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CITY OF WINNFIELD, LOUISIANA

ANNUAL FINANCIAL REPORT

JUNE 30, 1987

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JAN 14 1988

Release Date _____

CITY OF WINNFELD, LOUISIANA
ANNUAL FINANCIAL REPORT
JUNE 30, 1997

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WHITE & BATES

CERTIFIED PUBLIC ACCOUNTANTS

11140031 AVE., SUITE 211001

P. O. BOX 1197

WINFIELD, LA 70483

TEL 828-2944

FAX (337) 628-0998

LAWSUITE 14881L.C.F.A.

REVISED 01/11/1994

INDEPENDENT AUDITOR'S REPORT

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, 1997, 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 general purpose 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 *Comptroller Auditing Standards*, issued by the Comptroller General of the United States and the Louisiana *Governmental Audit Guide*. Those 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 statements 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, 1997, 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 15, 1997 on our consideration of the City of Winfield's internal control structure and a report dated December 15, 1997 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 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 31, 1999
Winnfield, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

CITY OF WINNFIELD, LOUISIANA
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1997

ASSETS	GOVERNMENTAL FUND TYPES		PROPRIETARY FUND TYPES
	GENERAL	SPECIAL REVENUES	ENTERPRISE
Cash & Cash Equivalents	\$ 454,350	\$ 904,700	\$ 181,319
Time Deposits	789,948		
Receivables (Net of Allowance for Uncollectibles)			
Utility Billings			628,499
Due From Other Governments:			
State of Louisiana	30,770		
Winn Parish Police Jury	30,328		
Winn Parish School Board		67,804	
Due From Other Parishes	69,176	47,828	7,121
Economic Development Notes	183,181		
Other	18,637		5,666
Prepaid Insurance	2,008		
Inventory, At Cost			108,670
Restricted Assets:			
Cash & Cash Equivalents			483,368
Investments, At Cost			240,808
General Fixed Assets			
Utility Property, Plant & Equipment, At Cost			14,238,170
Accumulated Depreciation			(4,646,878)
Refundable Deposits			4,900
Amount to be Provided for Retirement of General Long-Term Debt			
TOTAL ASSETS	\$1,778,328	\$1,380,328	\$9,960,877

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

(Continued)

EXHIBIT A

<u>ACCOUNT GROUPS</u>		<u>TOTALS</u>
<u>GENERAL FUND</u>	<u>LONG-TERM</u>	<u>(MEMORANDUM</u>
<u>ASSETS</u>	<u>DEBT</u>	<u>ONLY)</u>
		\$ 1,600,178
		789,848
		828,499
		30,378
		30,378
		67,804
		124,133
		183,181
		24,303
		3,818
		148,029
		882,160
		240,080
80,483,279		3,482,379
		14,238,506
		(6,166,878)
		4,800
	\$ 146,011	146,011
<u>80,483,279</u>	<u>\$ 146,011</u>	<u>\$ 105,388,212</u>

CITY OF WINFIELD, LOUISIANA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)
JUNE 30, 1997

LIABILITIES AND FUND EQUITY	GENERAL	SPECIAL REVENUE	ENTERPRISE
Liabilities:			
Accounts Payable	\$ 97,618	\$ 26,790	\$ 380,807
Accrued Salaries & Related Benefits	75,077		83,711
Due to-Other Funds		65,373	58,254
Sales Taxes Payable			14,313
Payable from Restricted Assets - Customer Deposits			318,877
Notes Payable			52,854
Accumulated Compensated Absences			
Total Liabilities	<u>172,695</u>	<u>92,163</u>	<u>1,098,816</u>
Fund Equity:			
Contributed Capital			6,362,874
Investment in General Fixed Assets			
Retained Earnings:			
Reserved for Emergencies			423,204
Unreserved			2,170,777
Fund Balances:			
Reserved for Economic Development:			
Cash & Time Deposits	765,178		
Notes	185,181		
Reserved For Capital Improvements:			
Fire Department	198,350		
Police Department	1,867		
Reserved for Precedent Taxes & Licenses	1,031		
Reserved for Prepaid Insurance	2,818		
Reserved for Drug Dog	268		
Reserved for Streets, Drainage, & Sidewalks		210,114	
Reserved for Street Improvements		524,292	
Reserved for Water Works		213,718	
Reserved for Sanitation & Landfill		37,350	
Reserved for Water Pool		37,207	
Unreserved - Unassigned	294,733		
Total Fund Equity	<u>3,485,833</u>	<u>1,008,174</u>	<u>8,961,243</u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$1,518,528</u>	<u>\$1,098,341</u>	<u>\$ 9,960,059</u>

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

(Continued)

EXHIBIT A

<u>ACCOUNT GROUPS</u>		<u>TOTALS</u>
<u>GENERAL FIXED</u>	<u>LONG-TERM</u>	<u>(MEMORANDUM</u>
<u>ASSETS</u>	<u>DEBT</u>	<u>DOLL.)</u>
		\$ 784,515
		198,891
		124,135
		14,111
		392,882
	\$ 38,532	81,260
	<u>115,479</u>	<u>135,478</u>
	<u>190,813</u>	<u>3,502,682</u>
		4,262,878
\$ 3,483,379		2,482,179
		417,580
		2,078,778
		268,178
		192,181
		198,323
		1,087
		1,001
		2,028
		380
		318,134
		824,592
		212,718
		22,515
		91,282
		<u>224,712</u>
<u>3,483,379</u>	<u>-</u>	<u>14,235,628</u>
<u>\$ 3,483,379</u>	<u>\$ 146,011</u>	<u>\$16,208,312</u>

CITY OF WINSTON-SALEM, NORTH CAROLINA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES
 YEAR ENDED JUNE 30, 1997

REVENUES	GENERAL REVENUE	SPECIAL REVENUE	TOTALS
			(MEMORANDUM) ONLY
Taxes	\$ 124,886	\$ 807,316	\$ 942,202
License & Permits	181,488		181,488
Intergovernmental Revenues	291,896		291,896
Charges for Services	443,697		443,697
Fees	1,620		1,620
Interest	60,893	28,419	89,312
Miscellaneous	73,211		73,211
Total Revenues	1,159,591	835,735	1,995,326
EXPENDITURES			
Current:			
Personnel	422,865		422,865
Public Safety:			
Police	169,808		169,808
Fire	219,019		219,019
Ambulance	1,828		1,828
Animal Control	28,352		28,352
Collection & Administration		41,480	41,480
Street, Drainage & Maintenance	291,873	269,790	561,663
Water Plant	25,008		25,008
Sanitation & Sanitary Landfill	498,946	89,893	498,946
Recreation	182,313		182,313
Sewer		947,522	947,522
Water		118,268	118,268
Capital Outlay	46,873	110,200	260,073
Debt Service:			
Principal	21,551		21,551
Interest	3,188		3,188
Total Expenditures	2,429,282	812,120	3,241,402
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,129,029	16,615	(1,282,558)

