



**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2023**



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February 6, 2024

Independent Auditors' Report

To the Honorable Mayor and Board of Aldermen  
City of Winnfield, Louisiana

**ADVERSE, QUALIFIED, AND UNMODIFIED OPINIONS**

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

**Summary of Opinions**

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
Aggregate Discretely Presented Component Units	Adverse
Each Major Governmental Fund	Unmodified
Utility Fund	Qualified
Aggregate Remaining Fund Information	Unmodified

**ADVERSE OPINION ON AGGREGATE DISCRETELY PRESENTED COMPONENT UNITS**

In our opinion, because of the significance of the matter discussed in the Basis for Adverse, Qualified and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the City of Winnfield, as of June 30, 2023, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**QUALIFIED OPINION ON THE UTILITY FUND**

In our opinion, except for the effects of the matter described in the Basis for Adverse, Qualified, and Unmodified Opinions Section of our Report, the financial statements referred to above present fairly, in all material respects, the financial position of the Utility Fund of the City of Winnfield as of June 30, 2023 and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**UNMODIFIED OPINIONS ON GOVERNMENTAL ACTIVITIES, BUSINESS-TYPE ACTIVITIES, EACH MAJOR GOVERNMENTAL FUND, AND AGGREGATE REMAINING FUND INFORMATION**

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

**BASIS FOR ADVERSE, QUALIFIED, AND UNMODIFIED OPINIONS**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Winnfield, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse, qualified, and unmodified audit opinions.

**MATTERS GIVING RISE TO ADVERSE OPINION ON THE AGGREGATE DISCRETELY PRESENTED COMPONENT UNITS**

The financial statements do not include financial data for the City of Winnfield's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the City of Winnfield's primary government unless the City of Winnfield also issues financial statements for the financial reporting entity that include the financial data for its component units. The City of Winnfield has not issued such reporting entity financial statements. The effects of not including the City of Winnfield's legally separate component units on the aggregate discretely presented component units has not been determined.

**MATTERS GIVING RISE TO THE QUALIFIED OPINION ON THE UTILITY FUND**

The City of Winnfield has specific, identifiable revenue streams in the utility fund which are pledged in support of different revenue bonds, called segments. Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. Management has not presented this segment information as a disclosure in the notes to the financial statements. The amount by which this departure would affect the assets, deferred inflows and deferred outflows, liabilities, and net position has not been determined.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

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

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

#### **REQUIRED SUPPLEMENTARY INFORMATION**

Accounting principles generally accepted in the United States of America require the information listed below to supplement the basic financial statements.

- Management's Discussion and Analysis
- Budgetary Comparison Information
- Schedule of Changes in Net OPEB Liability
- Schedule of Net Pension Liability Data
- Schedule of Employer Contributions

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

#### **SUPPLEMENTARY INFORMATION**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Winnfield's basic financial statements. The other supplemental information listed below is presented for purposes of additional analysis and is not a required part of the basic financial statements:

- Schedule of Compensation Paid to Board Members
- Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive
- Justice System Funding Schedule – Receiving Entity
- Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the

basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with Government Auditing Standards, we have also issued our report dated February 6, 2024, on our consideration of the City of Winnfield's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Winnfield's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Winnfield's internal control over financial reporting and compliance.



Rozier, McKay & Willis  
Certified Public Accountants  
Alexandria, Louisiana

# **City of Winnfield**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2023**

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This section of the City of Winnfield's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended June 30, 2023.

### **OVERVIEW OF FINANCIAL STATEMENTS**

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the City's financial position and results of operations from differing perspectives which are described as follows:

#### **Government –Wide Financial Statements**

The government-wide financial statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the City's assets (including infrastructure acquired after July 1, 1980) and all of the City's liabilities (including long-term debt).

The government-wide financial statements are divided into two categories, which are described as follows:

- **Governmental Activities** – Expenses incurred in connection with providing basic services including public safety, culture, recreation, public works and general administration are reported as governmental activities. The governmental activities are financed by taxes, license and permit fees, fines and forfeitures, and intergovernmental sources.
- **Business-Type Activities** – Expenses associated with providing utility services are recovered through fees paid by the customers that utilize these services. These activities are operated in a manner similar to commercial enterprises. Accordingly, activities associated with these services are reported as business type activities.

#### **Fund Financial Statements**

Fund financial statements provide detailed information regarding the City's most significant activities and are not intended to provide information for the City as a whole. Funds are accounting devices that are used to account for specific sources of funds. The City has two types of funds that are described as follows:

- **Governmental Funds** – These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental fund uses a modified accrual basis of accounting that provides a short-term view of the City's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.
- **Proprietary Fund** – These funds are used to account for activities that function in a manner similar to commercial enterprises, including activities associated with the City's utility services. Proprietary fund financial statements typically provide a more detailed presentation of the information reported in the business-type activities portion of the government-wide financial statements.

