan for Compliance with the Louisiana Budget Act

Background:

An evaluation has identified noncompliance with the Louisiana Budget Act in the Town of Jonesboro's budgeting practices. In response, this administration has initiated a comprehensive overhaul of the budget process, transitioning to a new online system designed to ensure compliance, enhance transparency, and streamline the entire budget preparation and approval procedure.

Objective:

To ensure full compliance with the Louisiana Budget Act by instituting a robust, efficient, and transparent online budgeting process that standardizes procedures and enhances oversight throughout the budget cycle.

Actions to be Taken:**1. Implementation of the Online Budgeting System:**

- Launch a new online budgeting system that integrates all steps required for preparing, reviewing, and approving the budget.
- Ensure the system features include access controls, audit trails, real-time updates, and comprehensive reporting capabilities.

2. Development of New Budget Procedures:

- Create detailed procedural documentation that aligns with the Louisiana Budget Act and guides all budget-related activities within the new system.
- Include timelines, roles and responsibilities, submission guidelines, review processes, and compliance checks.

3. Training for All Relevant Personnel:

- Conduct extensive training sessions for all town officials and staff involved in the budget process to familiarize them with the new online system and updated procedures.
- Offer ongoing support and refresher courses to ensure proficiency and compliance with the established guidelines.

4. Compliance Monitoring and Reporting:

- Establish a monitoring system to ensure that every phase of the budget process complies with state laws and regulations.
- Set up automatic alerts for deadlines and incomplete tasks to prevent procedural delays and ensure timely submission.

5. Regular Audits and Compliance Reviews:

- Schedule regular audits to review compliance with the Louisiana Budget Act and the effectiveness of the new online budgeting process.

- Use audit findings to make necessary adjustments to processes and training.

6. Stakeholder Engagement and Transparency:

- Enhance transparency by providing stakeholders, including town council members and the public, with access to budget drafts, updates, and final versions through the online system.

- Implement a feedback mechanism to gather input from residents and other stakeholders to improve the budgeting process.

7. Budget Review and Approval Process:

- Define clear steps within the online system for the review and approval of the budget by the Town Council to ensure no steps are bypassed.

- Ensure that all budget adjustments during the fiscal year are processed through the system and are subject to the same rigorous scrutiny and approval as the original budget.

8. Documentation and Record Keeping:

- Use the online system to maintain comprehensive records of all budgetary documents and communications.

- Ensure that records are easily accessible for audits, reviews, and public inquiries, in compliance with public records laws.

This corrective action plan aims to address the deficiencies identified in our compliance with the Louisiana Budget Act by implementing a new, streamlined, and transparent online budgeting process. Through these measures, the Town of Jonesboro will enhance fiscal discipline, accountability, and engagement with our community stakeholders, thereby upholding our commitment to responsible governance.

2023-004 Financial Statements Issued After Due Date

Corrective Action Plan for Timely Issuance of Financial Statements

Background:

Recent reviews have indicated that the Town of Jonesboro has experienced delays in issuing financial statements by the designated due dates. This corrective action plan aims to address these delays by implementing systemic improvements, enhancing internal controls, and ensuring rigorous oversight and supervision.

- Set a firm deadline for the CPA to submit all data and adjustments to the auditor no later than August 31st each year, ensuring sufficient time for review and finalization of financial statements.

7. Training and Capacity Building:

- Provide ongoing training and development opportunities for all finance staff to ensure they are up-to-date with the latest accounting standards, software, and best practices.
- Focus on training related to deadline management and the importance of timely financial reporting.

8. Enhanced Reporting Systems and Software:

- Evaluate and potentially upgrade financial reporting software to expedite the preparation, review, and issuance of financial statements.
- Consider automation of certain reporting functions to reduce manual errors and inefficiencies.

This corrective action plan sets forth a comprehensive strategy to address the delays in the issuance of financial statements for the Town of Jonesboro. By implementing these actions, the town will enhance its financial reporting processes, ensuring that they are timely, accurate, and compliant with all regulatory requirements. The commitment of both management and staff to this plan is crucial for its success, ensuring the town's financial integrity and accountability.

