

CITY OF WINFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
8/31/2010, 2009

Based on these factors, it has been concluded that the City of Winfield, Louisiana, has no oversight responsibility for the Winfield City Marshall and, therefore, the financial statements of the Marshall are excluded from the reporting entity.

Winfield Housing Authority -

The governing authority of the City of Winfield is responsible for appointing the members of the board of the Winfield Housing Authority; however, the City's accountability for the Winfield Housing Authority does not extend beyond making the appointments. The following factors suggest that the Winfield Housing Authority should not be included in the reporting entity:

The board of commissioners of the Winfield Housing Authority is responsible for the day-to-day operation of the Authority.

The Winfield Housing Authority is responsible for preparing its own budget, funding deficits and operating deficiencies, disposing surplus funds, controlling the collection and disbursement of funds, and maintaining title to assets. The City of Winfield, Louisiana, has no responsibility for the financial deficits of the Winfield Housing Authority, is not entitled to reimburse, nor guarantee Authority debt.

Based on these factors, it has been concluded that the City of Winfield, Louisiana, has no oversight responsibility for the Winfield Housing Authority, and therefore, the financial statements of the Authority are excluded from the reporting entity.

These units of government, described above, are considered separate reporting entities and issue financial statements separate from those of the City of Winfield, Louisiana.

Fund Accounting -

The accounts of the City of Winfield are organized on the basis of funds and account groups, 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, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions. Fund accounting is designed to demonstrate legal compliance and to aid financial management by aggregating transactions relating to certain government functions or activities. The various funds are grouped, in the financial statements in this report, into generic fund types and broad fund categories as follows:

Governmental Fund Types -

These are the funds through which most governmental functions are typically financed. The funds included in this category are as follows:

(Continued)

EXHIBIT A

<u>ACCOUNT GROUPS</u>		<u>TOTALS</u>
<u>GENERAL FIXED</u>	<u>LONG-TERM</u>	<u>COMMODITIES</u>
<u>ASSETS</u>	<u>DEBT</u>	<u>(NET)</u>
		\$ 700,891
		151,138
		97,023
		18,389
		201,865
		298,576
	\$ 13,064	118,081
	<u>131,908</u>	<u>314,506</u>
	<u>202,530</u>	<u>1,682,308</u>
		6,141,808
\$ 3,383,917		3,383,917
		315,231
		2,588,686
		626,348
		389,396
		170,628
		1,819
		1,894
		953
		493
		234,307
		806,185
		177,640
		47,257
		31,580
		<u>277,388</u>
<u>1,383,917</u>		<u>38,694,131</u>
\$ 3,383,917	\$ 1,677,370	\$ 16,385,458

CITY OF WOODRIDGE, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED APRIL 30, 1998

REVENUES:	GENERAL \$	SPECIAL \$	CAPITAL PROJECTS \$
Taxes	\$ 324,847	\$ 786,415	
Licenses & Permits	280,800		
Intergovernmental Revenues	275,800		\$171,807
Charges for Services	444,588		
Fines	8,776		
Interest	71,720	25,907	
Miscellaneous	125,283		
Total Revenues	<u>1,231,594</u>	<u>818,329</u>	<u>171,807</u>
EXPENDITURES			
Current			
General Government	491,596		
Public Safety			
Police	881,637		
Fire	241,630		
Ambulance	1,927		
Animal Welfare	21,133		
Collection & Administration		27,808	74,490
Streets, Drainage & Sidewalks	583,726		
Water Pool	41,538		
Sanitation & Sanitary Landfill	449,426		
Recreation	256,729		
Capital Outlay	183,827		100,180
Debt Service			
Principal	214,84		
Interest	3,128		
Total Expenditures	<u>3,021,933</u>	<u>27,808</u>	<u>171,807</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES			
	(1,789,339)	790,521	-
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	1,881,763	30,800	
Operating Transfers Out	(20,800)	(790,800)	
Loan Proceeds	71,078		
Sales of Property	10,800		
Total Other Financing Sources (Uses)	<u>1,942,841</u>	<u>(759,999)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES & OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES & OTHER FINANCING USES			
	(156,498)	30,521	-
FUND BALANCE - Beginning of Year	1,081,100	761,160	-
FUND BALANCE - End of Year	<u>\$1,261,686</u>	<u>\$831,681</u>	<u>-</u>

The notes to the financial statements are an integral part of this statement.

(Continued)

TOTALS
 (MID-CENTURY)

050.01
2 221,308
 210,004
 487,692
 484,808
 8,750
 95,899
128,203
1,221,662

491,596

881,621
 241,680
 1,927
 27,623
 38,094
 503,076
 41,579
 449,435
 216,719
 240,214

21,884
5,710
1,228,122

1,060,800

1,683,763
 (810,884)
 71,979
11,801
884,699

(68,314)

2,412,510

22,319,182

CITY OF WINNFIELD, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET (DWAY BASIS) AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS
 YEAR ENDING APRIL 30, 1996

REVENUES	GENERAL FUNDS		VARIANCE PAYMENTS DIFFERENCES
	BUDGET	ACTUAL	
Taxes	\$ 134,170	\$ 204,847	\$ 70,677
Licenses and Permits	208,119	202,064	(6,055)
Intragovernmental Revenues	206,000	278,886	72,886
Charges for Services	482,023	444,588	(37,435)
Fines	8,536	8,736	200
Interest	61,880	70,729	8,849
Miscellaneous	27,334	128,993	101,659
Total Revenues	1,268,442	1,278,893	10,451
EXPENDITURES			
Current:			
General Government	585,501	455,208	130,293
Public Safety			
Police	882,388	882,817	(429)
Fire	158,895	241,833	(82,938)
Ambulance	1,806	1,827	(21)
Animal Control	22,717	27,521	(4,804)
Collection and Administration			
Streets and Highways	689,473	563,176	126,297
Motor Fuel	58,957	41,539	17,418
Sanitation	448,424	449,626	(1,202)
Recreation	144,089	166,729	(22,640)
Capital Outlay	186,348	185,927	421
Debt Service:			
Principal Payments		21,184	(21,184)
Interest		3,728	(3,728)
Total Expenditures	3,087,898	2,881,003	206,895
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,821,256)	(1,715,465)	105,791
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	1,245,267	1,388,363	143,096
Operating Transfers Out		(26,082)	(26,082)
Loan Proceeds		75,879	75,879
Sales of Property	11,808	11,817	9
Total Other Financing Sources (Uses)	1,257,075	1,439,977	182,902
EXCESS (DEFICIENCY) OF REVENUES & OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES & OTHER FINANCING USES	(564,181)	(275,488)	288,693
FUND BALANCE - Beginning of Year	1,081,333	1,441,245	
FUND BALANCE - End of Year	\$ 517,152	\$ 1,165,757	\$ 648,605

The notes to the financial statements are an integral part of this statement.

BUDGET REVENUE FUND			TOTAL		
BUDGET	ACTUAL	VARIANCE PAYABLE UNRECOVERABLE	BUDGET	ACTUAL	VARIANCE PAYABLE UNRECOVERABLE
\$ 688,700	\$ 786,431	\$ 97,731	\$ 822,871	\$ 921,308	\$ 98,437
			288,779	318,024	1,245
			288,987	279,800	(12,200)
			450,813	484,808	(3,115)
			8,526	8,758	180
28,000	21,587	1,507	81,480	92,299	11,890
			87,311	128,200	32,200
<u>788,700</u>	<u>888,018</u>	<u>100,318</u>	<u>1,808,842</u>	<u>2,081,028</u>	<u>218,612</u>
			305,311	493,898	48,915
			802,798	881,537	(109)
			215,895	241,820	(3,793)
			1,808	1,207	(122)
			27,717	27,023	694
19,800	19,800	(1,804)	19,800	21,684	(3,884)
			568,573	605,076	8,197
			38,925	41,579	(1,613)
			448,424	449,435	18,098
			284,089	215,719	72,588
			186,549	185,937	412
				31,362	(31,362)
				3,755	(3,755)
<u>13,800</u>	<u>21,021</u>	<u>(7,221)</u>	<u>2,811,485</u>	<u>2,874,018</u>	<u>62,533</u>
<u>688,700</u>	<u>786,431</u>	<u>97,731</u>	<u>1,132,238</u>	<u>1,349,208</u>	<u>283,328</u>
	20,080	28,000	1,318,267	1,281,763	60,190
(488,700)	(790,660)	(181,183)	(688,700)	(819,881)	(122,183)
				73,979	73,979
<u>(488,700)</u>	<u>(770,580)</u>	<u>(81,183)</u>	<u>11,800</u>	<u>31,822</u>	<u>21</u>
			<u>868,652</u>	<u>880,586</u>	<u>12,012</u>
	15,515	18,570	(281,872)	(68,316)	185,558
<u>361,000</u>	<u>361,389</u>	<u>-389</u>	<u>2,412,212</u>	<u>2,412,212</u>	<u>-</u>
<u>1,361,300</u>	<u>\$ 1,373,029</u>	<u>\$ 11,729</u>	<u>21,149,641</u>	<u>22,168,185</u>	<u>\$ 1,018,548</u>

CITY OF WINNFELD, LOUISIANA
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 PROPRIETARY FUND TYPE
 ENTERPRISE FUND
 YEAR ENDED JUNE 30, 1996

OPERATING REVENUES:	
Charges for Services	<u>22,328,688</u>
OPERATING EXPENSES:	
Power Purchased	3,159,260
Salaries and Related Costs	368,548
Depreciation	397,865
Property Repairs and Maintenance	156,894
Materials and Supplies	78,891
Utilities and Telephones	63,837
Waste Water Treatment	76,914
Professional Fees	8,700
Insurance	53,718
Other Miscellaneous Expenses	<u>89,025</u>
Total Operating Expenses	<u>4,632,752</u>
Operating Income	<u>17,695,936</u>
NONOPERATING REVENUES (EXPENSES):	
Interest Income	39,897
Interest Expense	<u>(2,061)</u>
Total Nonoperating Revenues (Expense)	<u>37,836</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS:	17,733,772
Operating Transfers In	464,580
Operating Transfers Out	<u>(1,359,548)</u>
NET INCOME (LOSS)	<u>(89,897)</u>
DECREASE (INCREASE) IN RETAINED EARNINGS RESERVED FOR EMERGENCIES	<u>(25,320)</u>
NET CHANGE IN UNRESERVED RETAINED EARNINGS	<u>(115,217)</u>
RETAINED EARNINGS - UNRESERVED - Beginning	<u>2,625,388</u>
RETAINED EARNINGS - UNRESERVED - Ending	<u>2,510,171</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WINFIELD, LOUISIANA
STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
ENTERPRISE FUND
YEAR ENDED JUNE 30, 1996