# **City of Winnfield**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2023**

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### **FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

A comparative analysis of government-wide financial data is presented as follows:

#### **Net Position**

A condensed version of the government-wide Statement of Net Position is presented as follows:

	<b>For the Year Ended June 30, 2023</b>			<b>For the</b>
	<b>Govern- mental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>	<b>Year Ended June 30, 2022</b>
<b><u>Assets:</u></b>				
Current and Other Assets	\$ 3,643,271	\$ 3,613,716	\$ 7,256,987	\$ 7,360,575
Internal Balances	----	----	----	----
Capital Assets	6,380,995	18,475,112	24,856,107	23,961,892
<b>Total Assets</b>	<b>10,024,266</b>	<b>22,088,828</b>	<b>32,113,094</b>	<b>31,322,467</b>
<b>Deferred Outflow of Resources</b>	<b>2,079,506</b>	<b>475,507</b>	<b>2,555,013</b>	<b>1,732,822</b>
<b><u>Liabilities:</u></b>				
Current and Other Liabilities	269,679	1,754,683	2,024,362	3,027,251
Long-term Liabilities	4,937,130	9,051,488	13,988,618	11,204,830
<b>Total Liabilities</b>	<b>5,206,809</b>	<b>10,806,171</b>	<b>16,012,980</b>	<b>14,232,081</b>
<b>Deferred Inflow of Resources</b>	<b>256,198</b>	<b>44,449</b>	<b>300,647</b>	<b>1,626,467</b>
<b><u>Net Position:</u></b>				
Invested in Capital Assets (Net)	5,762,224	10,777,725	16,539,949	15,926,753
Restricted	421	1,350,325	1,350,746	1,497,411
Unrestricted	878,120	(414,335)	463,785	(227,423)
<b>Total Net Position</b>	<b>\$ 6,640,765</b>	<b>\$ 11,713,715</b>	<b>\$ 18,354,480</b>	<b>\$ 17,196,741</b>

As the presentation appearing above demonstrates, most of the City's net position is invested in capital assets (90.1%). Net position invested in capital assets consists of land, buildings, equipment, and infrastructure less any debt used to acquire the assets that remain outstanding. The City uses these capital assets to provide services to its citizens; consequently, these amounts are not available for future spending. A portion of the City's net position represents resources that are subject to restrictions that are imposed by agreements with the City's bondholders (7.4%). The remainder of the City's resources are available for the general corporate purposes of the City (2.5%). Accordingly, the City has sufficient assets to meet its ongoing obligations to creditors and other interested parties for the foreseeable future.

#### **Changes in Net Position**

A condensed version of the government-wide Statement of Changes in Net Position is presented as follows:



# **City of Winnfield**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2023**

	For the Year Ended June 30, 2023			For the
	Governmental Activities	Business-Type Activities	Total	Year Ended June 30, 2022
<b>Revenues:</b>				
Program Revenue:				
Charges for Services	\$ 231,427	\$ 9,134,525	\$ 9,365,952	\$ 8,816,966
Operating Grants and Contributions	1,735,931	----	1,735,931	105,883
Capital Grants and Contributions	----	----	----	639,400
General Revenue:				
Property Taxes	175,213	----	175,213	166,083
Sales Taxes	2,906,208	----	2,906,208	2,634,633
Hotel Motel Tax	121,364	----	121,364	67,480
Franchise Fees	64,975	----	64,975	74,172
Occupational Licenses	246,766	----	246,766	248,592
Other	49,484	2,644	52,128	355,947
<b>Total Revenue</b>	<b>5,531,368</b>	<b>9,137,169</b>	<b>14,668,537</b>	<b>13,109,156</b>
<b>Program Expenses:</b>				
General Government	1,706,175	----	1,706,175	1,797,650
Public Safety				
Police Department	1,618,704	----	1,618,704	1,491,037
Fire Department	1,009,184	----	1,009,184	693,151
Public Works	1,474,239	----	1,474,239	1,179,192
Health & Welfare	132,390	----	132,390	96,047
Culture and Recreation	649,463	----	649,463	624,958
Utility Service	----	7,036,291	7,036,291	6,755,572
Other	17,960	266,693	284,653	264,996
<b>Total Expenses</b>	<b>6,608,115</b>	<b>7,302,984</b>	<b>13,911,099</b>	<b>12,918,581</b>
Increase in Net Position Before				
Transfers	(1,076,747)	1,834,185	757,438	190,575
Transfers	503,414	(503,414)	----	----
<b>Change in Net Position</b>	<b>(573,333)</b>	<b>1,330,771</b>	<b>757,438</b>	<b>190,575</b>
Net Position Beginning as				
Originally Reported	6,813,797	10,382,944	17,196,741	17,006,166
Prior Period Adjustment	400,301	----	400,301	----
<b>As Restated</b>	<b>7,214,098</b>	<b>10,382,944</b>	<b>17,597,042</b>	<b>17,006,166</b>
<b>Net Position Ending</b>	<b>\$ 6,640,765</b>	<b>\$ 11,713,715</b>	<b>\$ 18,354,480</b>	<b>\$ 17,196,741</b>

Governmental activities decreased the City's net position by \$573,333. This decrease is primarily due to increased expenditures associated with the City's Public Works department, as well as a decrease in transfers.

# **City of Winnfield**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2023**

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Business-type activities increased the City's net position by \$1,330,771 due primarily to decreases in the transfer of resources to support the City's governmental activities.

### **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

An analysis of significant matters affecting the City's funds is presented as follows:

- The City's governmental funds reported a combined fund balance of \$3,373,592 which represents a decrease of \$145,615 in comparison to the previous balance.
- The City's general fund, which is available for spending at the City's discretion, reported a fund balance of \$704,500. The general fund balance increased by \$188,738 in the current year.
- Amounts reported for business-type activities in the City's individual funds are identical to the business-type activities reported in the government-wide presentation.