2023-005 Omitted Supplementary Information Required by State Law

Corrective Action Plan for Inclusion of Supplementary Information as Required by Louisiana State Law

Background:

It has been identified that the Town of Jonesboro has failed to include certain supplementary information in its financial reports as required by Louisiana State Law, specifically under R.S. 24:515.2. This omission necessitates immediate corrective action to ensure compliance and enhance the transparency and accuracy of the town's financial reporting.

Objective:

To ensure that all future financial reports include the required supplementary information as mandated by Louisiana R.S. 24:515.2, and to establish ongoing compliance with state laws governing financial reporting.

Actions to be Taken:

1. Review of Louisiana State Law Requirements:

Objective:

To ensure the timely preparation, completion, and issuance of financial statements in accordance with established deadlines and to enhance overall financial management practices through improved internal controls and external monitoring.

Actions to be Taken:**1. Implementation of Recommendations from Previous Findings:**

- Review and implement all relevant recommendations from previous audit findings to rectify identified weaknesses in financial management and reporting processes.

2. Clear Communication of Authority and Responsibilities:

- Clearly define and communicate the lines of authority and responsibilities related to financial reporting to all relevant personnel within the finance department.

- Develop a responsibility matrix that assigns specific tasks and deadlines associated with the preparation of financial statements to appropriate staff members.

3. Strengthening of Internal Controls:

- Enhance the internal control system to include robust monitoring, regular supervision, and thorough review mechanisms.

- Schedule regular internal reviews of financial processes and interim financial reports to identify and correct discrepancies promptly.

4. Active Management Oversight:

- Ensure that management is actively involved in monitoring day-to-day operations and supervising employees, particularly those involved in financial reporting.

- Hold monthly meetings to review progress on financial statement preparation and address any issues promptly.

5. Engagement of External CPA for Monthly Monitoring:

- Engage an outside Certified Public Accountant (CPA) to monitor accounting practices on a monthly basis.

- The CPA will ensure that accounting and control procedures are followed consistently and align with best practices and regulatory requirements.

6. Access and Adjustments by Outside CPA:

- Facilitate unfettered access for the outside CPA to all necessary financial records and systems to complete year-end adjustments.

- Conduct a comprehensive review of R.S. 24:515.2 to fully understand the supplementary information requirements.

- Create a checklist of all supplementary information that must be included in the town's financial reports.

2. Development of Supplementary Information Schedule:

- Develop a detailed schedule for preparing and integrating the required supplementary information into the town's financial reports.

- Assign responsibilities to specific finance staff members for gathering, verifying, and reporting each piece of supplementary information.

3. Training and Awareness:

- Organize training sessions for all financial reporting staff on the requirements of Louisiana R.S. 24:515.2 and the importance of compliance.

- Ensure that all involved personnel are aware of the new procedures and schedules for preparing supplementary information.

4. Implementation of Internal Controls:

- Enhance internal controls to ensure that the preparation of supplementary information is accurate and timely.

- Implement review processes to check the completeness and accuracy of the supplementary information before the financial reports are finalized.

5. Regular Audits and Compliance Reviews:

- Schedule regular audits to ensure that the supplementary information is being correctly included in all financial reports.

- Use audit findings to refine procedures and training as necessary.

6. Engagement of External Expertise:

- Consult with external accounting or legal experts to validate the town's supplementary information schedule and ensure its compliance with state law.

- Consider ongoing external reviews to maintain high standards of compliance.

7. Reporting and Documentation:

- Maintain thorough documentation of all processes related to the preparation of supplementary information.

- Ensure that documentation is readily available for review by auditors, regulators, and other stakeholders.

8. Communication with Stakeholders:

- Inform the Town Council and other stakeholders about the corrective actions being undertaken to address the omission of required supplementary information.
- Provide updates on progress and any changes to reporting procedures through regular communications.

This corrective action plan is designed to correct the omission of required supplementary information in the Town of Jonesboro's financial reports as mandated by Louisiana R.S. 24:515.2. By following this plan, the town will not only comply with state laws but also enhance the clarity and reliability of its financial disclosures. This commitment to transparency and accuracy will help strengthen trust and accountability between the town government and its citizens.