CASH FLOWS FROM OPERATING ACTIVITIES:	
Operating Income for Year	\$ 636,853
Adjustment to Reconcile Net Income to Net Cash Provided by Operating Activities-	
Depreciation	387,863
Changes in Assets & Liabilities-	
(Increase) Decrease in Accounts Receivable	(32,482)
(Increase) Decrease in Inventory	(33,198)
(Increase) Decrease in Other Receivables	(2,803)
Increase (Decrease) in Accounts Payable	9,347
Increase (Decrease) in Accrued Expenses	21,879
Increase (Decrease) in Customer's Deposits - Net of Refunds	7,238
Increase (Decrease) in Due to Other Funds	(1,815)
Net Cash Provided by Operating Activities	<u>1,008,072</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Net Transfers to Other Funds	(1,273,349)
Net Transfers from Other Funds	<u>484,258</u>
Net Cash Used by Non-capital Financing Activities	<u>(789,091)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Proceeds from Borrowing	71,116
Interest Paid on Installment Note Payable	(2,867)
Acquisition & Construction of Capital Assets	(494,049)
Principal Paid on Installment Note Payable	(6,099)
Contribution - Capital	<u>171,888</u>
Net Cash Used for Capital and Related Financing Activities	<u>(360,009)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest Income	38,897
Time Deposit Maturity	248,858
Purchase of Investment Securities	<u>(283,083)</u>
Net Cash From Investing Activities	<u>3,672</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,886
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>600,352</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 606,238</u>

The notes to the financial statements are an integral part of this statement.

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

General requirements:

- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/unit principles
- Drug-free Workplace Act
- Administrative requirements

Specific Requirements:

- Types of services
- Reporting
- Special requirements

Claiming by advances and reimbursements

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

During the year ended June 30, 1996, the City of Winfield, Louisiana, had no major federal financial assistance programs and expended 57.85% of its total federal financial assistance under the nonmajor FY 1995 Louisiana Community Development Block Grant federal financial assistance program.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements that are applicable to the aforementioned nonmajor programs. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

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

NOTES TO FINANCIAL STATEMENTS

WHITE & BATES
CERTIFIED PUBLIC ACCOUNTANTS
501 NORTH JAGEL STREET
P.O. BOX 1097
WINNFIELD, LA 71684
—
CREATED BY
FAS OF 09/08/1994

WINNFIELD, LOUISIANA

WINNFIELD, LOUISIANA

**INDEPENDENT AUDITORS' REPORT ON
THE INTERNAL CONTROL STRUCTURE USED IN
ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

To the Honorable Dean Thomas, Mayor
and the City Council of Winnfield, Louisiana

We have audited the general purpose financial statements of the City of Winnfield, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 17, 1996.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; the Office of Management and Budget (OMB) Circular A-128, *Audit of State and Local Governments* and the Louisiana Governmental Audit Guide. These standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit for the year ended June 30, 1996, we considered the internal control structure of the City of Winnfield, Louisiana, in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements of the City of Winnfield, Louisiana, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of the internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated December 17, 1996.

The management of the City of Winnfield, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations.

Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effect remains of the design and operation of policies and procedures may deteriorate.

CITY OF WINNFELD, LOUISIANA
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)
 JUNE 30, 1996

LIABILITIES AND FUND EQUITY	GENERAL	SPECIAL REVENUE	ENTERPRISE
Liabilities:			
Accounts Payable	\$ 85,038	\$ 52,754	\$ 363,917
Accrued Salaries & Related Benefits	74,334		76,854
Due to Other Funds			57,023
Sales Taxes Payable			18,289
Refunds Payable			301,865
Payable from Restricted Assets - Customer Deposits			358,536
Notes Payable			69,007
Accumulated Compensated Absences			
Total Liabilities	<u>159,372</u>	<u>52,754</u>	<u>1,382,361</u>
Fund Equity:			
Contributed Capital			6,340,980
Investment in General Fixed Assets			
Retained Earnings:			
Reserved for Contingencies			215,331
Unreserved			1,518,898
Fund Balance:			
Reserved for Economic Development:			
Cash & Time Deposits	638,389		
Notes	289,396		
Reserved For Capital Improvements:			
Fire Department	170,658		
Police Department	1,619		
Reserved For Prestrated Taxes & Licenses	1,804		
Reserved for Prepaid Insurance	963		
Reserved for Dog Dog	489		
Reserved for Streets, Drainage, & Sidewalks		214,517	
Reserved for Sewer Improvements		506,185	
Reserved for Water Works		177,440	
Reserved for Sanitation & Landfill		47,257	
Reserved for Motor Pool		31,380	
Unreserved - Undesignated	127,384		
Total Fund Equity	<u>1,367,498</u>	<u>938,692</u>	<u>8,516,373</u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$1,527,150</u>	<u>\$1,025,372</u>	<u>\$18,158,238</u>

The notes to the financial statements are an integral part of this statement.

(Continued)

CITY OF WINSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS - (CONTINUED)
MAY 30, 1986

Based on the application of these criteria, the financial statements of the City of Winsfield, Louisiana, consist only of the funds and account groups of the City, since the City has no oversight responsibility for any other governmental entity.

The City of Winsfield's financial statements do not include the Winsfield City Court, the Winsfield City Marshall, or the Winsfield Hearing Authority. A description of these entities and the reasons for their exclusion from the reporting entity are summarized below:

Winsfield City Court -

The Winsfield City Court was created under the authority of Chapter 7 of Title 13 of the Louisiana Revised Statutes. The City Court's criminal jurisdiction is limited to the trial of offenses committed within its respective territorial jurisdiction that are not punishable by imprisonment at hard labor, including the trial of cases involving the violation of any city or parochial ordinances. The following factors suggest that the City Court should not be included in the reporting entity:

The city judge is elected by the general public for a six year term.

The city judge receives an annual salary payable monthly by the City and the Parish, based upon the population of the territorial jurisdiction of the court.

The city judge is solely responsible for the day-to-day operations of the court.

The City is neither entitled to operating surpluses nor responsible for operating deficits.

Based on these factors, it has been concluded that the City of Winsfield, Louisiana, has no oversight responsibility for the City Court, and therefore, the financial statements of the Court are excluded from the reporting entity.

Winsfield City Marshall -

The Winsfield City Marshall was created under the authority of Chapter 7 of Title 13 of the Louisiana Revised Statutes. The marshall is the executive officer of the court and executes the orders and mandates of the city court. The marshall makes arrests, preserves the peace, and has the same authority, within his territorial jurisdiction, as a sheriff. The following factors suggest that the Winsfield City Marshall should not be included in the reporting entity:

The city marshall is elected by the general public for a six year term.

The city marshall is responsible for the day-to-day operation of his office. The City is neither entitled to operating surpluses nor responsible for operating deficits.

(Continued)

Utility Customer Bad Debts

Observation - While utility billing bad debts are considered immaterial to the financial condition of the City of Winfield, the total of these balances that has been written-off over the past several years has accumulated to a significant total. Based on discussions with utility billing employees, several of these former customers still live in the Winfield area and some have even requested utility service from the City in recent months.

Recommendation - We recommend that the City do not provide utility service to any individual or business that has previous unpaid balances owed the City until the balances are paid in full. In addition, the City may want to consider pursuing the collection of some the utility balances that have been written-off by either using personnel within its organization or by the use of a professional collection agency.

Public Bid Law

Observation - While performing certain procedures related to our audit of the City of Winfield, we determined that the City may have been in violation of the public bid law and how it relates to recurring purchases. It should be noted that this comment was also made in a previous examination of the City.

Recommendation - When recurring purchases in the aggregate exceed the bid limit, they must be in the bid. Although we feel this item is a nonmaterial instance of noncompliance, we do feel that the City should review all purchases to insure that the public bid law is being complied with.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various City personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,

White & Bates

White & Bates

CITY OF WINNFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

1. Summary of Significant Accounting Policies-

The financial statements of the City of Winfield, Louisiana, have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the City's Financial Report.

Financial Reporting Entity -

The City of Winfield, Louisiana, was incorporated under the Louisiana Act in June of 1902 and operates under an elected Mayor - Board of Aldermen form of government. The City's major operations include public safety, fire protection, ambulances, streets, sanitation, recreation and parks, utilities, and general administrative services.

Component Units -

Governmental Accounting Standards Board Statement No. 14 established criteria for determining component units which should be considered part of a primary government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body and
 - (a) The ability of the primary government to impose its will on that organization and/or
 - (b) The potential for the organization to provide specific financial benefits or to impose specific financial burdens on the primary government.
2. Organizations for which the primary government does not appoint a voting majority but are fiscally dependent on the primary government.
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.

The financial reporting entity consists of (a) the primary government (City of Winfield, Louisiana), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationships with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

(Continued)

EXHIBIT A

<u>ACCOUNT GROUPS</u>		<u>TOTALS</u>
<u>GENERAL FIXED</u>	<u>LONG-TERM</u>	<u>OVERHEAD/AMOUNT</u>
<u>ASSETS</u>	<u>DEBT</u>	<u>ONLY</u>
		\$ 1,843,791
		563,773
		839,570
		357
		37,231
		39,689
		63,181
		37,023
		288,396
		18,082
		363
		127,849
		173,444
		140,808
\$3,383,917		3,383,917
		14,138,487
		(5,782,435)
		4,808
	\$ 167,370	167,370
<u>\$3,383,917</u>	<u>\$ 167,370</u>	<u>\$ 3,551,287</u>

CITY OF WINFIELD, LOUISIANA
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1996

ASSETS	GOVERNMENTAL FUND TYPES		PROPRIETARY FUND TYPES
	GENERAL	SPECIAL REVENUE	ENTERPRISE
Cash & Cash Equivalents	\$ 534,725	\$ 596,372	\$ 342,034
Time Deposits	569,773		
Receivables (Net of Allowances for Uncollectibles)			
Utility Billings			658,536
Ad Valorem Taxes	357		
Due From Other Governments:			
State of Louisiana	97,191		
Winn Parish Police Jury	30,685		
Winn Parish School Board		63,301	
Due From Other Funds	57,023		
Economic Development Notes	288,396		
Other	17,377		4,800
Prepaid Insurance	362		
Inventory, At Cost			121,943
Restricted Assets:			
Cash & Cash Equivalents			271,444
Investments, At Cost			280,800
General Fixed Assets			
Utility Property, Plant & Equipment, At Cost			14,128,407
Accumulated Depreciation			(8,792,034)
Refundable Deposits			4,800
Amount to be Provided for Retirement of General Long-Term Debt			
TOTAL ASSETS	\$1,537,150	\$1,626,472	\$10,208,320

The notes to the financial statements are an integral part of this statement.