### **GENERAL FUND BUDGET HIGHLIGHTS**

The City's general fund and sales tax funds are required to adopt an annual budget and the budgets are amended as necessary. Budget variances for expenditures and other uses in the general fund, and revenues and other sources in the Sales Tax Fund were not within the range allowed by Louisiana Revised Statutes.

### **CAPITAL ASSET ADMINISTRATION**

Highlights of the City's capital asset administration are provided as follows:

- Equipment purchases included new vehicles and equipment necessary to replace existing equipment that was retired as a result of ordinary wear.
- The City continued work on the Highway 84 West Water System Consolidation Project, and on an expansion of the wastewater system.
- The City completed the Ground Storage Tank, the PARC Grant project, and various street overlays.

### **DEBT ADMINISTRATION**

The City's borrowing activities included paying installments due on existing obligations, several leases assumed during the current year, and the issuance of a revenue bond held by the Louisiana Department of Health.

### **FACTORS EXPECTED TO AFFECT FUTURE OPERATIONS**

At the present time, no events or conditions have been identified that are expected to have a significant influence on future operations.

# **City of Winnfield**

## **STATEMENT OF NET POSITION**

**June 30, 2023**

	Governmental Activities	Business-Type Activities	Total
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 3,373,071	\$ 190,269	\$ 3,563,340
Receivables (Net)	270,200	1,538,047	1,808,247
Restricted Assets			
Cash	-	1,774,769	1,774,769
Investments	-	110,631	110,631
Internal Balances	-	-	-
Leased Assets, Net	445,936	144,592	590,528
Capital Assets			
Non Depreciable Capital Assets	381,134	2,364,372	2,745,506
Depreciable Capital Assets, Net	<u>5,553,925</u>	<u>15,966,148</u>	<u>21,520,073</u>
<b>Total Assets</b>	<u>10,024,266</u>	<u>22,088,828</u>	<u>32,113,094</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Pension Funding Deferrals	1,987,207	447,906	2,435,113
OPEB Funding Deferrals	<u>92,299</u>	<u>27,601</u>	<u>119,900</u>
<b>Total Deferred Outflows</b>	<u>2,079,506</u>	<u>475,507</u>	<u>2,555,013</u>
<b><u>LIABILITIES</u></b>			
Accounts Payable	215,255	1,123,656	1,338,911
Accrued Expenses	42,438	11,455	53,893
Retainage Payable	-	103,050	103,050
Accrued Interest Payable from Restricted Assets	-	25,443	25,443
Deposits Due Others	-	491,079	491,079
Other Current Liabilities	11,986	-	11,986
Long-Term Liabilities			
Compensated Absences	168,321	73,322	241,643
Net Other Post Employment Benefits	102,666	91,225	193,891
Net Pension Liability	4,042,527	1,187,835	5,230,362
Lease Obligations			
Due Within One Year	144,959	44,446	189,405
Due in More than One Year	305,822	101,865	407,687
Long-Term Debt			
Due Within One Year	58,636	509,632	568,268
Due in More than One Year	<u>114,199</u>	<u>7,043,163</u>	<u>7,157,362</u>
<b>Total Liabilities</b>	<u>5,206,809</u>	<u>10,806,171</u>	<u>16,012,980</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension Funding Deferrals	122,817	4,562	127,379
OPEB Funding Deferrals	<u>133,381</u>	<u>39,887</u>	<u>173,268</u>
<b>Total deferred inflows</b>	<u>256,198</u>	<u>44,449</u>	<u>300,647</u>
<b><u>NET POSITION</u></b>			
Invested in Capital Assets, Net of Related Debt	5,762,224	10,777,725	16,539,949
Restricted:			
Debt Service	-	1,350,325	1,350,325
Capital Projects and Equipment Acquisition	421	-	421
Unrestricted	<u>878,120</u>	<u>(414,335)</u>	<u>463,785</u>
<b>Total Net Position</b>	<u>\$ 6,640,765</u>	<u>\$ 11,713,715</u>	<u>\$ 18,354,480</u>

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

# **City of Winnfield**

## **STATEMENT OF ACTIVITIES** **Year Ended June 30, 2023**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants &amp; Contributions</u>	
<b><u>Governmental Activities:</u></b>					
General Government					
City Administration	\$ 1,706,175	\$ 11,360	\$ 1,580,924	\$ -	\$ (113,891)
Public Safety					
Police Department	1,618,704	42,921	49,817	-	(1,525,966)
Fire Department	1,009,184	35,126	55,190	-	(918,868)
Public Works					
Street and Drainage	707,857	26,492	-	-	(681,365)
Sanitation	596,745	59,152	-	-	(537,593)
Code Enforcement	153,785	8,913	-	-	(144,872)
Warehousing and Storage	15,852	-	-	-	(15,852)
Health & Welfare					
Impounding	132,390	4,786	-	-	(127,604)
Culture & Recreation					
Recreation Department	649,463	42,677	50,000	-	(556,786)
Interest on Long-Term Debt	<u>17,960</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,960)</u>
Total Governmental Activities	<u>6,608,115</u>	<u>231,427</u>	<u>1,735,931</u>	<u>-</u>	<u>(4,640,757)</u>
<b><u>Business-Type Activities:</u></b>					
Electric	5,168,202	7,043,760	-	-	1,875,558
Water	931,625	1,405,984	-	-	474,359
Sewer	603,430	684,781	-	-	81,351
Utility Administration	333,034	-	-	-	(333,034)
Interest on Long Term Debt	<u>266,693</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(266,693)</u>
Total Business-Type Activities	<u>7,302,984</u>	<u>9,134,525</u>	<u>-</u>	<u>-</u>	<u>1,831,541</u>
Total	<u>\$ 13,911,099</u>	<u>\$ 9,365,952</u>	<u>\$ 1,735,931</u>	<u>\$ -</u>	<u>\$ (2,809,216)</u>