2023-006 Capital Assets- Lack of Controls

Corrective Action Plan for Strengthening Controls Over Capital Assets

Background:

A recent evaluation has highlighted deficiencies in the controls over capital assets within the Town of Jonesboro. Notably, the lack of comprehensive controls has raised concerns about the management and tracking of such assets. To address these issues, the town has initiated several measures including upgrading vehicles through a lease purchase program, fitting all vehicles with proper decals, hiring a licensed CDL driver, and updating the depreciation schedules through an online system provided by the lease purchase vendor.

Objective:

To establish robust controls over capital assets to ensure accurate tracking, management, and reporting of these assets in accordance with applicable accounting standards and regulatory requirements.

Actions to be Taken:

1. Inventory and Tagging of Capital Assets:

- Conduct a complete inventory of all capital assets currently owned by the town.
- Ensure all assets, especially newly leased vehicles, are tagged with unique identifiers and fitted with the required decals for easy identification and tracking.

2. Implementation of Asset Management Software:

- Fully implement the online system provided by the lease purchase vendor for managing and updating the depreciation schedules of capital assets.
- Ensure the system includes functionalities for tracking acquisitions, disposals, and movements of assets within different departments.

3. Development of Capital Asset Policies and Procedures:

- Develop and document comprehensive policies and procedures for capital asset management, including acquisition, maintenance, depreciation, and disposal.
- Establish clear guidelines for the periodic physical verification of assets and reconciliation of the asset register with the general ledger.

4. Training and Capacity Building:

- Provide training for all relevant staff on the new policies, procedures, and the use of the online asset management system.
- Ensure continuous professional development in areas of asset management and control.

5. Regular Audits and Reporting:

- Schedule annual audits of capital assets to verify the accuracy of records and adherence to established policies.
- Use audit findings to further refine asset management practices and controls.

6. Enhanced Supervision and Monitoring:

- Assign specific responsibilities to department heads for the ongoing monitoring and management of capital assets within their departments.
- Regularly review reports generated by the online system to monitor asset conditions, usage, and depreciation.

7. Documentation and Record Keeping:

- Maintain comprehensive records for all capital assets, including documentation of acquisitions, lease agreements, maintenance records, and disposal documents.
- Ensure records are easily accessible for auditing and reporting purposes.

This corrective action plan will significantly improve the controls over capital assets in the Town of Jonesboro by ensuring accurate tracking, management, and reporting. These measures will enhance the town's ability to safeguard and efficiently utilize its assets, thereby supporting better fiscal management and compliance with regulatory standards.

2023-007 Bills Paid Late

Corrective Action Plan for Timely Payment of Bills

Background:

An internal review has revealed issues concerning the timeliness of bill payments within the Town of Jonesboro. This has been compounded by the need for the Water Department to borrow from general funds due to non-collection and delays in revenue collections for utility billing. Addressing these issues requires a systematic approach to improve cash management, enhance revenue collection in the Water Department, and reinforce internal controls.

Objective:

To ensure bills are paid within their due dates, stabilize the financial management in the Water Department to eliminate the need for borrowing from general funds, and strengthen internal controls across all departments.

Actions to be Taken:

1. Cash Flow Management Improvement:

- Implement a robust cash flow forecasting system to anticipate cash requirements and align them with expected cash inflows.
- Schedule regular reviews of cash flow forecasts to adjust for operational realities and ensure sufficient liquidity for timely bill payments.

2. Revenue Enhancement for the Water Department:

- Conduct an audit of the Water Department's billing and collection processes to identify inefficiencies and areas for improvement.
- Implement measures such as electronic billing and online payment options to expedite revenue collection.
- Initiate targeted outreach to delinquent accounts to improve collection rates and reduce outstanding receivables.

3. Strengthening of Internal Controls:

- Review and update existing internal controls related to procurement and disbursements to ensure that they are effective in managing bill payments.
- Develop and implement a standardized procedure for processing and paying bills, which includes verification of invoice accuracy, approval by authorized personnel, and timely payment processing.