(Continued)

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

analysis and are not a required part of the financial statements of the City of Winfield, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

White & Bates

White & Bates, CPAs

December 17, 1996
Winfield, Louisiana

WHITE & BATES
CERTIFIED PUBLIC ACCOUNTANTS
201 NORTH AMBULE STREET
P. O. BOX 1197
WINFIELD, LA 71681
—
(504) 235-0944
FAX (504) 235-0944

LAMARCA 00001170

WHITE & BATES, CPA

December 17, 1996

INDEPENDENT AUDITOR'S REPORT

To the Honorable Deane Thornton, Mayor
and the City Council of
Winfield, Louisiana

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

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

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

In accordance with Government Auditing Standards, we have also issued a report dated December 17, 1996 on our consideration of the City of Winfield's internal control structure and a report dated December 17, 1996 on its compliance with laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional

CITY OF WINFIELD
ANNUAL FINANCIAL REPORT
JUNE 30, 1996

TABLE OF CONTENTS

	<i>Exhibit</i>	<i>Page</i>
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual	G-2	46
Capital Projects Fund		
Balance Sheet	H-1	48
Schedule of Revenues, Expenditures, and Changes in Fund Balances	H-2	49
Enterprise Fund		
Balance Sheet	I-1	51
Schedule of Revenues, Expenses and Changes in Retained Earnings	I-2	53
General Fixed Assets Account Group		
Detailed Schedule of General Fixed Assets	J-1	57
Detailed Schedule of Changes in General Fixed Assets	J-2	58
General Long-Term Debt Account Group		
Schedule of General Long-term Debt	K	60
INTERNAL CONTROL, COMPLIANCE, AND FEDERAL FINANCIAL ASSISTANCE SECTION		
Independent Auditor's Report on Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards		62
Independent Auditor's Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards		64

(Continued)

Capital Expenditures & Outlays

Observation - Capital expenditures & outlays are not currently budgeted on a priority basis and are not generally detailed as to the source of funding. Sources of funding for capital items are important considerations in order to know if the purchase of the item is to come from funds already on hand, reserving revenues, or from one time revenue sources, such as proposed grants.

Recommendation - We suggest that the City consider supplementing its capital expenditure & outlay budgeting process by establishing a system of priority for its proposed capital purchases and by also establishing the type of funding required for each capital item. We recognize that this item will require additional effort, but believe that the benefits derived from a control and management standpoint will offset the additional time required.

Utility Billing Rates

Observation - While performing tests of the utility billing system, it was determined that the rate being charged for electricity for the E2 (small commercial) class of customer was not in accordance with the City's electrical ordinance. This problem was due to a programming error in the City's new computer billing system and resulted in an overcharge to customers of approximately \$10,000.

Recommendation - We suggest that the City make a determination of exactly which customers were affected by this improper charge and that a calculation be made for each individual customer affected so that a complete and accurate rebate can be provided in a timely basis.

Utility Customer Deposits

Observation - While performing tests of the utility customer deposits, it was noted that a number of deposits remain for prior customers that left with an outstanding balance owed the City, yet these deposits have not been applied to the balances owed.

Recommendation - We recommend that the City perform a detailed analysis of the customer deposit listing and apply any remaining deposits from inactive customers to outstanding balances and if applicable refund any excess deposit to the customer.

Budget Amendments

Observation - The City amended its general fund budget in June of 1996 for the fiscal year June 30, 1996 in accordance with proper guidelines, but failed to amend its special revenue fund budget for actual variances that exceeded budgeted amounts by more than 3%. This situation was to some extent caused by having combined budgets as discussed above.

Recommendation - We recommend that the City amend all budgeted funds in accordance with statutory guidelines and believe this recommendation will be facilitated by preparing separate budgets for all required governmental fund types. In addition, we suggest that the major budget amendments be based on trends that are established for the first six months of the year in order to allow management opportunities to revise unfavorable expenditure trends and identify unfavorable revenue trends.

Allocation of Administration Costs to Sales Tax Fund

Observation - The City presently allocates administrative & other costs which are expended for the benefit of all funds to its general fund and utility fund. The City's sales tax fund does not share in these costs, which are associated with and do benefit that fund.

Recommendation - We recommend that the City allocate those costs which have direct benefit and cost associated with the sales tax fund. Examples of these costs are the salary of the City Clerk, audit fees, and indirect costs which benefit all of the city government. This recommendation will provide the City with an additional source of funding current expenditures of some \$15,000.00 to \$20,000.00 per year.

Payroll Overtime Costs

Observation - Some employees of the City have overtime due to the nature of their positions that require specialized skills during hours after the normal work day. Other employees are incurring overtime for functions that do not require such special skills and such work might be performed by employees who would not be working overtime hours.

Recommendation - The City should review all overtime of its employees and determine which overtime situations could be reduced or eliminated by shifting employee responsibilities during the normal work week. This review could not only reduce direct overtime costs, but would also reduce the City's cost of retirement benefits, workman's compensation insurance costs & general liability costs.

WHITE & BATES

CERTIFIED PUBLIC ACCOUNTANTS
20 NORTH MAIN STREET
P. O. BOX 1207
WINFIELD, LA 71683

(504) 488-2988
(504) 241-488-2988

LA00000001 0001/01/01

RECEIVED
27 DEC 1996
OFFICE OF THE
CITY CLERK

December 17, 1996

Dwain Thornton, Mayor
City of Winfield
P. O. Box 509
Winfield, LA 71683

Dear Mayor Thornton:

In planning and performing our audit of the general purpose financial statements of the City of Winfield, Louisiana, as of and for the year ended June 30, 1996, we considered the City's internal control structure to determine our auditing procedures for the purpose of expressing an opinion of the general purpose financial statements and not to provide assurance on the internal control structure. We also performed tests of the City's compliance with certain provisions of law, regulations, contracts, and grants for the purpose of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement and not to provide an opinion on the overall compliance with such provisions.

During the course of our audit we became aware of several matters that we believe are opportunities for strengthening the internal control structure, improving compliance with certain laws and regulations, and for obtaining increased utilization of resources and operating efficiency. The following sections of this letter summarize our comments and suggestions and this letter does not affect our reports dated December 17, 1996 on the general purpose financial statements or the related reports on internal control structure and compliance.

Budgeting

Observation - The City of Winfield presently prepares its general fund and special revenue fund budgets on a combined basis. This method does not provide adequate details on budgeted expenditures of the City's special revenue fund for sales taxes.

Recommendation - We recommend that separate budgets be formally prepared for both the general fund and the sales tax fund and that the budgeted expenditures of the sales tax fund be detailed by type of expenditure, i.e., sewer, water, streets, etc.

CITY OF WINFIELD, LOUISIANA

ANNUAL FINANCIAL REPORT

JUNE 30, 1986

PL 000 2000 00
CITY OF WINFIELD, LA
JUN 30 1986

This report is intended for the information of management, all applicable Federal agencies, and those other governmental bodies from which Federal financial assistance was received and should not be used for any other purpose. However, upon delivery to the City of Winfield, Louisiana, this report is a matter of public record and its distribution is not limited.

White & Bates

White & Bates, CPA's

December 17, 1996
Winfield, Louisiana

CITY OF WINNFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1994

General Fund

The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. General tax revenues and other sources of revenues used to finance the fundamental operations of the City are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

Special Revenue Fund

Special revenue funds are used to account for the proceeds of specific revenue sources other than special assessments, expendable funds, or major capital projects that are legally restricted to expenditures for specific purposes. The City's special revenue fund consists of a sales tax fund.

Capital Projects Fund

Capital project funds are established to account for major capital expenditures not financed by enterprise funds, internal service funds or trust funds.

Proprietary Fund Types -

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or beneficial to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator.

The proprietary funds are accounted for as a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity is included on their balance sheets. Their reported fund equity (not total assets) is segregated into restricted capital and unrestricted earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

The fund included in this category is the Enterprise Fund.

Enterprise Fund

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 intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has

(Continued)

WHITE & BATES
CERTIFIED PUBLIC ACCOUNTANTS
200 NORTH OLEB, SUITE 1
P. O. BOX 1007
WINFIELD, LA. 70093

(504) 938-0000
FAX (504) 938-0000

LAUDERBORN 000001710

000000000000000000

**INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE WITH THE GENERAL REQUIREMENTS
APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

To The Honorable Dennis Thornton, Mayor
and the City Council of Winfield, Louisiana

We have audited the general purpose financial statements of the City of Winfield, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 17, 1996.

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

Political activity
Davis-Bacon Act
Civil rights
Cash management
Federal financial reports
Allowable cost/ cost principles
Drug-free Workplace Act
Administrative requirements

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

With respect to the items listed, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Winfield, Louisiana, had not complied, in all material respects, with those requirements.

CITY OF WINNFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1998

Restricted Assets -

Certain revenues of the enterprise fund are classified as restricted assets on the balance sheet because their use is limited to providing refunds to customers for their refundable deposits.

Interfund Transactions -

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecruiting or non-vesting permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Sales Taxes -

The City of Winfield receives proceeds from a one and one-half percent (1 1/2%) sales and use tax. An ordinance adopted on July 20, 1993, by the Board of Aldermen, which was approved in a special election on July 17, 1993, provides that the proceeds of the sales and use tax, after costs of administering the fund, be dedicated for the following purposes:

Streets, Drainage and Sidewalks	37%
Street Improvements	38%
Water Works	23%
Sanitary Landfill and Sanitation	18%
Minor Pool	2%

Total Columns on Combined Statements - Overview -

Total columns on the Combined Financial Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. Ad Valorem Taxes

The City of Winfield levies taxes on real and business personal property located within its boundaries. The State Parish Tax Assessor assesses the property values and prepares the City's property tax roll. The City bills and collects its own property taxes.