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

**City of Winnfield**

**STATEMENT OF ACTIVITIES (Continued)**

**Year Ended June 30, 2023**

	Governmental Activities	Business- Type Activities	Total
Net (Expense) Revenue (Continued From Previous Page)	<u>\$(4,640,757)</u>	<u>\$ 1,831,541</u>	<u>\$ (2,809,216)</u>
General Revenues:			
Taxes:			
Ad Valorem	175,213	-	175,213
Sales	2,906,208	-	2,906,208
Hotel Motel Tax	121,364	-	121,364
Licenses & Permits			
Franchise Fees	64,975	-	64,975
Occupational Licenses	246,766	-	246,766
Interest Income	6,812	2,644	9,456
Other	42,672	-	42,672
Transfers	<u>503,414</u>	<u>(503,414)</u>	<u>-</u>
Total General Revenues, Special Items and Transfers	<u>4,067,424</u>	<u>(500,770)</u>	<u>3,566,654</u>
Change in Net Position	(573,333)	1,330,771	757,438
Net Position - Beginning - As Originally Reported	<u>6,813,797</u>	<u>10,382,944</u>	<u>17,196,741</u>
Prior Period Adjustment	<u>400,301</u>	<u>-</u>	<u>400,301</u>
Net Position Beginning, As Restated	<u>7,214,098</u>	<u>10,382,944</u>	<u>17,597,042</u>
Net Position Ending	<u>\$ 6,640,765</u>	<u>\$11,713,715</u>	<u>\$ 18,354,480</u>

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

# **City of Winnfield**

## **Balance Sheet Governmental Funds - June 30, 2023**

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	General Fund	Dedicated Sales Tax	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and Cash Equivalents	\$ 873,644	\$ 2,499,006	\$ 421	\$ 3,373,071
Interfund Receivables	-	-	-	-
Receivables (net)	100,535	169,665	-	270,200
<b>Total assets</b>	<u>974,179</u>	<u>2,668,671</u>	<u>421</u>	<u>3,643,271</u>
<b>Liabilities and Fund Balance</b>				
<b><u>Liabilities</u></b>				
Accounts Payable	215,255	-	-	215,255
Accrued Expenses	42,438	-	-	42,438
Other Payables	11,986	-	-	11,986
Retainage Payable	-	-	-	-
Deferred Revenues	-	-	-	-
<b>Total liabilities</b>	<u>269,679</u>	<u>-</u>	<u>-</u>	<u>269,679</u>
<b><u>Fund Balance</u></b>				
Restricted For:				
Capital Improvements	-	-	421	421
Committed	-	2,668,671	-	2,668,671
Unassigned	704,500	-	-	704,500
<b>Total Fund Balances</b>	<u>704,500</u>	<u>2,668,671</u>	<u>421</u>	<u>3,373,592</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 974,179</u>	<u>\$ 2,668,671</u>	<u>\$ 421</u>	<u>\$ 3,643,271</u>

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

# **City of Winnfield**

## **Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Position of Governmental Activities on the Statement of Net Position**

**Year Ended June 30, 2023**

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Total Fund Balances - Governmental Funds	\$ 3,373,592
Amounts reported for governmental activities in the statement of net position are different because:	
Liabilities not due and payable in the current period are excluded from the Governmental Fund Balance Sheet	(4,937,130)
Deferred inflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet	(256,198)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	5,935,059
Leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.	445,936
Deferred outflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet	<u>2,079,506</u>
Net Position of Governmental Activities	<u>\$ 6,640,765</u>

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

# **City of Winnfield**

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

	General Fund	Dedicated Sales Tax	Other Governmental Funds	Total Governmental Funds
<b><u>Revenues:</u></b>				
Taxes:				
Ad Valorem	\$ 175,213	\$ -	\$ -	\$ 175,213
Sales	1,035,530	1,870,678	-	2,906,208
Hotel Motel Tax	121,364	-	-	121,364
Licenses & Permits:				
Franchise Fees	64,975	-	-	64,975
Occupational Licenses	246,766	-	-	246,766
Intergovernmental	1,702,923	-	-	1,702,923
Fines and Forfeitures	42,921	-	-	42,921
Interest Income	2,417	4,395	-	6,812
Other	<u>423,502</u>	<u>-</u>	<u>1</u>	<u>423,503</u>
<b>Total Revenues</b>	<u>3,815,611</u>	<u>1,875,073</u>	<u>1</u>	<u>5,690,685</u>
<b><u>Expenditures:</u></b>				
Current:				
General Government				
City Hall Administration	1,688,779	-	-	1,688,779
Public Safety				
Police Department	1,426,764	-	-	1,426,764
Fire Department	950,524	-	-	950,524
Public Works				
Streets and Drainage	529,474	-	-	529,474
Sanitation	597,562	-	-	597,562
Code Enforcement	145,174	-	-	145,174
Warehousing and Storage	15,852	-	-	15,852
Culture & Recreation				
Recreation Department	546,333	-	-	546,333
Health & Welfare				
Impounding	130,012	-	-	130,012
Capital Expenditures	248,892	-	-	248,892
Debt Service	<u>187,652</u>	<u>-</u>	<u>-</u>	<u>187,652</u>
<b>Total Expenditures</b>	<u>6,467,018</u>	<u>-</u>	<u>-</u>	<u>6,467,018</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(2,651,407)	1,875,073	1	(776,333)