CITY OF WENNFELD, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 ALL DEPARTMENTAL FUND TYPES (CONTINUED)
 YEAR ENDED JUNE 30, 1997

OTHER FINANCING SOURCES (USES)	GENERAL	SPECIAL	TOTALS
			(MINOR FUNDING)
			OTHER
Operating Transfers In:	\$1,322,300	\$ 15,000	\$ 1,337,300
Operating Transfers Out:	(15,000)		(15,000)
Sales of Property	____ 10,000	_____	____ 10,000
Total Other Financing Sources (Uses)	<u>1,317,300</u>	<u>15,000</u>	<u>1,332,300</u>
EXCESS (DEFICIENCY) OF REVENUES & OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES & OTHER FINANCIAL USES	58,347	10,476	68,823
FUND BALANCE - Beginning of Year	<u>1,462,486</u>	<u>509,669</u>	<u>2,072,155</u>
FUND BALANCE - End of Year	<u>\$1,520,833</u>	<u>\$1,008,125</u>	<u>\$ 2,528,958</u>

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

(Continued)

CITY OF WINFIELD, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2007

	<u>GENERAL FUND</u>		<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	
REVENUES:			
Taxes	\$ 215,750	\$ 215,880	\$ 130
Licenses and Permits	180,880	181,688	808
Intergovernmental Revenues	248,823	241,876	(6,947)
Charges for Services	844,043	843,687	(356)
Fees	4,000	3,600	(400)
Interest	86,500	86,683	183
Miscellaneous	83,718	79,219	(4,499)
Total Revenues	<u>1,567,000</u>	<u>1,557,573</u>	<u>(9,427)</u>
EXPENDITURES:			
Current:			
General Government	425,870	421,862	4,008
Public Safety:			
Police	736,200	760,389	(24,189)
Fire	224,280	219,008	5,272
Ambulance	-	3,628	(3,628)
Animal Control	28,080	28,242	(162)
Collections and Administration			
Streets and Highways	207,880	201,875	6,005
Water Pool	33,600	33,608	(8)
Sanitation	477,580	486,248	(8,668)
Recreation	148,670	143,242	(5,428)
Sewer			
Water			
Capital Outlay	42,928	46,877	(3,949)
Debt Service	27,174	24,918	2,256
Total Expenditures	<u>2,273,284</u>	<u>2,269,571</u>	<u>(3,713)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(706,284)</u>	<u>(711,998)</u>	<u>(5,714)</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	1,036,688	1,024,843	(11,845)
Operating Transfers Out	-	(13,080)	(13,080)
Sales of Property	2,700	18,028	(15,328)
Total Other Financing Sources (Uses)	<u>1,039,388</u>	<u>1,029,791</u>	<u>(9,597)</u>
EXCESS (DEFICIENCY) OF REVENUES & OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES & OTHER FINANCING USES	<u>333,104</u>	<u>317,793</u>	<u>(15,311)</u>
FUND BALANCE - Beginning of Year	<u>1,263,486</u>	<u>1,263,486</u>	<u>-</u>
FUND BALANCE - End of Year	<u>1,596,590</u>	<u>1,581,279</u>	<u>(15,311)</u>

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

SPECIAL REPAIRS FUND			TOTAL		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 798,000	\$ 811,363	\$ 13,363	\$ 811,700	\$ 842,304	\$ 30,604
			180,000	181,468	1,468
			248,000	241,976	6,024
			444,040	448,897	4,857
			4,000	3,000	(1,000)
36,500	36,500	0	91,800	87,212	4,588
			62,700	73,211	10,511
<u>824,500</u>	<u>811,814</u>	<u>12,686</u>	<u>1,000,000</u>	<u>1,009,400</u>	<u>9,400</u>
			416,870	420,880	4,010
			776,130	788,520	12,390
			224,000	205,000	19,000
			-	1,628	(1,628)
			18,000	18,252	252
41,200	40,480	(720)	40,200	41,480	1,280
241,200	237,048	(4,152)	241,100	239,824	(1,276)
			30,000	29,000	1,000
304,750	302,180	2,570	302,110	299,231	2,879
			168,070	162,512	5,558
282,000	273,781	8,219	282,000	273,781	8,219
198,200	192,282	5,918	198,200	192,300	5,900
-	21,663	(21,663)	43,900	70,840	(26,940)
			211,24	268,12	(56,88)
<u>798,000</u>	<u>817,392</u>	<u>19,392</u>	<u>1,000,000</u>	<u>1,018,528</u>	<u>18,528</u>
<u>30,000</u>	<u>30,000</u>	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>
	15,000	15,000	1,000,000	1,001,500	1,500
			-	(15,000)	15,000
			3,700	18,078	(14,378)
	<u>15,000</u>	<u>15,000</u>	<u>1,000,000</u>	<u>1,001,500</u>	<u>1,500</u>
30,000	30,478	478	30,318	69,821	39,503
<u>835,000</u>	<u>837,870</u>	<u>2,870</u>	<u>1,000,000</u>	<u>1,001,500</u>	<u>1,500</u>
<u>11,000,000</u>	<u>11,000,174</u>	<u>174</u>	<u>11,000,000</u>	<u>11,001,000</u>	<u>1,000</u>

CITY OF WINNFIELD, LOUISIANA
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 PROPRIETARY FUND TYPE
 ENTERPRISE FUND
 YEAR ENDED JUNE 30, 1997

OPERATING REVENUES	
Charges for Services	\$1,248,248
OPERATING EXPENSES	
Power Purchased	1,998,520
Salaries and Related Costs	548,987
Depreciation	417,485
Property Repairs and Maintenance	148,376
Materials and Supplies	34,815
Utilities and Telephones	23,581
Insurance	68,232
Other Miscellaneous Expenses	<u>28,888</u>
Total Operating Expenses	<u>4,285,314</u>
Operating Income	<u>875,834</u>
NONOPERATING REVENUES (EXPENSES):	
LEPA Related Income	235,307
Interest Income	36,688
Other Miscellaneous Income	25,814
Interest Expense	(3,684)
Loss on Sale of Assets	<u>(2,141)</u>
Total Nonoperating Revenues (Expenses)	<u>271,884</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	1,147,718
Operating Transfers Out	<u>(1,321,662)</u>
NET INCOME (LOSS)	<u>(173,944)</u>
DECREASE (INCREASE) IN RETAINED EARNINGS RESERVED FOR EMERGENCIES	<u>(212,358)</u>
NET CHANGE IN UNRESERVED RETAINED EARNINGS	<u>(386,302)</u>
RETAINED EARNINGS - UNRESERVED - Beginning	<u>2,538,898</u>
RETAINED EARNINGS - UNRESERVED - Ending	<u>\$2,152,596</u>