(Continued)

CITY OF WINFIELD
ANNUAL FINANCIAL REPORT
JUNE 30, 1999

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
<i>Independent Auditor's Report on the Internal Control Structure Used in Administering Federal Financial Assistance Programs</i>		65
<i>Independent Auditor's Report on Compliance with the General Requirements Applicable to Federal Financial Assistance Programs</i>		68
<i>Independent Auditor's Report on Compliance with Specific Requirements Applicable to Nonmajor Federal Financial Assistance Programs</i>		76
<i>Independent Auditor's Report on Schedule of Federal Financial Assistance</i>		71
<i>Schedule of Federal Financial Assistance</i>	<u>L</u>	<u>72</u>

(Continued)

CITY OF WINFIELD, LOUISIANA
SPECIAL REVENUE FUND
SALES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1996

REVENUES:	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Taxes - Sales Taxes	\$ 488,300	\$ 786,413	\$ 298,113
Interest Income	20,000	20,562	562
Total Revenues	<u>508,300</u>	<u>806,975</u>	<u>298,675</u>
EXPENDITURES			
Current			
Collection and Administration	<u>32,800</u>	<u>21,624</u>	<u>11,176</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>475,500</u>	<u>785,351</u>	<u>309,851</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers Out	(488,700)	(709,883)	(221,183)
Operating Transfers In	-	20,000	20,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(488,700)</u>	<u>(709,883)</u>	<u>(689,183)</u>
EXCESS (DEFICIENCY) OF REVENUES & OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES & OTHER FINANCING (USES)	-	85,468	85,468
FUND BALANCE, Beginning of Year	<u>96,166</u>	<u>96,166</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$381,336</u>	<u>\$171,634</u>	<u>\$209,702</u>

Supplementary schedule. Presented as additional analytical data.

GENERAL FIXED ASSETS ACCOUNT GROUP

The general fixed assets account group is used to account for fixed assets not used in proprietary fund operations or accounted for in trust funds.

WHITE & BATES

CORPORATE-PUBLIC ACCOUNTANTS
290 MONROE STREET
P. O. BOX 1307
WINNFIELD, LA. 70483

PHONE (504) 938-1800
FAC (504) 938-1988

ISSUANCE DATE: 12/17

ISSUANCE DATE: 12/17

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Deane Thornton, Mayor
and the City Council of Winnfield, Louisiana

We have audited the general purpose financial statements of the City of Winnfield, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 17, 1996.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, the provisions of Office of Management and Budget Circular A-133, *Standards of State and Local Governments*, and the Louisiana Governmental Audit Guide. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

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

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

We did note several nonreportable instances of noncompliance that we have reported to the management of the City of Winnfield in a management letter dated December 17, 1996.

This report is intended for the information of the management of the City of Winnfield and other applicable regulatory or governmental bodies. This restriction is not intended to limit the distribution of this report, which, upon delivery to the City of Winnfield, is a matter of public record.

White & Bates, CPAs

December 17, 1996
Winnfield, Louisiana

CITY OF WINNFELD, LOUISIANA
 ENTERPRISE FUND
 UTILITY FUND
 SCHEDULE OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS (CONTINUED)
 YEAR ENDED JUNE 30, 1996

OPERATING EXPENSES: (continued)	
General & Administrative:	
Salaries & Related Costs	178,610
Utilities & Telephone	89,990
Supplies	23,150
Property Repair & Maintenance	14,780
Professional Fees	8,700
Insurance	8,327
Other Miscellaneous Expenses	1,600
Total General & Administrative	<u>245,157</u>
Total Operating Expenses	4,632,727
Operating Income	<u>678,387</u>
NON-OPERATING REVENUES (EXPENSES):	
Interest Income	39,897
Interest Expense	<u>(21,862)</u>
Total Non-Operating Revenues (Expenses)	<u>18,035</u>
INCOME BEFORE OPERATING TRANSFERS	696,422
Operating Transfer In	464,268
Operating Transfer Out	<u>(1,258,248)</u>
NET INCOME (LOSS)	(97,558)
(INCREASE) DECREASE IN RETAINED EARNINGS RESERVED FOR EMERGENCIES	<u>(35,161)</u>
NET CHANGE IN UNRESERVED RETAINED EARNINGS	(115,399)
RETAINED EARNINGS - UNRESERVED - Beginning	2,674,288
RETAINED EARNINGS - UNRESERVED - Ending	<u>\$2,558,889</u>

Supplementary schedule. Presented as additional analytical data.

(Continued)

CITY OF WINFIELD, LOUISIANA
 ENTERPRISE FUND
 UTILITY FUND
 SCHEDULE OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS (CONTINUED)
 YEAR ENDED JUNE 30, 1996

EXHIBIT 1-2

OPERATING EXPENSES: (Continued)

Water Department:	
Salaries & Related Costs	96,434
Property repairs & Maintenance	88,919
Depreciation	141,947
Insurance	8,212
Materials & Supplies	18,634
Utilities & Telephone	2,521
Other Miscellaneous Expenses	<u>8,025</u>
 Total Water Department	 <u>464,592</u>
 Sewer Department:	
Salaries & Related Costs	107,938
Depreciation	144,715
Property Repairs & Maintenance	74,048
Utilities & Telephone	48,029
Waste Water Treatment	76,916
Materials & Supplies	28,623
Insurance	8,231
Other Miscellaneous Expenses	<u>15,208</u>
 Total Sewer Department	 <u>533,808</u>

(Continued)

CITY OF WINSFELD, LOUISIANA
 ENTERPRISE FUND
 UTILITY FUND
 SCHEDULE OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 YEAR ENDED JUNE 30, 1990

OPERATING REVENUES:

Charges for Services:

Electric Department:

Electricity Sales	\$2,566,079
Fuel Adjustment	1,775,524
Penalties	90,063
Service Fees	<u>80,128</u>
Total Electric Department	<u>4,491,834</u>

Water Department:

Water Sales	390,940
Service Fees	<u>370</u>
Total Water Department	<u>391,310</u>

Sewer Department:

Sewer Service Charges	216,739
Service Fees	<u>2,181</u>
Total Sewer Department	<u>218,920</u>

Total Operating Revenues

\$5,102,064

OPERATING EXPENSES:

Electric Department:

Power Purchased	3,150,282
Salaries & Related Costs	284,361
Depreciation	211,283
Property Repairs & Maintenance	67,141
Insurance	27,000
Materials & Supplies	17,408
Utilities & Telephone	3,345
Other Miscellaneous Expenses	<u>16,321</u>
Total Electric Department	<u>3,983,123</u>

(Continued)

CITY OF WINNFELD, LOUISIANA
 ENTERPRISE FUND
 UTILITY FUND
 BALANCE SHEET
 JUNE 30, 1998

EXHIBIT 1-1

LIABILITIES AND FUND EQUITY

Current Liabilities (Payable from Current Assets):	
Accounts Payable	\$ 368,727
Accrued Salaries Payable	52,323
Payroll Withholdings & Related Benefits	34,479
Due to Other Funds	57,023
Sales Taxes Payable	16,289
Retain Payable	200,863
Current Portion of Notes Payable	<u>12,550</u>
Total Current Liabilities (Payable from Current Assets)	<u>682,254</u>
Current Liabilities (Payable from Restricted Assets):	
Customer Deposits Payable	<u>298,573</u>
Total Current Liabilities (Payable from Restricted Assets)	<u>298,573</u>
Long Term Liabilities:	
Installment Note Payable	<u>52,033</u>
Total Long Term Liabilities	<u>52,033</u>
Total Liabilities	<u>1,032,860</u>
Fund Equity:	
Contributed Capital:	
Municipality	1,056,673
Waterworks & Sewer District	654,808
Louisiana Department of Public Safety and Corrections	1,181,288
Customers and Federal Government	3,225,279
Total Contributed Capital	<u>6,118,048</u>
Retained Earnings:	
Reserved for Contingencies	205,250
Unreserved	<u>2,553,858</u>
Total Retained Earnings	<u>2,759,108</u>
Total Fund Equity	<u>8,877,156</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>9,910,016</u>

Supplementary schedule: Presented as additional analytical data

(Continued)

CITY OF WINNFIELD, LOUISIANA
 ENTERPRISE FUND
 UTILITY FUND
 BALANCE SHEET
 JUNE 30, 1996

EXHIBIT 1-1

ASSETS

Current Assets:	
Cash & Cash Equivalents	\$ 342,604
Receivables:	
Utility Billings	859,578
Other	4,845
Inventory, at cost	<u>127,600</u>
Total Current Assets	<u>1,334,627</u>
Restricted Assets:	
Customer Deposits:	
Cash & Cash Equivalents	98,217
Investments	240,000
Emergency Reserve Account:	
Cash & Cash Equivalents	<u>215,231</u>
Total Restricted Assets	<u>553,448</u>
Property, Plant, and Equipment, at cost, Plus of Accumulated Depreciation - \$1,782,413	<u>1,345,094</u>
Other Assets:	
Refundable Deposits	<u>4,800</u>
Total Other Assets	<u>4,800</u>
TOTAL ASSETS	<u>3,242,969</u>

(Continued)

ENTERPRISE FUND

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.

Utility Fund

The City's utility fund accounts for the provision of electric, water, and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

CITY OF WINNFIELD, LOUISIANA
 CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES & CHANGES
 IN FUND BALANCE
 JUNE 30, 1996

EXHIBIT 11-2

REVENUES:

Intergovernmental Revenues:	
Louisiana Community Development Block Grant	\$126,857
Rural Development Grant	_ 88,908
TOTAL REVENUES	<u>121,862</u>

EXPENDITURES:

Administration	14,090
Capital Outlays:	
Engineering	2,461
Inspection	79
Project Construction	<u>174,866</u>
TOTAL EXPENDITURES	<u>177,496</u>
EXCESS OF REVENUES OVER EXPENDITURES	-
FUND BALANCE - Beginning of Year	<u> </u>
FUND BALANCE - End of Year	<u> </u>

Supplementary schedule. Presented as additional analytical data.