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



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

	General Fund	Dedicated 1% Sales Tax	Other Governmental Funds	Total Governmental Funds
<b>Excess (Deficiency) of</b>				
<b>Revenues Over Expenditures</b>	(2,651,407)	1,875,073	1	(776,333)
<b>Other Financing Sources (Uses):</b>				
Proceeds From Long-Term Debt	127,304	-	-	127,304
Operating Transfers In	2,712,841	-	1	2,712,842
Operating Transfers Out	-	(2,209,428)	-	(2,209,428)
<b>Total Other Financing Sources (Uses)</b>	<u>2,840,145</u>	<u>(2,209,428)</u>	<u>1</u>	<u>630,718</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	188,738	(334,355)	2	(145,615)
<b>Fund Balance (Deficit) - Beginning of Year</b>				
<b>As Originally Reported</b>	115,461	3,003,026	419	3,118,906
<b>Prior Period Adjustment</b>	<u>400,301</u>	<u>-</u>	<u>-</u>	<u>400,301</u>
<b>Fund Balance (Deficit) - Beginning, As Restated</b>	<u>515,762</u>	<u>3,003,026</u>	<u>419</u>	<u>3,519,207</u>
<b>Fund Balance (Deficit) - End of Year</b>	<u>\$ 704,500</u>	<u>\$ 2,668,671</u>	<u>\$ 421</u>	<u>\$ 3,373,592</u>

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

# **City of Winnfield**

## **Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities**

**Year Ended June 30, 2023**

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Net change in fund balances of Governmental Funds \$ (145,615)

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

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

Capital Expenditures	248,892
Leased Vehicles	310,372
Depreciation	(501,331)
Amortization of Lease	(127,201)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net position.

Proceeds on Long-Term Debt	(437,676)
Repayment of Long-Term Debt	169,692

Compensated absences are recorded in the governmental funds when paid, but are recorded in the statement of activities when earned. This represents the amount compensated absences paid exceed amounts earned in the current period. (12,185)

Changes in total OPEB Liability including related deferred inflows and outflows 29,742

Changes in net pension liability including related deferred inflows and outflows (108,023)

Change in net position of governmental activities \$ (573,333)

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

# **City of Winnfield**

## **Statement of Net Position**

**Proprietary Funds - June 30, 2023**

	Business-Type Activities Enterprise Funds Utility System
<b><u>ASSETS:</u></b>	
Current Assets:	
Cash and Cash Equivalents	\$ 190,269
Receivables (Net)	1,538,047
Total Current Assets	<u>1,728,316</u>
Restricted Assets:	
Cash and Cash Equivalents	1,774,769
Investments	110,631
Noncurrent Assets:	
Non Depreciable Capital Assets	2,364,372
Depreciable Capital Assets, Net	15,966,148
Leased Assets, Net	144,592
<b>Total Assets</b>	<b><u>22,088,828</u></b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b>	
Pension Funding Deferrals	447,906
OPEB Funding Deferrals	27,601
<b>Total Deferred Inflows</b>	<b><u>475,507</u></b>
<b><u>LIABILITIES:</u></b>	
Current Liabilities:	
Cash Overdraft	-
Accounts Payable	1,123,656
Retainage Payable	103,050
Accrued Expenses	11,455
Interfund Payables	-
Compensated Absences	73,322
Deposits Due Others	491,079
Total Current Liabilities	<u>1,802,562</u>
Liabilities Payable From Restricted Assets:	
Accrued Interest Payable from Restricted Assets	25,443
Current Portion of Long-Term Debt	509,632
Noncurrent Liabilities:	
Other Post Employment Benefits	91,225
Net Pension Liability	1,187,835
Lease Obligations	
Due Within One Year	44,446
Due in More Than One Year	101,865
Long-Term Debt	
Due in More Than One Year	7,043,163
<b>Total Liabilities</b>	<b><u>10,806,171</u></b>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>	
Pension Funding Deferrals	4,562
OPEB Funding Deferrals	39,887
<b>Total Deferred Inflows</b>	<b><u>44,449</u></b>
<b><u>NET POSITION:</u></b>	
Invested in Capital Assets, Net of Related Debt	10,777,725
Restricted for Debt Service	1,350,325
Unrestricted	(414,335)
<b>Total Net Position</b>	<b><u>\$ 11,713,715</u></b>