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

CITY OF WINNFELD, LOUISIANA
 STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
 ENTERPRISE FUND
 YEAR ENDED JUNE 30, 1997

EXHIBIT I

CASH FLOWS FROM OPERATING ACTIVITIES:	
Operating Income for Year	\$ 871,814
Adjustment to Reconcile Net Income to Net Cash Provided by Operating Activities-	
Depreciation	417,499
Nonoperating Income	340,931
Changes in Assets & Liabilities-	
(Increase) Decrease in Accounts Receivable	31,091
(Increase) Decrease in Inventory	(21,578)
(Increase) Decrease in Other Receivables	(821)
Increase (Decrease) in Accounts Payable	14,180
Increase (Decrease) in Accrued Expenses	(197,124)
Increase (Decrease) in Customer's Deposits - Net of Refunds	89,476
Increase (Decrease) in Due to Other Funds	(5,887)
Net Cash Provided by Operating Activities	<u>1,365,459</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Net Transfers to Other Funds	(1,122,665)
Net Cash Used by Non-capital Financing Activities	<u>(1,122,665)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Interest Paid on Installment Note Payable	(3,604)
Acquisition & Construction of Capital Assets	(141,198)
Sale of Capital Assets	4,814
Principal Paid on Installment Note Payable	(12,960)
Contributed Capital	<u>28,039</u>
Net Cash Used for Capital and Related Financing Activities	<u>(130,913)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest Income	28,689
Investment Security Maturity	48,080
Purchase of Investment Securities	(48,080)
Net Cash From Investing Activities	<u>28,689</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	47,601
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>610,078</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 657,679</u>

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

NOTES TO FINANCIAL STATEMENTS

CITY OF WINNFELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

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 entities. 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 1982 and operates under an elected Mayor - Board of Aldermen form of government. The City's major operations include public safety, fire protection, ambulance, 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 criteria 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 is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

(Continued)

CITY OF WINFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1997

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

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

Winfield City Court -

The Winfield 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 or 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 Winfield, Louisiana, has no oversight responsibility for the City Court, and therefore, the financial statements of the Court are excluded from the reporting entity.

Winfield City Marshal -

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

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

The city marshal 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)

CITY OF WINNFELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1997

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 surpluses, nor guarantees 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 government 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 segregating transactions relating to certain government functions or activities. The various funds are grouped, in the financial statements in this report, into general 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)

CITY OF WINFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1997

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 revenue 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 trusts, 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 (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present revenues (income) and expenses (expense) in net total assets.

The fund included in this category is the Enterprise Fund.

Enterprise Fund

The enterprise fund is used to account for activities (a) that are financial and operated in a manner similar to private business enterprises - where the intent of the governing body is that the activities, 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 decided

(Continued)

CITY OF WINFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1997

the periodic determination of revenue 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 exclude fixed assets in the Enterprise 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 (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are used 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 works ("infrastructure") general fixed assets consisting of certain improvements, including roads, bridges, curbs 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 WINNFIELD, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 1957

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:	
Trunks, rails	3-8
Equipment	3-10
Electrical machinery and switchboard	48
Switching station and sub-station	10-15
Power plant building	50
Water Department:	
Water wells	25
Reservoir, tanks, and chlorinator	25
Pumps, machinery, and equipment	3-10
Trucks and tractor	4-10
Water works property	48
Sewer Department:	
Sewer property and treatment plant	48
Machinery and equipment	3-10
Trucks and tractor	4-10

Long-term liabilities expected to be financed from governmental fund types are accounted for in the General Long-Term Debt Account Group, set 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 account and reported in the financial statements. Basis of accounting refers to the timing of the measurement made, regardless of the measurement basis applied.

(Continued)

CITY OF WINNETKA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1997

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 revenues 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, penalties, donations and interest, and miscellaneous revenues are not susceptible to accrual because generally they are not measurable and 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. Purchases 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.

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

Budgetary and Budgetary Accounting -

Fund 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 150 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, 1997

4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an appropriation ordinance or adoption resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary adjustments 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 Winfield, Louisiana.

Cash and Cash Equivalents -

Consistent with GASB Statement 9, "Reporting Cash Flows of Proprietary and Nonresponsable Trust Funds and Governmental Entities that use Proprietary Fund Accounting", the City of Winfield 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 unbillable revenues from the occupation 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 WINNFELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1997

Bad Debt -

Uncollectible amounts due for ad valorem 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) -

Transfers 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 created by all funds affected in the period in which transactions are incurred.

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.

Inventories -

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)

CITY OF WINNFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1997

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 four hundred and eighty (480) hours.

The cost of unused leave privileges, computed in accordance with GASB Codification C 68, 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, 1997, 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 solicited for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on the 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 WINFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1997

Restricted Assets -

Certain resources 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 a fund 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. Manufacturing or non-revenue 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 30, 1993, by the Board of Aldermen, which was approved in a special election on July 27, 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 Suburbs	33%
Street Improvements	30%
Water Works	23%
Sanitary Landfill and Sanitation	10%
Motor 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.

Use of Estimates -

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds during the reporting period.

(Continued)

CITY OF WINNFELD, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 1997

5. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance 7-1-95	Additions	Deletions	Balance 6-30-97
Land	\$ 848,812			\$ 848,812
Buildings	1,111,481	\$ 14,950		1,148,436
Equipment	1,611,584	113,082	\$ 21,478	1,698,088
Total	\$1,571,877	\$128,032	\$ 21,478	\$1,678,431

6. Enterprise Fund Property, Plant and Equipment

A summary of enterprise fund property, plant and equipment at June 30, 1997 follows:

Land	\$ 5,080
Buildings	85,121
Construction in Progress	77,983
Electrical Substation	1,218,031
Industrial Machinery	2,857,785
Sewer Treatment Plant	2,804,200
Sewer System	2,212,399
Water System	4,665,725
Trucks, Machinery & Equipment	793,686
Less: Accumulated Depreciation	<u>(6,118,870)</u>
Total	\$ 8,311,628

7. Long-Term Debt

General Long-Term Debt

Installment Note Payable - Proceeds from this loan were used to purchase four police cars. This loan is being paid from general fund revenues. This note bears interest at 8% and is payable in 36 monthly installments of \$2,363.

Compensated Absence - At June 30, 1997, employees of the City of Winfield, Louisiana have accumulated and vested \$135,281 of employee leave benefits, which were computed in accordance with GASB Codification 68. \$113,079 is recorded within the General Long-Term Debt Account Group and \$22,202 is recorded as a liability within the enterprise fund.

(Continued)

CITY OF WINFIELD, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 1997

The following is a summary of changes in general long-term debt for the year ended June 30, 1997:

	Balance 7-1-96	Additions	Reductions	Balance 6-30-97
Installment Note Payable	\$ 53,894		\$ 32,532	\$ 21,362
Compensated Absence	\$114,808	\$ 933		\$115,741
Total	\$168,702	\$ 933	\$ 32,532	\$137,103

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 6.7% and is payable in 60 monthly installments of \$1,388.