CITY OF WINFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1996

Bad Debt -

Uncollectible amounts due for all various taxes and customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

Other Financing Sources (Uses) -

Transfer between funds that are not expected to be repaid are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Short-term Interfund Receivables/Payables -

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables" and are recorded by all funds affected in the period in which transactions are executed.

Interest Receivable -

Interest on investments and certain receivables are recorded as revenue in the year the interest is earned and is available to pay liabilities of the current period.

Inventory -

Inventory of the enterprise fund, which consists primarily of utility department supplies, is valued at the lower of cost (first-in, first-out) or market and is expensed as consumed. Immaterial amounts of inventory are maintained for general fund operations and are regarded as expenditures at the time purchased.

Vacation, Sick Leave, and Other Compensated Absences -

City employees are entitled to certain compensated absences based on their length of employment. Vacation earned is based on the number of years of service as follows:

<u>Full Time Employment</u>	<u>Working Hours Earned Per Year</u>
After one year	40
After two years	80
After ten years	120
After fifteen years	160
After twenty years	200

(Continued)

CAPITAL PROJECTS FUND

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Enterprise Funds.)

The capital projects fund of the City consists of the following:

1802 Louisiana Community Development Block Grant in the amount of \$708,000 for sewer system rehabilitation including replacement of several existing 18 stations, gravity mains, manholes, and service lines to provide an adequate sanitary sewer system.

1803 Rural Development Grant in the amount of \$45,000 for extension of water lines on Highway 84 West.

GENERAL LONG-TERM DEBT
ACCOUNT GROUP

The general long-term debt account group is used to account for unsecured principal amounts on general long-term debt reported to be financed from governmental type funds (except special assessment funds). Payment of maturing obligations, including interest, is accounted for in the general fund.

CITY OF WINSFIELD, LOUISIANA
SPECIAL REVENUE FUND
SALES TAX FUND
BALANCE SHEET
JUNE 30, 1996

EXHIBIT G-1

ASSETS	
Cash and Cash Equivalents	\$ 960,170
Receivables:	
Due From Other Governments:	
Winn Parish School Board	_____ 61,000
TOTAL ASSETS	<u>\$1,021,170</u>
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts Payable	\$ _____ 51,774
Total Liabilities	_____ 51,774
Fund Balance:	
Reserved Fund Balances:	
Reserved for Streets, Drainage and Sidewalks	124,517
Reserved for Street Improvements	580,100
Reserved for Water Works	177,448
Reserved for Sanitary Landfill and Sanitation	47,210
Reserved for Motor Pool	_____ 21,388
Total Fund Balances - Reserved	_____ 930,663
TOTAL LIABILITIES & FUND BALANCE	<u>\$1,021,170</u>

Supplementary schedules. Presented as additional analytical data.

SPECIAL REVENUE FUND

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

Sales Tax Fund - To account for the receipt and use of proceeds of the City's one and one-half percent (1 1/2%) sales and use tax. An ordinance adopted on July 20, 1993, by the Board of Aldermen, which was approved in a special election on July 13, 1993, provides that the proceeds of the sales tax, after costs of administering the fund, be allocated for the following purposes:

Streets, Drainage and Sidewalks	33%
Sewer Improvements	30%
Water Works	15%
Sanitary Landfill and Sanitation	10%
Motor Fuel	<u> 7%</u>
	<u>105%</u>

CITY OF WINFIELD, LOUISIANA
GENERAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1996

EXPENDITURES (Continued):	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Garbage Pickup:			
Salaries & Related Costs	38,685	38,680	(505)
Insurance	-	8,437	(8,437)
Private Hauler Collection Fees	244,983	224,264	20,719
Vehicle Costs	4,620	4,349	271
Capital Expenditures	373	3,082	(2,709)
Other	2,824	2,590	234
Total Garbage Pickup	<u>311,585</u>	<u>307,002</u>	<u>4,583</u>
Total Sanitation & Sanitary Landfill	<u>468,434</u>	<u>443,406</u>	<u>25,028</u>
Recreation:			
Salaries & Related Costs	100,889	97,151	3,738
Utilities & Telephone	18,488	15,637	2,851
Repairs & Maintenance	81,286	71,681	9,605
Supplies	12,517	12,832	(315)
Capital Expenditures	13,793	2,799	10,994
Other	16,386	17,122	(736)
Total Recreation	<u>243,089</u>	<u>216,222</u>	<u>26,867</u>
Capital Outlay	<u>188,240</u>	<u>180,927</u>	<u>7,313</u>
Debt Service	<u>-</u>	<u>14,930</u>	<u>(14,930)</u>
TOTAL EXPENDITURES	<u>3,881,688</u>	<u>3,811,032</u>	<u>70,656</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,821,216)	(1,715,446)	105,770
OTHER FINANCING SOURCES (USES)	<u>1,592,587</u>	<u>1,681,278</u>	<u>88,691</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	(228,629)	(83,168)	145,461
FUND BALANCE - Beginning of Year	<u>1,651,353</u>	<u>1,458,353</u>	<u>192,999</u>
FUND BALANCE - End of Year	<u>\$1,422,724</u>	<u>\$1,375,185</u>	<u>\$ 47,539</u>

(Continued)

Supplementary schedule. Presented as additional analytical data.

CITY OF WINFIELD, LOUISIANA
GENERAL FUNDSCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASED) AND ACTUAL
YEAR ENDED JUNE 30, 1998

EXPENDITURES (Continued):	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Ambulance	1,805	1,937	(132)
Animal Shelter:			
Salary & Related Costs	20,488	20,439	49
Vaccination & Medicines	3,006	2,865	141
Other	4,171	4,268	(97)
Total Animal Shelter	27,731	27,533	198
Streets, Drainage & Sidewalks:			
Salary & Related Costs	202,890	197,475	5,415
Insurance	-	11,699	(11,699)
Track Costs	37,681	26,839	10,842
Street Materials & Repairs	198,285	187,752	10,533
Engineering	4,444	4,130	314
Streets, Drainage & Sidewalks	79,129	77,458	1,671
Capital Expenditures	34,481	34,299	182
Other	32,765	33,562	(797)
Total Streets, Drainage & Sidewalks	569,575	563,179	6,396
Motor Pool:			
Salary & Related Costs	24,715	26,539	1,824
Parts & Supplies	18,213	11,926	(6,287)
Other	2,989	3,284	(295)
Total Motor Pool	38,002	41,539	(3,537)
Sanitation & Sanitary Landfill:			
Competition Station:			
Salary & Related Costs	72,242	71,735	507
Tipping Fees	33,938	48,439	14,501
Utilities & Telephone	1,486	1,869	(383)
Repairs & Maintenance	1,960	1,889	71
Vehicle Costs	12,607	9,588	3,019
Other	13,136	13,573	(437)
Total Competition Station	157,372	146,622	10,750

(Continued)

CITY OF WINFIELD, LOUISIANA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1996

EXPENDITURES:	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Current:			
General Government:			
Salaries & Related Costs	202,934	202,931	3
Insurance	64,000	28,174	35,826
Utilities & Telephone	38,499	48,290	(9,791)
Legal & Accounting	63,297	59,641	3,656
Advertising & Demos	13,529	13,080	449
Economic Development	25,145	25,145	-
Travel and Training	8,090	7,415	675
Property Repairs and Maintenance	18,091	8,124	9,967
Airport	8,080	6,467	1,613
Cocoon	14,000	12,025	1,975
Office Supplies	17,910	17,864	46
Capital Expenditures	8,644	3,278	5,366
Other	28,612	28,766	(154)
Total General Government	<u>503,511</u>	<u>450,598</u>	<u>52,913</u>
Public Safety:			
Police:			
Salaries & Related Costs	380,560	380,317	243
Insurance	-	22,161	(22,161)
Vehicle Costs	22,000	29,744	(7,744)
Utilities & Telephone	13,000	13,976	(976)
Personnel Maintenance	47,000	46,922	78
Property Repairs & Maintenance	7,100	7,505	(405)
Capital Expenditures	91,947	77,435	14,512
Other	21,393	28,312	(6,919)
Total Police	<u>603,299</u>	<u>603,612</u>	<u>(313)</u>
Fire:			
Salaries & Related Costs	187,200	183,516	3,684
Insurance	-	8,425	(8,425)
Utilities & Telephone	8,094	8,517	(423)
Training & Seminars	4,617	4,617	-
Travel Costs	3,748	3,999	(251)
Capital Expenditures	13,714	12,960	(754)
Other	18,160	18,616	(456)
Total Fire	<u>235,522</u>	<u>231,630</u>	<u>3,892</u>

(Continued)

CITY OF WINNFIELD, LOUISIANA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1996

REVENUES:	BUDGET	ACTUAL	VARIANCE PAYABLE (DEFICIT)
Taxes:			
Ad Valorem	\$ 91,000	\$ 90,138	\$ 1,870
Franchise	49,271	49,218	53
Total Taxes	<u>138,271</u>	<u>138,843</u>	<u>572</u>
Licenses and Permits:			
Occupational Licenses	201,540	201,482	58
Other Licenses & Permits	7,159	7,382	223
Total Licenses & Permits	<u>208,699</u>	<u>210,864</u>	<u>2,165</u>
Inter-governmental Revenues:			
Brew & Tobacco Taxes	37,077	40,279	3,202
Video Poker Robots	115,000	94,359	(20,641)
2% Fire Insurance Rebate	27,248	25,868	(1,380)
Fire Service - Parish	35,000	36,879	1,879
Miss. Parish Police Jury - Streets	38,000	36,808	(1,192)
State of Louisiana	17,622	15,585	(2,037)
Total Inter-governmental Revenues	<u>290,546</u>	<u>273,808</u>	<u>(16,738)</u>
Charges for Services:			
Sanitation	416,000	412,800	(3,200)
Ambulance	35,000	17,811	17,189
Other	17,003	14,874	2,129
Total Charges for Services	<u>468,003</u>	<u>445,485</u>	<u>22,518</u>
Fines	<u>8,356</u>	<u>8,736</u>	<u>380</u>
Interest	<u>63,480</u>	<u>71,732</u>	<u>8,252</u>
Miscellaneous Revenues:			
Rental Buildings & Equipment	20,300	21,208	908
Insurance - Claims - Property	-	47,859	47,859
Other	58,313	91,444	33,131
Total Miscellaneous Revenues	<u>78,613</u>	<u>160,511</u>	<u>81,898</u>
TOTAL REVENUES	<u>1,568,442</u>	<u>1,525,586</u>	<u>(42,856)</u>