The accompanying notes are an integral part of the financial statements

# **City of Winnfield**

## **Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds - June 30, 2023**

	Business-Type Activities Enterprise Funds Utility System
<b><u>Operating Revenues</u></b>	
Service Fees	
Water Sales	\$ 1,405,984
Sewer Service Fees	684,781
Electricity Sales	7,043,760
<b>Total Operating Revenues</b>	<u>9,134,525</u>
<b><u>Operating Expenses</u></b>	
Electric Department	5,168,202
Water Department	931,625
Sewer Department	603,430
Utility Administration	333,034
Other	-
<b>Total Operating Expenses</b>	<u>7,036,291</u>
<b>Operating Income (Loss)</b>	2,098,234
<b><u>Nonoperating Revenues (Expenses)</u></b>	
Interest Revenue	2,644
Interest Expense	(266,693)
<b>Change in Net Position Before Contributions, Transfers and Special Items</b>	1,834,185
<b><u>Contributions and Transfers</u></b>	
Capital Contributions	-
Operating Transfers Out	(503,414)
<b>Change in Net Position, Before Special Items</b>	1,330,771
<b>Change in Net Position</b>	1,330,771
<b>Net Position - Beginning</b>	<u>10,382,944</u>
<b>Total Net Position - Ending</b>	<u>\$ 11,713,715</u>

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

# **City of Winnfield**

## **Statement of Cash Flows**

### **Proprietary Funds - Year Ended June 30, 2023**

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	Business-Type Activities Enterprise Funds Utility System
	<hr/>
<b><u>Cash Flow from Operating Activities</u></b>	
Cash Received from Customers	\$ 9,394,597
Cash Payments to Suppliers of Goods and Services	(5,765,124)
Cash Payments to Employees for Services	(639,626)
Net Cash Provided (used) by Operating Activities	<hr/> 2,989,847 <hr/>
<b><u>Cash Flows From Non-Capital Financing Activities</u></b>	
Change in interfund balances	(789,069)
Operating Transfers Out	(503,414)
Net Cash Provided (used) by Non-Capital Financing Activities	<hr/> (1,292,483) <hr/>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>	
Acquisition of Capital Assets	(1,621,867)
Lease Obligation Repaid	(29,608)
Proceeds from Debt Issuance	791,203
Principle Paid on Debt Instruments	(567,390)
Interest Paid on Debt Instruments	(269,170)
Net Cash Provided (used) by Capital and Related Financing Activities	<hr/> (1,696,832) <hr/>
<b><u>Cash Flows from Investing Activities</u></b>	
Interest and Other Income	2,644
Sale of Securities	5,703
Net Cash Provided (used) by Investing Activities	<hr/> 8,347 <hr/>
<b>Net Increase (Decrease) in Cash</b>	8,879
<b>Beginning Cash Balance</b>	<hr/> 1,956,159 <hr/>
<b>Ending Cash Balance</b>	1,965,038
<b>Restricted Cash and Cash Equivalents</b>	<hr/> 1,774,769 <hr/>
<b>Cash and Cash Equivalents (Overdraft)</b>	<hr/> \$ 190,269 <hr/>

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

# **City of Winnfield**

## **Statement of Cash Flows (Continued)**

### **Proprietary Funds - Year Ended June 30, 2023**

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	<u>Business-Type Activities Enterprise Funds Utility System</u>	
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</u></b>		
Operating Income (Loss)	\$	2,098,234
Adjustments to Reconcile Operating Income to Net Cash		
Provided by Operating Activities:		
Depreciation		716,381
Amortization		30,161
(Increase) Decrease in Accounts Receivable		226,347
(Decrease) Increase in Accounts and Other Payables		(111,342)
(Decrease) Increase in Accrued Payroll		1,377
(Decrease) Increase in Compensated Absences		1,183
(Decrease) Increase in Net Pension Liabilities and Other Post Employment Benefits		(6,219)
(Decrease) Increase in Meter Deposits		<u>33,725</u>
Net Cash Provided (Used) by Operating Activities	\$	<u>2,989,847</u>

#### **Supplemental disclosures of cash flow information:**

During the year ended June 30, 2023 there were no operating, financing, or investing activities that did not result in cash receipts or payments.

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

# **City of Winnfield**

## **Notes to Financial Statements**

**June 30, 2023**

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Winnfield (the City) was incorporated under the provisions of the Lawrason Act in June of 1902. The City is governed by a Mayor and a Board of Alderman consisting of five (5) members. Services provided by the City include police protection, fire protection, street maintenance, drainage, recreation and sanitation. The City also operates a water distribution system, a sewer system, and an electrical distribution system.

The accompanying policies conform to generally accepted accounting principles for governmental units.

#### **Financial Reporting Entity**

As the municipal governing authority for reporting purposes, the City is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the City), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards establish criteria for determining which component units should be considered part of the City of Winnfield for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. Standards set forth criteria to be considered in determining financial accountability as follows:

1. Appointing a voting majority of an organization's governing body, and
  - a) The ability of the City to impose its will on that organization and/or
  - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
2. Organizations for which the City does not appoint a voting majority but are fiscally dependent on the City.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the criteria presented above, the City has determined that the following component units are part of the City's reporting entity. Separately issued financial statements for these component units can typically be obtained on the internet at [www.la.state.la.us](http://www.la.state.la.us).

- Winnfield City Court
- Winnfield City Marshal

The accompanying financial statements are not intended to present financial position, and results of operation for the reporting entity as a whole. Discretely presented component units have been omitted from the accompanying financial statements. Due to the absence of component unit data, the financial statements do not address the entire reporting entity as required by generally accepted accounting principles.

#### **Basic Financial Statements**

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize activities as either governmental activities or business-type activities, which are described as follows:

# **City of Winnfield**

## **Notes to Financial Statements**

**June 30, 2023**

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- Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.
- Business-type activities rely on fees and charges for support and operate in a manner similar to private sector enterprises.