4. Training and Capacity Building:

Objective:

To ensure all employee pay rates are properly documented and authorized, and to update the hiring and overtime pay processes to maintain accurate and compliant payroll records.

Actions to be Taken:**1. Review and Update Hiring Processes:**

- Conduct a thorough review of current hiring processes to identify gaps in the documentation of pay rates.
- Update the hiring procedures to include mandatory documentation that clearly specifies the pay rate at the time of hiring, which must be acknowledged in writing by both the hiring manager and the new employee.

2. Standardization of Pay Rate Documentation:

- Develop a standardized form or digital entry system that includes all necessary details such as employee name, position, base pay rate, effective date, and any agreed-upon overtime rates.
- Ensure that this form is completed and signed during the onboarding process and maintained in the employee's personnel file.

3. Overtime Authorization and Documentation Procedures:

- Implement clear procedures for the authorization and documentation of overtime pay. This includes a pre-approval process for overtime work with specified rates, documented in a standardized manner.
- Train managers and supervisors on the importance of documenting and approving overtime before it is incurred.

4. Training for HR and Payroll Staff:

- Organize training sessions for HR and payroll staff on the updated processes and the importance of maintaining accurate and compliant payroll documentation.
- Include training on regulatory requirements related to wage documentation and compliance.

5. Regular Audits of Payroll Documentation:

- Schedule regular audits to verify that all active employees have documented and authorized pay rates on file.
- Use these audits to identify and rectify any discrepancies or missing documentation in a timely manner.

6. Update Payroll System:

- Provide comprehensive training to finance department staff and other relevant employees on new processes, controls, and systems to enhance their capabilities in managing finances and cash flows.

- Hold periodic refresher sessions to ensure that staff remain proficient in these processes.

5. Implementation of a Bill Payment System:

- Invest in an automated bill payment system that schedules payments based on due dates and available funds, ensuring that all payments are made on time.

- Set up alerts for upcoming due dates to prevent any oversight in bill payments.

6. Monitoring and Reporting System:

- Establish a system for monitoring bill payments and cash flow status, which includes regular reporting to department heads and the Town Council.

- Use this system to quickly identify and address potential cash shortages or delays in bill payments.

7. Regular Audits:

- Schedule periodic internal and external audits to ensure adherence to updated internal controls and evaluate the effectiveness of the implemented changes.

- Adjust policies and procedures based on audit findings to continuously improve financial management practices.

This corrective action plan is designed to address the issues of late bill payments and the financial management challenges in the Water Department of the Town of Jonesboro. By improving cash flow management, enhancing revenue collection, and strengthening internal controls, the town will ensure timely payments of its obligations and improve its overall financial health. This commitment to fiscal responsibility will promote better service delivery to the community and uphold trust and accountability.

2023-008 Authorized Pay Not Properly Documented

Corrective Action Plan for Documentation of Authorized Pay

Background:

A recent internal review revealed that the Town of Jonesboro lacks sufficient documentation for authorized pay rates, including base pay and overtime, for several employees. This oversight can lead to discrepancies in payroll processing and non-compliance with employment regulations.

- Ensure that the payroll system is updated to reflect all authorized pay rates and that it can alert the payroll department to any discrepancies between authorized and paid rates.

- Consider integrating the payroll system with the HR management system for seamless data flow and accuracy.

7. Communication and Accountability:

- Communicate the importance of this initiative to all employees and explain how it contributes to the transparency and fairness of pay practices within the town.

- Establish accountability measures for managers and payroll staff regarding the accurate documentation and authorization of pay rates.

This corrective action plan will enhance the documentation and authorization of employee pay rates in the Town of Jonesboro. By refining the hiring and payroll processes and ensuring rigorous compliance and oversight, the town will uphold its commitment to fair and transparent payroll practices, thereby improving employee satisfaction and compliance with regulatory requirements.

Statewide Agreed-Upon Procedures

We will consider the auditor's comments on the results of the statewide agreed-upon procedures and take action as deemed appropriate.