(Continued)

CITY OF WINNFELD, LOUISIANA
GENERAL FUND
BALANCE SHEET
JUNE 30, 1986

EXHIBIT 1

ASSETS	
Cash & Cash Equivalents	\$ 514,724
Time Deposits	963,771
Receivables:	
Ad Valorem Taxes	957
Due From Other Governments:	
State of Louisiana	37,271
West Parish Police Jury	30,000
Due From Other Funds	37,003
Economic Development Notes Receivable	289,396
Other	15,257
Prepaid Insurance Expense	563
TOTAL ASSETS	<u>\$1,512,130</u>
LIABILITIES & FUND BALANCES	
Liabilities:	
Accounts Payable	85,130
Payroll & Related Benefits	78,234
Total Liabilities	<u>163,364</u>
Fund Balances:	
Reserved Fund Balances:	
Reserved For Economic Development:	
Cash & Time Deposits	624,189
Notes	289,396
Reserved For Capital Improvements:	
Fire Department	178,638
Police Department	1,639
Reserved For Prepaid Taxes & Licenses	1,084
Reserved For Prepaid Insurance	563
Reserved For Drug Dog - Police Department	493
Unreserved Fund Balances - Undesignated	<u>377,386</u>
Total Fund Balances	<u>1,348,766</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$1,512,130</u>

Supplementary schedule. Presented as additional analytical data.

WHITE & BATES
CERTIFIED PUBLIC ACCOUNTANTS
201 NORTH ABILEE STREET
P. O. BOX 190
WINFIELD, LA. 71493
—
(504) 428-1900
FAX (504) 428-1990

LAWRENCE HENSLER, CPA

ROBERT BAKER, CPA

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT ACCOUNTING STANDARDS**

To the Honorable Deane Thomas, Mayor
and the City Council of Winfield, Louisiana

We have audited the general purpose financial statements of the City of Winfield, Louisiana, as of and for the year ended June 30, 1995, and have issued our report thereon dated December 17, 1995.

We have conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, the provisions of Office of Management and Budget Circular A-133, *Audit of State and Local Governments*, and the Louisiana Governmental Audit Guide. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

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

In planning and performing our audit of the general purpose financial statements of the City of Winfield, Louisiana, for the year ended June 30, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design

GENERAL FUND

The general fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

CITY OF WINNFIELD, LOUISIANA
 CAPITAL PROJECTS FUND
 BALANCE SHEET
 JUNE 30, 1996

ASSETS	
Cash & Cash Equivalents	\$ -
Intergovernmental Receivables	_____
TOTAL ASSETS	<u>\$ -</u>
LIABILITIES & FUND BALANCE	
Liabilities	\$ -
Fund Balance - Unreserved - Undesignated	_____
TOTAL LIABILITIES & FUND BALANCE	<u>\$ -</u>

Supplementary schedule. Presented as additional analytical data.

CITY OF WINNFELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1996

11. Compensation of City Councilmen

A detail of compensation paid to individual councilmen for the year ended June 30, 1996 follows:

Kenneth Caldwell	\$ 6,000
William Holton	6,000
Andre' Howard	6,000
John Lott	6,000
Joseph Williams	<u>6,000</u>
Total	<u>\$30,000</u>

12. Lease Obligations

The City of Winfield, Louisiana was not obligated under any capital or operating lease commitments at June 30, 1996.

13. Fund Equity

Reservations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures. Specific reservations of the fund balance accounts are summarized below.

General Fund

Reserved for Economic Development Status Receivable - This reserve was created to represent the economic development status receivable by the City. These funds are restricted to use for economic development in the Winfield, Louisiana area.

Reserved for Economic Development - This reserve was created to represent the funds in the City's Revolving Loan Fund. The City of Winfield has acted as contractor in the administration of various economic development grant programs. The terms of the contracts vary as to the amount of repayments from the various developers that the City is allowed to retain. These funds are restricted as to use and must be expended for activities consistent with Title I of the Housing and Community Development Act of 1974, as amended. These funds are deposited by the City into a Revolving Loan Fund and are to be used to assist small and medium size businesses and to provide an investment incentive for industry in the Winfield, Louisiana area.

Reserved for Capital Improvements - Fire Department - This reserve was created to represent funds received by the City under the 2% Fire Insurance Rebate. These funds are restricted to expenditures for capital additions to the City's fire department.

(Continued)

CITY OF WINNFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1998

Depreciation of all depreciable fixed assets used by the enterprise fund is charged as an expense against its operations. All fixed assets of the enterprise fund are shown at historical cost.

Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

	<u>LIFE IN YEARS</u>
Electrical Department:	
Trucks, vans	3-8
Equipment	3-10
Electrical machinery and switchboard	40
Switching station and sub-station	10-20
Power plant building	50
Water Department:	
Water wells	25
Reservoir, tanks, and chlorinator	25
Pumps, machinery, and equipment	3-20
Trucks and tractors	4-10
Water works property	40
Sewer Department:	
Sewer property and treatment plant	40
Machinery and equipment	3-10
Trucks and tractors	4-10

Long-term liabilities expected to be financed from governmental fund types are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Basis of Accounting:

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting refers to the timing of the measurements made, regardless of the measurement forms applied.

(Continued)

CITY OF WINNFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1986

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period. Ad valorem taxes are recorded as revenue when levied because they are considered to be both measurable and available even though a portion of the taxes are collected in subsequent years. Sales taxes are considered "measurable" when collected by the intermediary collecting agency and are recognized as revenue at that time.

Those revenues susceptible to accrual are ad valorem taxes, franchise taxes, sales taxes, interest revenue, intergovernmental revenues, and charges for services. Fines, permits, penalties and interest, and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Anticipated refunds of taxes are recorded as liabilities and reductions of revenue when they are measurable and their liability seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that principal and interest on general long-term debt is recognized when due. Purchase of various operating supplies are reported as expenditures at the time purchased.

All proprietary funds are accounted for by using the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred.

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sales of fixed assets, debt extinguishments, long-term debt proceeds, or loans) are accounted for as other financing sources or uses. These other financing sources or uses are recognized at the time the underlying events occur.

Budgets and Budgetary Accounting -

Formal budgetary accounting is employed as a management control. Annual operating budgets are adopted each fiscal year and amended as required.

The City follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The City Clerk prepares a proposed budget, based on departmental group budget requests, and submits the same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. 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.
3. A public hearing is held on the proposed budget, at least ten days after publication of the call for the hearing.

(Continued)

CITY OF WINNFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1996

4. After the holding of the public hearing and completion of all actions necessary to finalize and implement the budget, the budget is adopted through passage of an appropriation ordinance or adoption resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.

The City's procedures, with respect to its budget, are designed to meet the requirements of applicable Louisiana Revised Statutes. The City prepares budgets for its General Fund and Special Revenue Fund on a basis consistent with generally accepted accounting principles. The budget amounts shown in the financial statements represent the original adopted budget as amended by the Board of Aldermen.

Encumbrances -

Encumbrance accounting is not employed by the City of Winnfield, Louisiana.

Cash and Cash Equivalents -

Consistent with GASB Statement 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting", the City of Winnfield defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify. The amount shown as "Time Deposits" on the balance sheet represents certificates of deposit with maturities in excess of three months from date of purchase.

Receivables -

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible. Estimated unbilled revenues from the enterprise fund are recognized at the end of each fiscal year on a pro rata basis. The estimated amount is based on billings during the month following the close of the fiscal year.

(Continued)

CITY OF WINNFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1996

Vacation time is not cumulative and must be taken in no less than seven (7) consecutive day increments. Vacation earned is recorded as an expenditure of the governmental fund that it relates to when it is paid. Vacation leave of the enterprise fund is recorded as an expense and liability of that fund as the benefits accrue to employees.

Sick leave is accrued on the basis of one day of leave for each month of continuous employment. Unused sick leave is cumulative. All sick leave is forfeited upon termination of employment with the city unless an employee retires with at least twenty (20) years of continuous service. In this case, the employee will be considered on leave of absence with pay for all of their accumulated and unused sick leave prior to their retirement date.

Compensatory time is granted by the department head and may be accumulated to a maximum of five hundred and eighty (880) hours.

The cost of current leave privileges, computed in accordance with GASB Codification C-60, is recognized as a current year expenditure in the governmental funds when leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the General Long-Term Debt Account Group. Compensated absences associated with employees of the Enterprise Fund are recorded as a fund liability and operating expense.

Prepaid Items -

Payments made to vendors for services that will benefit periods beyond June 30, 1996, are recorded as prepaid items.

Fund Equity -

The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserved fund balances for governmental funds represent the amount that has been legally identified for specific purposes. Unreserved retained earnings for proprietary funds represent the net assets available for future operations or distribution. Reserved retained earnings for proprietary funds represent the net assets that have been legally identified for specific purposes.

Contributed capital is recorded in the Enterprise Fund for capital grants restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

Designated fund balances represent tentative plans for future use of financial resources.

(Continued)

CITY OF WINSFIELD, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 1996

Ad valorem taxes are levied no later than June 1, and are due by December 31. The ad valorem taxes attach as an enforceable lien on property as of January 1, of each year. All ad valorem tax revenues are recognized in compliance with NOLA Interpretation - 3 and GASB Codification Section 930 (Revenue Recognition - Property Taxes) which states that such revenue is recorded when it becomes measurable and available. Available means due, or paid due and receivable within the current period, and collected no longer than 60 days after the close of the current period.

For the year ended June 30, 1996, taxes of 6.88 mills were levied for general corporate purposes against property with assessed valuations totaling \$11,095,403. Total taxes levied were \$98,083. Subsequent change orders adjusted the original levy to \$99,327.

Total taxes collected during the year ended June 30, 1996 were \$95,646. Delinquent taxes are collected by the sale of the related property, therefore, no allowance for uncollectible taxes is considered necessary.