The government-wide and fund financial statements present the City's financial position and results of operations from differing perspectives which are described as follows:

### Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the City as a whole. The effect of most interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service or business-type activity. Program revenues include charges for services, fines, court cost, contributions associated with a particular function and most grants.

### Fund Financial Statements

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Separate financial statements are provided for governmental funds and business-type (enterprise) funds. In addition, separate financial statements are presented for any fiduciary activities. Major individual funds are reported as separate columns in the fund financial statements. The City's major funds are described as follows:

#### Major Governmental Funds

General Fund – The general fund is the primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Dedicated 1% Sales Tax – The sales tax fund is a special revenue fund used to account for the proceeds of a 1% sales tax subject to commitments imposed by the governing body that is described in Note 5.

#### Major Business-Type Funds

Utility System – The utility fund is used to account for the operation of the City's water, electric distribution, and sewer system, which are supported by user charges.

Business-Type funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with the funds ongoing operations. Principal operating revenues are charges to customers for water, sewer service and electricity.

### Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:



# **City of Winnfield**

## **Notes to Financial Statements**

**June 30, 2023**

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<b><u>Financial Statement Presentation</u></b>	<b><u>Basis of Accounting</u></b>	<b><u>Measurement Focus</u></b>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements:		
Governmental Funds	Modified Accrual Basis	Current Financial Resources
Proprietary Funds	Accrual Basis	Economic Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measure focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end. In addition, expenses are generally recorded when a liability has been incurred; however, debt service, compensated absences, claims and judgments are recorded as expenses when payment is made. Furthermore, when the current financial resources measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure of funds. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are reported as an other financing source and repayment of long-term debt is reported as an expenditure of funds.

### Use of Estimates

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### Restricted Assets:

Restricted assets represent resources that must be expended in a specific manner. Restrictions of this nature are imposed by various contractual obligations including grant agreements and bond covenants. Whenever restricted assets can be used to satisfy an obligation, the restricted assets are typically consumed before utilizing any unrestricted resources.

### Budget Practices:

Budgets including any amendments are prepared in the manner prescribed by Louisiana revised statutes. City budgets present revenue and expenditures on a basis which is consistent with generally accepted accounting principles. Budgets are adopted annually for the general fund and each special revenue fund. The remaining funds are not required to adopt budgets.

### Capital Assets

Capital assets, which include property, equipment and infrastructure, are reported as assets in the applicable governmental or business-type columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Assets reported in the fund financial statements for governmental funds exclude capital assets. Instead, the governmental funds report the acquisition of capital assets as expenditures rather than asset acquisitions.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value when received by the City. As required by Governmental Accounting Standards, the City has retroactively capitalized infrastructure acquired after a certain date. Infrastructure capitalized retroactively includes streets, sidewalks, bridges, and drainage improvements.

Capital assets are depreciated using the straight-line method and estimated useful lives ranging from 4 to 50 years. Useful lives are selected depending on the expected durability of the particular asset.

# **City of Winnfield**

## **Notes to Financial Statements**

**June 30, 2023**

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### Cash and Cash Equivalents:

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit held by local fiscal agents and highly liquid investments. Credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by State Law. Furthermore, interest rate risk associated with certificates of deposits is typically mitigated by purchasing instruments that mature within a short frame of time.

### Internal Activity:

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without expectation of repayment, the transaction is reported as a transfer. Transfers are treated as a source of income by the recipient and as an expense or expenditure by the provider. If repayment is eventually expected to occur, interfund receivables and payables are recorded.

In preparing the government-wide financial statements, transfers are eliminated to present net transfers for governmental activities and business-type activities. In addition, interfund receivables and payables are eliminated to present a net internal balance for each type of activity.

### Investments

The City may invest in United States Bonds, Treasury Notes, Time Certificates of Deposit of any bank domiciled or having a branch in the State of Louisiana, investments as stipulated in state law, or any other federally insured investments. Investments consist of amounts held in such securities, which are stated at fair value.

### Compensated Absences

Full time and regular part-time employees earn vacation at rates that vary depending on length of service and civil service classification. Unused vacation that employees are allowed to carry forward is reported as a liability. In addition, employees with at least 20 years of service are entitled to a vested interest in sick leave, subject to certain limitations. The portion of the liability for compensated absences attributable to governmental funds and activities is typically liquidated by the general fund.

### Fund Balance Classification:

Approval of the majority of the Board of Aldermen is required to approve the commitment of fund balances. In situations where it is permissible to spend restricted or committed resources, the City typically depletes the available restricted or committed resources before consuming unrestricted resources.