The annual debt service requirements to maturity of all installment notes payable at June 30, 1997, including interest payments of \$7,047 are as follows:

Year Ending June 30	General Long-Term Debt	Enterprise Fund	Total
1998	\$ 21,174	\$ 16,364	\$ 37,538
1999	4,530	16,364	20,894
2000		16,364	16,364
2001		8,241	8,241
Totals	\$ 25,704	\$ 57,333	\$ 83,037

8. Dedication of Proceeds and Flow of Funds

Under the provisions of an ordinance adopted July 20, 1990, the proceeds of the 1.12% sales and use tax after provision for the cost of administration, are dedicated for the following specific purposes:

	Percentage	Collections, Year Ended June 30, 1997
Streets, Drainage and Sidewalks	30%	\$ 250,311
sewer Improvements	30%	227,737
Water Works	25%	189,781
Sanitary Landfill and Sanitation	15%	75,942
Master Plan	10%	15,182
Totals	100%	\$ 759,153

(Continued)

CITY OF WINSFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2007

9. Employees 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 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 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 3 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 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, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 925-8810.

Funding Policy. Under Plan A, members are required by state statute to contribute 5.25 percent of their annual covered salary and the City of Winfield is required to contribute an actuarially determined rate. The current rate is 6.25 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (one-quarter cent) of the total sales tax (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 11:185, the employee 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 WINNFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1997

prior fiscal year. The City of Winfield's contributions to the System under Plan A for the years ending June 30, 1991, 1993, and 1995 were \$32,548, \$35,680, and \$44,818, 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 50 with at least 20 years of creditable service or at or after age 35 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 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 previously and receive the benefits 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 Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2150, or by calling (504) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 3.0 percent of their annual covered salary and the City of Winfield 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 II:100, 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, 1991, 1993 and 1995 were \$27,912, \$26,881, and \$24,623, 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 cease an existence before January 1, 1990, exempting itself from participation in the System. Employees are eligible to retire at or after age 50 with at least 12 years of creditable service or at or after age 30 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 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 0-

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CITY OF WINNFELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1987

employee's average salary over the 36 consecutive or joint 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 benefits accorded 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 Firefighters Retirement System, Post Office Box 55093, Baton Rouge, Louisiana 70804, or by calling (504) 923-4262.

Funding Policy: Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 9.8 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 11:903, 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, 1987, 1986, and 1985 were \$2,001, \$2,247, and \$5,233, respectively, and were equal to the required contributions for each year.

D. Louisiana State Employees' 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 any 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 2.5 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 number

(Continued)

CITY OF WINFIELD, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 1997

of years of service as a judge or court officer times 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 Employees' Retirement System, Post Office Box 44013, Baton Rouge, Louisiana 70804, or by calling (800) 295-3000.

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 12.4 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 13:103, the employee 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, 1997, 1996, and 1995 were \$300, \$216, and \$214, respectively, and were equal to the required contributions for each year.

30. 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, 1997, the City's cash and investments totaled \$3,137,656. Bank account balances at June 30, 1997, totaled \$1,944,287. Of the amounts held in commercial banks, \$180,417 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, 1997. 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 broker'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-					
Petty Cash	\$ 3,186	\$ 0	\$ 0	\$ 3,186	\$ 3,186
Demand Deposits	140,432	1,563,796	0	1,704,248	1,704,248
Certificates of Deposit	180,869	1,985,433	0	1,985,433	1,185,417
Investments-					
U. S. Government Securities	240,000	0	0	240,000	240,000
Total	<u>\$ 483,537</u>	<u>\$1,649,229</u>	<u>\$ 0</u>	<u>\$3,132,766</u>	<u>\$3,132,731</u>

(Continued)

CITY OF WINFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1997

11. Compensation of City Councilmen

A detail of compensation paid to individual councilmen for the year ended June 30, 1997 follows:

Kenneth Caldwell	\$ 6,808
William Holden	6,808
Andrew Howard	6,808
John Latta	6,808
Jeremy Williams	6,808
Total	<u>\$33,040</u>

12. Lease Obligations

The City of Winfield, Louisiana was not obligated under any capital or operating lease commitments at June 30, 1997.

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 Notes Receivable - This reserve was created to represent the economic development notes 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 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, 1997

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

Reserve for Proposed 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.

Reserve for Prepaid Insurance - This reserve represents insurance expenses for the next fiscal year paid in the fiscal year ended June 30, 1997, and recorded as a current asset. This amount is not available for future expenditure.

Reserve 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

Reserve 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.

Reserve for Sewer Improvements - This reserve was created to represent sales taxes collected that are legally dedicated for sewer treatment.

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

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

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

Enterprise Fund

Reservations of retained earnings of the enterprise fund are created by increases in assets restricted for enterprises. 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 WINFIELD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1997

Retained Earnings - Reserved for Emergencies - On November 12, 1994, the governing body of the City of Winfield established an Emergency Reserve Fund 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. Monthly contributions of \$1,000 are made to the Emergency Reserve Fund if the balance in the fund is below \$400,000. If the balance in the fund is in excess of \$400,000 but less than \$500,000, interest earned on the fund is to be deposited back into the fund until the balance reaches \$500,000. When the balance of the fund reaches \$500,000, interest earned on the fund is to be deposited into the general revenues of the Utility Fund. This reserve represents funds restricted for that purpose as June 30, 1997.

14. Economic Development Notes Receivable

At June 30, 1997, the City of Winfield, Louisiana had economic development notes outstanding of \$283,181 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 8% to 11%, 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, net coverage 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, theft of, damage to, and destruction 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 protect significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

17. LEPA Rebate

On June 24, 1991, the City of Winfield received a refund of \$371,265 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 a pro-rata amount based on their consumption during the periods related to the LEPA refund. On January 14, 1997, the governing authority of the City of Winfield elected to transfer the remaining rebate funds, that had not been claimed by customers, into the Emergency Reserve Fund. These funds amounted to \$216,167.

(Continued)

CITY OF WINFIELD, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 1997

18. Contributed Capital

During the year ended June 30, 1997, contributed capital changed in the following amounts:

Utility Fund - Contribution by Municipalities - Sales Tax Fund	\$ 121,000
Contributed Capital at June 30, 1996	6,161,800
Contributed Capital at June 30, 1997	<u>6,282,800</u>

19. Fund Deficits

At June 30, 1997, no individual fund of the City had a fund deficit.