3. **Interfund Receivables and Payables**

As of June 30, 1996, interfund receivables and payables that resulted from various transactions between individual funds were as follows:

	Due From Other Funds	Due To Other Funds
General fund	\$ 27,023	\$ -
Enterprise fund	<u> -</u>	<u>27,023</u>
Totals	<u>\$ 27,023</u>	<u>\$ 27,023</u>

4. **Restricted Assets - Proprietary Fund Type**

Restricted assets of the Enterprise Fund were comprised of the following, at June 30, 1996:

Emergency Reserve Account	\$219,231
Customer's Deposit Account	<u>298,219</u>
Total	<u>\$517,450</u>

(Continued)

CITY OF WINFIELD, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 1996

5. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance 7-1-95	Additions	Deletions	Balance 6-30-96
Land	\$ 633,272	\$ 7,580		\$ 640,852
Buildings	953,134	178,247		1,131,381
Equipment	1,988,168	182,481	\$189,005	1,981,644
Totals	\$3,574,514	\$368,308	\$189,005	\$3,753,817

6. Enterprise Fund Property, Plant and Equipment

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

Land	\$ 5,080
Buildings	34,389
Highway Substation	1,218,021
Electrical Machinery	2,494,268
Sewer Treatment Plant	1,824,210
Sewer System	1,212,596
Water System	4,668,725
Tanks, Machinery & Equipment	893,562
Less: Accumulated Depreciation	(3,782,412)
Total	\$ 8,332,529

7. Long-Term Debt

General Long-Term Debt

Installment Note Payable - Proceeds from this loan were used to purchase fire police cars. This loan is being paid from general fund revenues. This note bears interest at 6% and is payable in 36 monthly installments of \$1,240.

Componental Absences - At June 30, 1996, employees of the City of Winfield, Louisiana have accumulated and vested \$112,793 of employee leave benefits, which were computed in accordance with GASB Codification 600. \$114,386 is recorded within the General Long-Term Debt Account Group. \$18,249 is recorded as a liability within the enterprise fund.

(Continued)

CITY OF WINNFIELD, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 1995

The following is a summary of changes in general long-term debt for the year ended June 30, 1995:

	Balance 7-1-91	Additions	Reductions	Balance 6-30-95
Installment Note Payable		\$ 75,979	\$ 28,915	\$ 47,064
Compensated Absences	\$183,313	1,769		185,082
Total	\$183,313	\$ 75,123	\$ 28,915	\$185,278

Enterprise Fund Long-Term Debt

Installment Note Payable - Proceeds from this loan were used to purchase computer equipment and related software. This loan is being paid from enterprise fund revenues. This note bears interest at 6.2% and is payable in 60 monthly installments of \$1,348.

The annual debt service requirements to maturity of all installment notes payable at June 30, 1995, including interest payments of \$13,449 are as follows:

Year Ending June 30	General Long-Term Debt	Enterprise Fund	Total
1997	\$ 27,174	\$ 36,964	\$ 64,138
1998	27,174	36,964	64,138
1999	2,265	36,964	39,229
2000		36,964	36,964
2001		8,282	8,282
Totals	\$ 56,613	\$ 149,158	\$ 205,771

h. Dedication of Proceeds and Flow of Funds

Under the provisions of an ordinance adopted July 20, 1993, the proceeds of the 1 1/2% note and use tax, after provision for the cost of administration, are dedicated for the following specific purposes:

	Percentage	Collections Year Ended June 30, 1995
Streets, Drainage and Sidewalks	10%	\$ 252,890
Street Improvements	10%	229,594
Water Works	15%	391,280
Sanitary Landfill and Sanitation	18%	78,533
Minor Fund	2%	15,383
Totals	55%	\$ 1,067,680

(Continued)

CITY OF WINNFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1996

3. **Employment Retirement Systems**

Substantially all employees of the City of Winfield are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana, Municipal Police Employees Retirement System of Louisiana, Firefighters Retirement System of Louisiana, or Louisiana State Employees' Retirement System. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

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

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

All permanent employees working at least 30 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. Under Plan A, employees who retire at or after age 60 with at least 30 years of creditable service, at or after age 55 with at least 20 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 5 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 30 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7077 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504)933-4818.

Funding Policy: Under Plan A, members are required by state statute to contribute 9.15 percent of their annual covered salary and the City of Winfield is required to contribute at an actuarially determined rate. The current rate is 5.5 percent of annual covered payroll until June 1995 and 6.75 percent for the remainder of the fiscal year. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes levied to be collected by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City of Winfield are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:183, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the

(Continued)

CITY OF WINNFELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1996

prior fiscal year. The City of Winnsfeld's contributions to the System under Plan A for the years ending June 30, 1993, 1995, and 1994 were \$30,488, \$44,833, and \$45,233, respectively, and were equal to the required contributions for each year.

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

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 58 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3.10 percent of their final average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produces the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. This report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8481 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2336, or by calling (504) 838-3411.

Funding Policy. Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the City of Winnsfeld is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the City of Winnsfeld are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:163, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Winnsfeld's contributions to the System for the years ending June 30, 1993, 1995 and 1994 were \$35,840, \$34,623, and \$33,532, respectively, and were equal to the required contributions for each year.

C. Firefighters Retirement System of Louisiana

Plan Description. Membership in the Louisiana Firefighters Retirement System is mandatory for all full-time firefighters employed by a municipality, parish, or fire protection district that did not exist as an ordinance before January 1, 1980, excepting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3.10 percent of their final average salary for each year of creditable service, not to exceed 100 percent of their final-average salary. Final-average salary is the

(Continued)

CITY OF WINSTON, LOUISIANA
 DETAILED SCHEDULE OF GENERAL FIXED ASSETS
 JUNE 30, 1996

GENERAL FIXED ASSETS, at cost:	<u>1996</u>
Land	\$ 130,973
Concreary Addition	200
Buildings:	
Equipment Building	6,183
City Hall	88,324
Allen Building	223,979
Winnfield Industrial Facility	457,748
Jail Building	60,500
Museum	63,200
Dog Pound	3,779
American Tar and Turpentine Plant	194,896
Donald C. Joyce Airport	310,314
Garbage Assets	290,858
Recreation Assets	184,700
Mini-Parks	68,700
Wine Ambulance Assets	153,467
Furniture and Fixtures	24,800
Machinery, Equipment and Tools	870,662
Fire Station	<u>220,488</u>
TOTAL GENERAL FIXED ASSETS	\$1,383,337
INVESTMENT IN GENERAL FIXED ASSETS:	
Ad Valorem Taxes (Fire Bond)	\$ 32,710
Economic Development Funds & Grants	657,917
Community Development Block Grant	840,893
Citizen Donations	58,131
Wine Parish Police Jury Funds	18,000
Federal Grants	23,199
General & Sales Tax Fund Revenues	873,843
General Obligation Bonds	400,000
Federal Aviation Administration Grant	280,464
Other State Grants	<u>60,758</u>
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	\$2,383,917

Supplementary schedule. Presented as additional analytical data.

CITY OF WINFIELD, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 1998

number of years of service as a judge or court officer limits his average compensation. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employer Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804, or by calling (800) 256-3800.

Funding Policy: Plan members are required by state statute to contribute 11.5 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 11.8 percent of annual covered payroll. The contribution requirements of plan members and the City of Winfield are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuations and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Winfield's contributions to the System for the years ending June 30, 1996, 1995, and 1994 were \$214, \$234, and \$214, respectively, and were equal to the required contribution for each year.

11. Cash and Investments

Louisiana Revised Statutes authorize the City to invest in United States bonds, treasury notes, time certificates of deposit, or any other federally insured instrument. Cash and investments are held separately by each of the City's funds. At June 30, 1998, the City's cash and investments totaled \$2,867,739. Bank account balances at June 30, 1998, totaled \$3,643,999. Of the amounts held in commercial banks, \$244,358 was covered by federal depository insurance.

The City's cash and investments are categorized below to give an indication of the level of risk assumed by the City at June 30, 1998. Category 1 includes cash that is held by the City, cash and investments that are insured or registered, or investments held by the City or its brokers in the City's name. Category 2 would include uninsured and unregistered investments for which the securities are held by the broker's dealer's trust department or agent in the City's name. Category 3 would include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the City's name.

	Category			Carrying Value	Market Value
	1	2	3		
Cash:					
Fifty Cash	\$ 2,893	\$ 0	\$ 0	\$ 2,893	\$ 2,893
Demand Deposits	143,790	1,316,688	0	1,460,478	1,461,438
Certificates of Deposit	100,000	1,009,608	0	1,109,608	1,129,666
Investments:					
U. S. Government Securities	240,000	0	0	240,000	240,000
Total	<u>\$ 487,683</u>	<u>\$2,326,296</u>	<u>\$ 0</u>	<u>\$2,813,879</u>	<u>\$2,813,997</u>

(Continued)

CITY OF WINFIELD, LOUISIANA
 DETAILED SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
 JUNE 30, 1994

GENERAL FIXED ASSETS, at cost:	Balance 7/1/93	Additions	Retire- ments	Balance 6/30/94
Land	\$ 138,790	\$ 3,500		\$ 138,770
Conveyer Addition	290			290
Buildings:				
Equipment Building	9,180			9,180
City Hall	89,324			89,324
Alice Building	223,579			223,579
Woodfield Industrial Facility	480,338	37,000		487,748
Jail Building	60,590			60,590
Museum	65,200			65,200
Dog Pound	5,770			5,770
American Tar and Turpentine Plant	194,896			194,896
Donald C. Joyce Airport	319,334			319,334
Garbage Assets	342,873		\$ 48,017	398,096
Recreation Assets	194,700			194,700
Mini-Parks	68,700			68,700
Waste Ameliorant Assets	153,467			153,467
Furniture and Fixtures	24,090			24,090
Machinery, Equipment and Trucks	884,000	132,481	65,986	950,495
Pew Stations	80,537	138,040		218,480
TOTAL GENERAL FIXED ASSETS	\$3,174,514	\$218,021	\$108,005	\$3,284,530

Supplementary schedule: Presented as additional analytical data.

CITY OF WINFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1996

Reserved for Capital Improvements - Police Department - This reserve was created to represent funds received through drug seizures and forfeiture and DWI convictions. These funds are restricted in expenditure for capital additions to the City's police department.

Reserved for Forfeited Ad Valorem Taxes - This reserve represents amounts of ad valorem taxes collected by the City which were paid under protest. These funds are not available for future expenditure until final litigation.