20. Expenditures - Actual and Budget

The following individual fund had actual expenditures over budgeted expenditures for the year ended June 30, 1997:

Fund	Budget	Actual	Unfavorable Variance
Special Revenue Fund	\$794,400	\$817,319	\$22,919

(Continued)

WHITE & BATES
CERTIFIED PUBLIC ACCOUNTANTS
200 NORTH OAK STREET
P. O. BOX 1000
MONROE, LA. 71201
— — —
225-382-1800
FAX: (504) 382-0988

LAKECHARLES, MISSISSIPPI

MONROE, MISSISSIPPI

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE 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 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, 1997, and have issued our report thereon dated December 15, 1997.

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

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

In planning and performing our audit of the general purpose financial statements of the City of Winfield, Louisiana, for the year ended June 30, 1997, 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

or operation of the internal control structure that, in our judgment, could adversely affect the City's ability to record, process, summarize, and report financial data consistent with the objectives of management in the general purpose financial statements.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following reportable condition that we believe to be a material weakness. (Responses are provided by the City's Mayor, Duane Thornton.)

General Ledger

Condition - The City Clerk is responsible for maintaining and posting monthly cash receipts and disbursement transactions to the general ledger system. The City's general ledger is not always posted in a timely manner due to the other numerous and varied responsibilities of the Clerk. This situation does not provide for timely reconciliation of individual account balances with the general ledger balances and does not provide timely financial data for management of the City operations.

Recommendation - We recommend that the City Clerk's duties and responsibilities be revised so that adequate time is provided for maintaining the general ledger system in a timely manner.

City's Response - I agree with your observation and the duties and responsibilities of all City accounting personnel have been reviewed and appropriate revisions have been made to eliminate this situation. At the present time, the City's general ledger is being posted in a timely manner and the City Clerk is able to provide management of the City accurate financial information that is not only timely but is also very accurate!

This condition was considered in determining the nature, timing, and extent of the audit tests to be applied in our audit of the general purpose financial statements for the year ended June 30, 1997.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of the City of Winfield, Louisiana, in a management letter dated December 15, 1997.

This report is intended for the information of management of the City of Winfield and any applicable regulatory or other governmental bodies. 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 & Berry

White & Berry, CPA's
December 15, 1997
Winfield, Louisiana

WHITE & BATES
CERTIFIED PUBLIC ACCOUNTANTS
200 NORTH JAMIL STREET
P. O. BOX 1009
WINFIELD, LA 70093

PHONE: 937-
FAX: 937-429-0884

LAWS 1011 1/97/1/98

REPORT 10-10-98

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

To the Honorable Denise Thurston, 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, 1997, and have issued our report thereon dated December 15, 1997.

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

Compliance with laws, regulations, contracts, and grants applicable to the City of Winfield, 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, the objective of our audit of the general purpose financial statements 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 are required to be reported under Government Auditing Standards.

We did note several instances of noncompliance that we have reported to the management of the City of Winfield in a management letter dated December 15, 1997.

This report is intended for the information of the management of the City of Winfield 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 Winfield, is a matter of public record.

White & Bates

White & Bates, CPAs
December 15, 1997
Winfield, Louisiana

City of Winnfield

PHONE (518) 628-7009
FAX (518) 628-2072
P. O. BOX 506
WINNFIELD, LOUISIANA
71483



Deano Thornton, Mayor

Aldermen
KENNY CALDWELL
WILLIE HOLLAND
ANDREW HOWARD
JOHN LUTTEN
JERRY WILLIAMS

December 25, 1997

White & Bates
Certified Public Accountants
P. O. Box 1397
Winnfield, LA 71483

Dear Sirs:

The following sets forth our response, including any remedial actions taken, to certain comments included in your report for the City of Winnfield for the year ended June 30, 1997:

1. Documentation Supporting Cash Disbursements

Recommendation - City personnel should obtain detailed invoices for all items purchased by the City. If payment is made by statement, all charges noted on the statement should be matched with the detailed invoices before payment is made. Also, in regards to travel expenditures, the detailed invoices or other supporting documentation should include information as to who made the trip, the purpose of the trip, and the location of the trip.

Response - All purchases by the City are required to have adequate supporting documentation before disbursement is made. The documentation is to consist of sufficient detail to enable accounting personnel to determine the reason for the purchase, the authority for the purchase, and the proper recording of the purchase as to correct department and fund. Also, all travel expenditures will be supported by documentation in sufficient detail to determine purpose of trip, personnel making the trip, and location of the trip.

2. Unlited Customer Deposits

Recommendation - A detailed analysis of the customer deposit listing should be performed and any remaining deposits from inactive customers should be applied to outstanding balances and if applicable any excess deposit should be refunded to the customer.

Response - A detailed analysis of the customer deposit listing will be performed by the head of the utility billing department. Any remaining deposits from inactive customers will be applied to outstanding balances. If there are any excess deposit balances from inactive customers, these funds will be refunded to the customer or if appropriate will be returned to the State of Louisiana as unclaimed property.

Sincerely,

A handwritten signature in black ink, appearing to read "Deane Thomas", written over a horizontal line.

Deane Thomas
Mayor

WHITE & BATES

CERTIFIED PUBLIC ACCOUNTANTS
207 NORTH WILK STREET
P. O. BOX 190
WINFIELD, LA 71483

—
—
TELEPHONE
FACSIMILE

LA000001 | 12/15/1997

00000001 | 12/15/1997

December 15, 1997

Mayor Thornton,
City of Winfield,
P. O. Box 509
Winfield, LA 71483

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, 1997, we considered the City's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on 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 15, 1997 on the general purpose financial statements or the related reports on internal control structure and compliance.

Documentation Supporting Cash Disbursements

Observation - While performing tests of cash disbursements, we noted that supporting documentation for certain expenditures (primarily those related to travel) included summary statements rather than individual invoices for items purchased. These statements did not provide detail information as to the reason for the disbursement. (e.g. - credit card statements related to credit cards used by City personnel for travel did not provide the reason for the trip, the personnel making the trip, or the itemized charges in relation to the trip.) Upon request of City personnel, they were able to obtain detailed invoices for substantially all of these items from the vendors, however, this may not always be the case in future transactions.

Recommendation - We recommend that City personnel obtain detailed invoices for all items purchased by the City. If payment is made by statement, all charges noted on the statement should be matched with the detailed invoices before payment is made. Also, in regards to travel expenditures, the detailed invoices or other supporting documentation should include information as to who made the trip, the purpose of the trip, and the location of the trip.

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 those 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.

We will review the status of these comments during our next audit engagement. We have already discussed certain 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

FINANCIAL SCHEDULES OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS

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 WYOMING, LOUISIANA
 GENERAL FUND
 BALANCE SHEET
 JUNE 30, 1997

EXHIBIT F-1

ASSETS

Cash & Cash Equivalents	\$ 454,250
Time Deposits	788,848
Receivables:	
Due From Other Governments:	
State of Louisiana	30,770
Miss Parish Police Jury	34,328
Due From Other Funds	68,170
Economic Development Notes Receivable	180,181
Other	18,637
Prepaid Insurance Expense	<u>2,035</u>
TOTAL ASSETS	<u>\$1,578,128</u>

LIABILITIES & FUND BALANCES

Liabilities:	
Accounts Payable	97,418
Payroll & Related Benefits	<u>75,027</u>
Total Liabilities	<u>172,445</u>
Fund Balances:	
Reserved Fund Balances:	
Reserved For Economic Development:	
Cash & Time Deposits	350,178
Notes	180,181
Reserved For Capital Improvements:	
Fire Department	198,210
Police Department	1,867
Reserved For Franchise Taxes & Licenses	1,831
Reserved For Pledged Insurance	2,218
Reserved For Dog Dog - Police Department	508
Unreserved Fund Balance - Undesignated	<u>254,125</u>
Total Fund Balances	<u>1,405,683</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$1,578,128</u>

Supplementary schedule: Presented in additional analytical data.

CITY OF WINFIELD, LOUISIANA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1997

REVENUES:	BUDGET	ACTUAL	VARIANCE PAYORABLE (UNDER/OVER)
Taxes:			
Ad Valorem	\$ 82,980	\$ 93,013	\$ 10,033
Franchise	45,250	41,825	(3,425)
Total Taxes	<u>128,230</u>	<u>134,838</u>	<u>6,608</u>
Licenses and Permits:			
Occupational Licenses	173,680	173,688	8
Other Licenses & Permits	7,800	7,800	-
Total Licenses & Permits	<u>181,480</u>	<u>181,488</u>	<u>8</u>
Intergovernmental Revenues:			
Beer & Tobacco Taxes	38,200	27,053	(11,147)
Vulco Poker Robots	78,800	181,439	102,639
2% Fire Insurance Rebate	27,800	26,099	(1,701)
Fire Service - Parish	43,200	41,615	(1,585)
Winn Parish Police Jury - Streets	13,800	13,080	-
Winn Parish Police Jury - Recreation	8,800	16,080	8,280
State of Louisiana	30,820	23,820	(7,000)
Total Intergovernmental Revenues	<u>268,420</u>	<u>420,976</u>	<u>152,558</u>
Charges for Services:			
Sanitation	415,080	426,868	1,088
Amberlens	400	395	(5)
Other	18,045	18,260	215
Total Charges for Services	<u>433,525</u>	<u>445,523</u>	<u>11,998</u>
Fees	4,080	3,628	(452)
Interest	66,880	60,693	(6,187)
Miscellaneous Revenues:			
Rental Buildings & Equipment	23,808	31,887	7,979
Other	38,818	41,348	2,530
Total Miscellaneous Revenues	<u>62,626</u>	<u>73,235</u>	<u>10,609</u>
TOTAL REVENUES	<u>1,142,030</u>	<u>1,158,971</u>	<u>16,941</u>

(Continued)

CITY OF MONROE, LOUISIANA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1997

EXPENDITURES:	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Current:			
General Government:			
Salaries & Related Costs	198,558	198,488	662
Insurance	33,800	36,468	(2,668)
Utilities & Telephone	44,375	48,378	(4,003)
Legal & Accounting	50,238	53,716	(3,478)
Advertising & Signs	14,608	14,488	120
Economic Development	3,818	3,818	-
Travel and Training	8,208	8,683	(475)
Property Repairs and Maintenance	9,908	4,303	5,605
Airport	6,908	7,318	(410)
Coroner	36,180	34,528	1,652
Office Supplies	12,530	13,398	(868)
Capital Expenditures	6,080	6,146	(66)
Other	32,074	35,353	(3,279)
Total General Government	428,828	433,865	(5,037)
Public Safety:			
Police:			
Salaries & Related Costs	608,208	604,884	3,324
Insurance	23,508	23,612	104
Vehicle Costs	21,808	21,232	576
Utilities & Telephone	14,408	14,758	(350)
Prisoner Maintenance	40,808	43,652	2,844
Property Repairs & Maintenance	5,408	5,414	(6)
Capital Expenditures	21,008	27,848	(6,840)
Other	28,120	33,084	(4,964)
Total Police	738,368	739,388	(1,020)
Fire:			
Salaries & Related Costs	172,500	172,914	414
Insurance	18,000	9,041	8,959
Utilities & Telephone	8,980	8,980	-
Training & Seminars	6,280	5,844	436
Travel Costs	4,180	3,583	697
Capital Expenditures	5,000	5,000	-
Other	8,220	18,872	(10,652)
Total Fire	224,260	229,248	(4,988)

(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, 1997

EXPENDITURES (Continued):	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Ambulance	-----	1,628	1,628
Animal Shelter:			
Salaries & Related Costs	21,190	21,374	(184)
Veterinarian & Medicines	2,680	2,404	276
Other	4,190	4,554	(364)
Total Animal Shelter	28,060	28,332	(272)
Streets, Drainage & Sidewalks:			
Salaries & Related Costs	212,908	212,694	(214)
Insurance	14,508	13,248	1,260
Truck Costs	21,208	18,435	2,773
Street Materials & Repairs	8,418	179	8,239
Engineering	-	6,895	(6,895)
Services, Drainage & Sidewalks	29,408	33,814	(4,406)
Capital Expenditures	-	1,158	(1,158)
Other	21,238	7,182	14,056
Total Streets, Drainage & Sidewalks	287,562	293,825	(6,263)
Motor Pool:			
Salaries & Related Costs	35,990	35,842	148
Parts & Supplies	4,090	3,820	270
Other	4,780	4,544	236
Total Motor Pool	44,860	44,206	654
Sanitation & Sanitary Landfill:			
Composting Station:			
Salaries & Related Costs	71,708	71,883	(175)
Tipping Fees	30,908	31,313	(405)
Utilities & Telephone	1,408	1,419	(11)
Repairs & Maintenance	3,308	30,334	(26,926)
Vehicle Costs	13,308	11,785	1,523
Other	30,358	9,317	21,041
Total Composting Station	151,018	156,087	(5,069)

(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, 1997

EXPENDITURES (Continued)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Garbage Pickup:			
Salaries & Related Costs	62,500	61,217	1,283
Insurance	11,800	8,119	3,681
Private Waste Collection Fees	286,508	188,188	198,320
Vehicle Costs	8,700	5,475	3,225
Other	700	60	640
Total Garbage Pickup	<u>369,208</u>	<u>263,059</u>	<u>106,149</u>
Total Sanitation & Sanitary Landfill	<u>407,268</u>	<u>288,226</u>	<u>119,042</u>
Recreation:			
Salaries & Related Costs	85,980	108,427	(22,447)
Utilities & Telephone	12,520	12,478	42
Repairs & Maintenance	15,150	14,823	(327)
Supplies	23,480	22,087	1,393
Capital Expenditures	6,880	2,775	(4,105)
Other	<u>13,990</u>	<u>15,214</u>	<u>(1,224)</u>
Total Recreation	<u>158,900</u>	<u>182,212</u>	<u>(23,312)</u>
Capital Outlay	<u>42,320</u>	<u>86,812</u>	<u>(44,492)</u>
Data Service	<u>27,133</u>	<u>24,818</u>	<u>2,315</u>
TOTAL EXPENDITURES	<u>2,672,214</u>	<u>2,402,187</u>	<u>270,027</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,310,184)	(1,279,020)	31,164
OTHER FINANCING SOURCES (USES)	<u>1,388,380</u>	<u>1,311,373</u>	<u>(77,007)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	7,196	32,347	25,151
FUND BALANCE - Beginning of Year	<u>1,367,886</u>	<u>1,367,886</u>	—
FUND BALANCE - End of Year	<u>\$ 1,375,082</u>	<u>\$ 1,400,233</u>	<u>\$ 25,151</u>

Supplementary schedules: Presented as additional analytical data.