Reserved for Unpaid Insurance - This reserve represents insurance expense for the next fiscal year paid in the fiscal year ended June 30, 1996, and recorded as a current asset. This amount is not available for future expenditure.

Reserved for Drug Dog - Police Department - This reserve represents funds donated to the City to be used solely for the purchase and maintenance of a K-9 drug detection dog.

Special Revenue Fund

Reserved for Streets, Drainage and Sidewalks - This reserve was created to represent sales taxes collected that are legally dedicated for improvements to streets, drainage and sidewalks.

Reserved for Street Improvements - This reserve was created to represent sales taxes collected that are legally dedicated for street treatment.

Reserved for Water Works - This reserve was created to represent sales taxes collected that are legally dedicated for water works improvements.

Reserved for Sanitary Landfill and Sanitation - This reserve was created to represent sales taxes collected that are legally dedicated for solid waste landfill.

Reserved for Motor Pool - This reserve was created to represent sales taxes collected that are legally dedicated for capital improvements to the City's motor pool.

Enterprise Fund

Reservations of retained earnings of the enterprise fund are created by increases in assets restricted for emergencies. These increases result from earnings on restricted assets and other transfers to restricted accounts. Earnings on restricted assets are included in the net income of the enterprise fund. When reserved retained earnings are increased, there is an equal reduction to the portion of retained earnings that is unreserved.

(Continued)

CITY OF WINNFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1996

Reserved Earnings - Reserved for Emergencies - On November 12, 1991, the governing body of the City of Winfield elected to reserve an amount of \$1,800 each month in the Utility Fund to be used, solely at the governing body's discretion, to fund extraordinary expenses arising from natural disasters or other major disruptions to the Utility System. This reserve represents funds restricted for that purpose at June 30, 1996.

14. Economic Development Notes Receivable

At June 30, 1996, the City of Winfield, Louisiana had economic development notes outstanding of \$285,396 which have been funded by the Louisiana Community Development Block Grant Program. These notes are repayable in installments over periods ranging from ten (10) to fifteen (15) years, bearing interest at rates from 5% to 10%, and are secured by mortgages on the subrecipient's assets. An allowance for doubtful accounts has not been provided or deemed necessary for these notes.

15. Litigation

The City is a defendant in various lawsuits. The City's counsel has advised that at this stage in the proceedings he cannot offer an opinion as to the probable outcome of these suits; however, the potential losses not covered by applicable insurance is not considered to be significant in relation to the City's overall financial condition.

16. Risk Management

The City is exposed to various risks of loss related to theft, fire, of, damage to, and deterioration of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

17. LEPA Refund

On June 24, 1994, the City of Winfield received a refund of \$170,368 from the Louisiana Energy and Power Authority for excess electrical charges billed to and paid by the City in prior years. On November 12, 1991, the governing authority of the City of Winfield elected to rebate the electrical customers of the City of Winfield's pro-rata amount based on their consumption during the periods related to the LEPA refund. As of June 30, 1996, \$284,863 in rebates were due and outstanding to electrical customers of the City.

(Continued)

CITY OF WINNFIELD, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 1996

18. 1993 Louisiana Community Development Block Grant Program

On August 3, 1993, the City of Winnsfield, Louisiana, was awarded a Community Development Block Grant in the amount of \$704,699 for the purpose of replacement of several existing lift stations, gravity mains, manholes, service lines, and forcing necessary to provide an adequate sanitary sewer system. Work began on the project during January 1994. During the year ended June 30, 1996, \$136,987 was expended for actual expenditures. Grant revenues and expenditures are presented in the City's capital projects fund. Capital outlays made through this grant are reported as contributed capital in the City's enterprise fund.

19. Contributed Capital

During the year ended June 30, 1996, contributed capital changed in the following amounts:

Utility Fund -	
Contribution by Federal Government	\$ 125,987
Contribution by State Government	43,000
Contributed Capital at June 30, 1995	<u>3,571,025</u>
Contributed Capital at June 30, 1996	<u>\$3,740,012</u>

20. Fund Deficits

As June 30, 1996, no individual fund of the City had a fund deficit.

21. Expenditures - Actual and Budget

The following individual fund had actual expenditures over budgeted expenditures for the year ended June 30, 1996:

Fund	Budget	Actual	Unfavorable Variance
Special Revenue Fund	\$ 29,800	\$ 29,604	\$ (196)

(Continued)

FINANCIAL SCHEDULES OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS

This report is intended for the information of management, applicable Federal agencies, and other governmental agencies from which Federal financial assistance was received. This restriction is not intended to limit the distribution of this report, which upon delivery to the City of Winfield, Louisiana, is a matter of public record.

Whit B. Bates

Whit B. Bates, CPA's

December 17, 1986

Winfield, Louisiana

WHITE & BATES

CERTIFIED PUBLIC ACCOUNTANTS
200 NORTH WABE STREET
P. O. BOX 1817
WINFIELD, LA. 71891

(714) 624-2441
FAX (714) 624-2444

LA000001 0000LCP1

000001 0000LCP1

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Honorable Dean Thornton, Mayor
and the City Council of Winfield, Louisiana

We have audited the general purpose financial statements of the City of Winfield, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 17, 1996.

In connection with our audit of the general purpose financial statements of the City of Winfield, Louisiana, and with our consideration of the City of Winfield, Louisiana, control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-128, *Studies of State and Local Governments*, we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or disallowed and claims for reimbursement. Our procedures were substantially free in scope from an audit, the objective of which is the expression of an opinion on the City of Winfield, Louisiana's, compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to items tested, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Winfield, Louisiana, had not complied, in all material respects, with these requirements.

This report is intended for the information of management, applicable federal agencies, and other governmental agencies from whom federal financial assistance was received. This restriction is not intended to limit the distribution of this report, which, upon delivery to the City of Winfield, Louisiana, is a matter of public record.

White & Bates

White & Bates, CPA's

December 17, 1996
Winfield, Louisiana

WHITE & BATES
CERTIFIED PUBLIC ACCOUNTANTS
50 NORTH AMEL STREET
P. O. BOX 1097
WINNFIELD, LA 70483
—
(704) 638-0983
FAX (704) 638-0984

LARGESIZE PRINTING

WHITE & BATES, CPA

**INDEPENDENT AUDITOR'S REPORT ON
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**

To the Honorable Drano Thornton, Mayor
and the City Council of Winnfield, Louisiana

We have audited the general purpose financial statements of the City of Winnfield, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 17, 1996. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

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

White & Bates

White & Bates, CPA's

December 17, 1996
Winnfield, Louisiana

CITY OF WINNFIELD, LOUISIANA
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 1996

Federal Grant/ Pass-Through Grant/ Program Title	Federal CFDA Number	Grant's E.O.	Award Amount	Current Year Receipts	Current Year Expenditures	Cumulative Program Expenditures
U. S. Department of Housing & Urban Development - Office of Community Planning & Development						
State of Louisiana Division of Administration - Office of Community Development						
FF 1993 Community Development Block Grant	14.228	100-4045	\$708,659	\$126,887	\$126,887	\$708,659
U. S. Department of Justice - Bureau of Prisons						
State of Louisiana - Division of Administration - LA Commission on Law Enforcement						
	36.379	-	2,780	2,780	2,780	2,780
Totals			\$711,439	\$129,667	\$129,667	\$711,439

Supplementary Schedule - Presented as additional analytical data.

INTERNAL CONTROL, COMPLIANCE AND
FEDERAL FINANCIAL ASSISTANCE SECTION

CITY OF WINNFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1994

described 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. The City's Enterprise Fund is comprised of its Utility Department's electrical, water and sewer systems.

Account Groups -

An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net expendable available financial resources.

General Fixed Assets Account Group

This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes and excludes fixed assets in the Storage or Fund.

General Long-Term Debt Account Group

This is not a fund but rather an account group that is used to account for the outstanding principal balances of general obligation bonds and other long-term debt not reported in the proprietary funds.

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

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds, and are recorded as expenditures in the governmental fund types when purchased. Public domain ("infrastructure") general fixed assets consisting of certain improvements, including roads, bridges, sewers and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at cost.

Property, plant, and equipment acquired for proprietary funds is capitalized in the respective funds to which it applies.

(Continued)

CITY OF WINFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1994

employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accorded to their class of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters Retirement System, Post Office Box 950933, Baton Rouge, Louisiana 70804, or by calling (504) 925-4363.

Funding Policy: Plan members are required by state statute to contribute 3.0 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 3.0 percent of annual covered payroll. The contribution requirements of plan members and the City of Winfield are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:153, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Winfield's contributions to the System for the years ending June 30, 1990, 1993, and 1994 were \$1,245, \$6,233, and \$5,626, respectively, and were equal to the required contributions for each year.

D. Louisiana State Employee's Retirement System

Plan Description: The City Judge is the only employee of the City of Winfield, Louisiana who participates in this system. The City Judge will be eligible for normal retirement when one of the following criteria is satisfied:

1. Any age with at least eighteen (18) years of creditable service as a judge or court officer.
2. Age fifty (50) upon attaining a total of twenty (20) years of creditable service, at least twelve (12) years of which were as a judge or court officer.
3. Age fifty-five (55) upon attaining a total of at least twelve (12) years of creditable service as a judge or court officer.
4. Age seventy (70) without regard to the number of years of creditable service as a judge or court officer.

Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 2 1/2 percent of their final average salary for each year of creditable service plus three hundred dollars. In addition, each judicial officer shall receive an additional benefit equal to one percent times the

(Continued)

EXHIBIT E

CITY OF WINNFIELD, LOUISIANA
 SCHEDULE OF GENERAL LONG-TERM DEBT
 JUNE 30, 1998

AMOUNT AVAILABLE AND TO BE PROVIDED FOR
 THE RETIREMENT OF GENERAL LONG-TERM DEBT

Amount to be Provided from General Fund Revenues	\$362,520
TOTAL AVAILABLE AND TO BE PROVIDED	\$362,520
 GENERAL LONG-TERM DEBT PAYABLE	
Note Payable - Sabine State Bank	\$ 15,004
Accumulated Compenated Absences	.118,516
TOTAL GENERAL LONG TERM DEBT PAYABLE	\$362,520

Supplementary schedule. Presented as additional analytical data.