(Continued)

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 28, 1993, by the Board of Aldermen, which was approved in a special election on July 17, 1993, provides that the proceeds of the sales tax, after costs of administering the fund, be dedicated for the following purposes:

Streets, Drainage and Sidewalks	33%
Sewer Improvements	30%
Water Works	15%
Sanitary Landfill and Sanitation	10%
Motor Pool	<u>12%</u>
	<u>100%</u>

CITY OF WINSFIELD, LOUISIANA
 SPECIAL REVENUE FUND
 SALES TAX FUND
 BALANCE SHEET
 JUNE 30, 1997

EXHIBIT G-1

ASSETS

Cash and Cash Equivalents	\$ 994,700
Receivables	
Due From Other Governments	67,884
Water Parity School Board	47,828
Due From Other Funds	<u> </u>
TOTAL ASSETS	\$1,110,312

LIABILITIES AND FUND BALANCES

Liabilities	
Accounts Payable	\$ 26,798
Due to Other Funds	<u>65,377</u>
Total Liabilities	<u>92,175</u>
Fund Balances	
Reserved Fund Balances	
Reserved for Streets, Drainage and Sidewalks	218,174
Reserved for Street Improvements	524,582
Reserved for Water Works	213,718
Reserved for Sanitary Landfill and Sanitation	92,359
Reserved for Motor Fuel	<u>37,582</u>
Total Fund Balance - Reserved	<u>1,096,435</u>
TOTAL LIABILITIES & FUND BALANCE	\$1,110,311

Supplementary schedule: Presented as additional analytical data.

CITY OF WINNFIELD, 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, 1997

REVENUES:	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Taxes - Sales Taxes	\$ 798,000	\$ 807,805	\$ 9,815
Interest Income	26,500	26,519	19
Total Revenues	<u>824,500</u>	<u>834,324</u>	<u>9,824</u>
EXPENDITURES			
Current			
Collection and Administration	43,200	43,493	(293)
Streets, Drainage & Sewerline	243,250	287,948	(44,698)
Sanitation & Sanitary Landfill	104,750	103,285	1,465
Sewer	205,000	223,780	(18,780)
Water	198,200	177,200	21,000
Capital Outlay	-----	27,662	(27,662)
Total Expenditures	<u>794,400</u>	<u>813,368</u>	<u>(21,858)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>30,100</u>	<u>20,956</u>	<u>(9,144)</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfer In	-----	13,000	13,000
EXCESS (DEFICIENCY) OF REVENUES & OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES & OTHER FINANCING (USES)	<u>30,100</u>	<u>33,956</u>	<u>(3,856)</u>
FUND BALANCE, Beginning of Year	<u>526,608</u>	<u>505,608</u>	<u>21,000</u>
FUND BALANCE, End of Year	<u>\$ 556,708</u>	<u>\$ 539,564</u>	<u>\$ 17,144</u>

Supplementary schedule. Presented as additional analytical data.

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 WINFIELD, LOUISIANA
 ENTERPRISE FUND
 UTILITY FUND
 BALANCE SHEET
 JUNE 30, 1997

EXHIBIT 33-1

ASSETS

Current Assets	
Cash & Cash Equivalents	\$ 181,510
Reservations:	
Utility Billings	828,499
Other	3,665
Due from Other Funds	3,131
Inventory, at cost	<u>149,628</u>
Total Current Assets	<u>1,171,433</u>
Restricted Assets:	
Customer Deposits	
Cash & Cash Equivalents	68,670
Investments	248,080
Emergency Reserve Account:	
Cash & Cash Equivalents	<u>412,490</u>
Total Restricted Assets	<u>729,240</u>
Property, Plant, and Equipment, at cost, Net of Accumulated Depreciation - \$6,165,878	<u>8,061,658</u>
Other Assets:	
Receivable Deposits	<u>4,800</u>
TOTAL ASSETS	<u>\$ 2,968,231</u>

(Continued)

CITY OF WINNFIELDS, LOUISIANA
 ENTERPRISE FUND
 UTILITY FUND
 BALANCE SHEET
 JUNE 30, 1997

EXHIBIT H-1

LIABILITIES AND FUND EQUITY

Current Liabilities (Payable from Current Assets)	
Accounts Payable	\$ 580,007
Accrued Salaries Payable	53,899
Payroll Withholdings & Related Deductions	27,831
Due to Other Funds	58,738
Sales Taxes Payable	94,011
Current Portion of Notes Payable	<u>11,275</u>
Total Current Liabilities (Payable from Current Assets)	<u>725,801</u>
Current Liabilities (Payable from Restricted Assets)	<u>218,051</u>
Customer Deposits Payable	<u>218,051</u>
Long Term Liabilities:	
Installment Note Payable	<u>38,785</u>
Total Liabilities	<u>982,637</u>
Fund Equity:	
Contributed Capital:	
Municipality	1,177,651
Parish and/or Sewer District	495,668
Louisiana Department of Public Safety and Corrections	1,204,280
Customers and Federal Government	<u>1,219,179</u>
Total Contributed Capital	<u>4,096,778</u>
Retained Earnings:	
Reserved for Emergencies	427,580
Unreserved	<u>2,176,715</u>
Total Retained Earnings	<u>2,604,295</u>
Total Fund Equity	<u>6,701,073</u>
TOTAL LIABILITIES AND FUND EQUITY	\$ 7,383,710

Supplementary schedules: Presented as additional analytical data

(Continued)

CITY OF WINSTON, LOUISIANA
 ENTERPRISE FUND
 UTILITY FUND
 SCHEDULE OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 YEAR ENDED JUNE 30, 1997

OPERATING REVENUES:

Charges for Services:

Electric Department:

Electricity Sales	\$2,709,177
Fuel Adjustment	1,614,217
Penalties	100,000
Service Fees	<u>64,832</u>
Total Electric Department	4,488,226

Water Department:

Water Sales	417,501
Service Fees	<u>1,360</u>
Total Water Department	418,861

Sewer Department:

Sewer Service Charges	217,328
Service Fees	<u>1,122</u>
Total Sewer Department	218,450

Total Operating Revenues

5,145,538

OPERATING EXPENSES:

Electric Department:

Power Purchased	2,980,378
Salaries & Related Costs	183,773
Depreciation	134,189
Property Repairs & Maintenance	131,086
Insurance	29,369
Materials & Supplies	56,793
Utilities & Telephone	2,110
Other Miscellaneous Expenses	<u>3,822</u>

Total Electric Department

3,472,681

(Continued)

CITY OF WINFIELD, LOUISIANA
 ENTERPRISE FUND
 UTILITY FUND
 SCHEDULE OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS (CONTINUED)
 YEAR ENDED JUNE 30, 1997

OPERATING EXPENSES: (Continued)

Water Department:

Salaries & Related Costs	100,647
Property Repairs & Maintenance	2,371
Depreciation	143,918
Insurance	12,400
Materials & Supplies	8,948
Utilities & Telephone	186
Other Miscellaneous Expenses	<u>902</u>
Total Water Department	<u>279,372</u>

Sewer Department:

Salaries & Related Costs	88,377
Depreciation	157,393
Property Repairs & Maintenance	6,475
Utilities & Telephone	9,043
Waste Water Treatment	184
Materials & Supplies	2,330
Insurance	9,181
Other Miscellaneous Expenses	<u>1,880</u>
Total Sewer Department	<u>275,663</u>

General & Administrative:

Salaries & Related Costs	171,078
Utilities & Telephone	10,798
Materials & Supplies	16,344
Property Repairs & Maintenance	8,444
Bad Debt	21,993
Insurance	9,172
Other Miscellaneous Expenses	<u>1,827</u>
Total General & Administrative	<u>239,686</u>

(Continued)

CITY OF WINNFIELD, LOUISIANA
 ENTERPRISE FUND
 UTILITY FUND
 SCHEDULE OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS (CONTINUED)
 YEAR ENDED JUNE 30, 1987

EXHIBIT H-3

OPERATING EXPENSES (continued)

Total Operating Expenses	4,280,718
Operating Income	<u>871,834</u>
NON-OPERATING REVENUES (EXPENSES):	
LEPA Refund Income	316,807
Interest Income	36,689
Other Nonoperating Income	25,814
Interest Expense	(1,684)
Loss on Surplus Sales	<u>3,143</u>
Total Non-Operating Revenues (Expenses)	<u>371,663</u>
INCOME BEFORE OPERATING TRANSFERS	1,243,497
Operating Transfers Out	<u>(1,321,600)</u>
NET INCOME (LOSS)	(78,103)
(INCREASE) DECREASE IN RETAINED EARNINGS RESERVED FOR EMERGENCIES	<u>(212,320)</u>
NET CHANGE IN UNRESERVED RETAINED EARNINGS	(388,123)
RETAINED EARNINGS - UNRESERVED - Beginning	<u>2,598,898</u>
RETAINED EARNINGS - UNRESERVED - Ending	<u>\$2,210,775</u>

Supplementary schedule: Presented in additional analytical data.

(Continued)

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.

CITY OF WINNFIELD, LOUISIANA
DETAILED SCHEDULE OF GENERAL FIXED ASSETS
JUNE 30, 1997

GENERAL FIXED ASSETS, at cost

Land	\$ 178,372
Crucery Addition	250
Buildings:	
Equipment Building	28,138
City Hall	88,524
Allen Building	221,879
Starnfeld Industrial Facility	464,200
Fuel Building	60,990
Museum	67,450
Dog Pound	1,778
American Tar and Turpentine Plant	194,898
Donald C. Ayres Airport	309,234
Garbage Assets	304,824
Recreation Assets	218,787
Mini-Parks	68,700
Winn Arboretum Assets	150,087
Furniture and Fixtures	24,990
Machinery, Equipment, and Trucks	904,074
Tax Station	<u>228,485</u>

TOTAL GENERAL FIXED ASSETS**\$1,482,279****INVESTMENT IN GENERAL FIXED ASSETS:**

All Veterans Taxes (Fire Bond)	\$ 30,718
Economic Development Funds & Grants	782,348
Community Development Block Grant	840,800
Grassroots Donation	58,152
Winn Parish Police Jury Funds	18,808
Federal Grants	71,099
General & Sales Tax Fund Revenues	904,082
General Obligation Bonds	460,000
Federal Aviation Administration Grant	280,444
Other State Grants	<u>82,159</u>

TOTAL INVESTMENT IN GENERAL FIXED ASSETS**\$1,482,279**

Supplementary schedule. Presented by additional analytical data.

CITY OF WINFIELD, LOUISIANA
 DETAILED SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
 JUNE 30, 1987

GENERAL FIXED ASSETS, at cost	Balance 7/1/86	Additions	Retire- ments	Balance 6/30/87
Land	\$ 126,973			\$ 126,973
Inventory Addition	290			290
Buildings:				
Equipment Building	9,080	\$ 16,603		25,683
City Hall	89,324			89,324
Allen Building	223,979			223,979
Winfield Industrial Facility	457,148	6,603		463,751
Jail Building	60,391			60,391
Museum	65,291	2,190		67,481
Dog Pound	5,176			5,176
American Tar and Turpentine Plant	194,896			194,896
Donald C. Joyce Airport	318,304			318,304
Garbage Assets	398,056	13,778		411,834
Recreation Assets	194,785	26,828	\$ 2,534	219,079
Mini-Parks	68,781			68,781
Waste Ambulance Assets	151,467			151,467
Furniture and Fixtures	24,990			24,990
Machinery, Equipment and Trucks	870,662	61,254	28,944	902,972
Fire Station	120,486			120,486
TOTAL GENERAL FIXED ASSETS	\$2,382,511	\$128,289	\$ 31,478	\$2,480,322

Supplementary schedules: Presented as additional analytical data.

GENERAL LONG-TERM DEBT
ACCOUNT GROUP

The general long-term debt account group is used to account for unstructured principal amounts on general long-term debt expected 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 WINFIELD, LOUISIANA
 SCHEDULE OF GENERAL LONG-TERM DEBT
 JUNE 30, 1997

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

Amount to be Provided from	
General Fund Revenues	<u>\$246,011</u>
TOTAL AVAILABLE AND TO BE PROVIDED	<u>\$246,011</u>
GENERAL LONG-TERM DEBT PAYABLE	
Notes Payable - Sabine State Bank	\$ 20,512
Accumulated Compensated Absences	<u>115,478</u>
TOTAL GENERAL LONG-TERM DEBT PAYABLE	<u>\$145,011</u>

Supplementing schedule. Presented as additional analytical data.

INTERNAL CONTROL, COMPLIANCE AND
FEDERAL FINANCIAL ASSISTANCE SECTION