## **NOTE 2 - ACCOUNTS RECEIVABLE**

Accounts receivable for the year ended June 30, 2023 are summarized as follows:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<u>Accounts Receivable</u>			
Charges for Services	\$ ----	\$ 2,928,655	\$ 2,928,655
Franchise Taxes	6,831	----	6,831
Hotel Motel Tax	13,359	----	13,359
Other	2,787	----	2,787
Total Accounts Receivable	<u>22,977</u>	<u>2,928,655</u>	<u>2,951,632</u>
<u>Due From Other Governmental Units</u>			
Sales Tax / Grants Receivable	247,223	35,419	282,642
Total Due From Other Governments	<u>247,223</u>	<u>35,419</u>	<u>282,642</u>

# **City of Winnfield**

## **Notes to Financial Statements**

**June 30, 2023**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Total Receivables	270,200	2,964,074	3,234,274
Allowance for Doubtful Accounts	----	(1,426,027)	(1,426,027)
Receivables (Net)	<u>\$ 270,200</u>	<u>\$ 1,538,047</u>	<u>\$ 1,808,247</u>

### **NOTE 3 - CASH AND CASH EQUIVALENTS**

At June 30, 2023, cash and cash equivalents included the following amounts:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash Deposited in Banks	\$ 3,370,608	\$ 1,826,132	\$ 5,196,740
Cash Equivalents	----	135,406	135,406
Petty Cash	2,463	3,500	5,963
Total Cash and Equivalents	3,373,071	1,965,038	5,338,109
Restricted Cash and Equivalents	----	1,774,769	1,774,769
Cash and Cash Equivalents	<u>\$ 3,373,071</u>	<u>\$ 190,269</u>	<u>\$ 3,563,340</u>

#### Cash Deposited in Banks

Cash deposited in banks is stated at cost, which approximates market. At June 30, 2023, the City had \$5,196,740 in deposits (\$5,616,766 collected bank balance). These deposits are secured from risk by \$403,265 of federal deposit insurance, \$3,251,511 of pledged securities held by the custodial bank in the name of the fiscal agent bank, and an irrevocable standby letter of credit from the Federal Home Loan Bank of Dallas in the amount of \$3,500,000.

#### Cash Equivalents

Cash equivalents consist of cash held in regulated investment accounts subject to coverage from the Security Investor Protection Corporation.

### **NOTE 4 – INVESTMENT SECURITIES:**

Investments held at year end are summarized as follows:

	<u>Total Investments</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
U. S. Government Mortgage-Backed Securities	\$ 11,239	\$ ----	\$ 11,239	\$ ----
Certificates of Deposit – UBS Bank	99,392	----	99,392	----
Total	<u>\$ 110,631</u>	<u>\$ ----</u>	<u>\$ 110,631</u>	<u>\$ ----</u>

# **City of Winnfield**

## **Notes to Financial Statements**

**June 30, 2023**

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Securities classified in Level 2 of the fair value hierarchy are valued using evaluations, which may be matrix or model-based techniques. These estimates are obtained from various sources and assume normal market conditions and transaction volumes.

### Credit Risk

The City typically manages credit risk by limiting investments to securities that are guaranteed by the United States government or agencies of the United States government. Information regarding credit risk is provided as follows:

- U. S. Agency Mortgage-Backed Securities consist entirely of instruments issued by the Government National Mortgage Association (GNMA). The GNMA securities are guaranteed by the full faith and credit of the United States government. The remaining Mortgage-Backed Securities are guaranteed by agencies chartered by the United States government and are not subject to rating agency evaluations.
- Certificates of deposit are insured by the Federal Deposit Insurance Corporation and are not subject to rating agency evaluations.

### Interest Rate Risk

Interest rate risk refers to exposure to fair value losses arising from increasing interest rates. Interest rate risks for various types of securities are analyzed as follows:

- Mortgage-backed securities mature in monthly installments that are based on the payment history associated with underlying pools of single-family home mortgages. Since the payment history is influenced by prepayment of mortgage obligations, it is not practical to provide a maturity schedule associated with the mortgage-backed securities. Furthermore, interest rate risk associated with restricted mortgage-backed securities held by various bond indentures is offset by the terms of bond issues that finance the acquisition of mortgage-backed securities. Since the bond issues provide access to funds needed for investment at fixed rates, any financial impact from unfavorable changes in interest rates is minimized.
- Interest rate risk associated with Certificates of Deposit increase in proportion to the length of time to maturity. Maturity schedules associated with these investment securities are presented as follows:

	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1 – 5	6 – 10	More Than 10
Certificates of Deposit	99,392	49,859	49,533	----	----

### NOTE 5 - LEASING

The City has entered into various leasing arrangements to acquire vehicles necessary to conduct operations, as well as equipment necessary to provide sanitation services to its citizens. Under the terms of the agreements, the City is obligated to make fixed payments over period ranging from three to five years. The value of the leased vehicles has been determined as follows:

	Governmental Activities	Business-Type Activities
Leased Vehicles and Equipment	\$ 680,380	\$ 191,666
Accumulated Amortization	(234,444)	(47,074)
<u>Leased Assets</u>	<u>\$ 445,936</u>	<u>\$ 144,592</u>

# **City of Winnfield**

## **Notes to Financial Statements**

**June 30, 2023**

The lease obligations at year end are summarized below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Repayment</u>	<u>Ending Balance</u>	<u>Current</u>	<u>Long Term</u>
<b><u>Governmental Activities</u></b>						
Lease Obligations	\$ 265,478	\$ 310,372	\$ 125,069	\$ 450,781	\$ 144,959	\$ 305,822
<b><u>Business-Type Activities</u></b>						
Lease Obligations	87,760	88,159	29,608	146,311	44,446	101,865
<b>Total Lease Obligations</b>	<b>\$ 353,238</b>	<b>\$ 398,531</b>	<b>\$ 154,677</b>	<b>\$ 597,092</b>	<b>\$ 189,405</b>	<b>\$ 407,687</b>

Principal and interest requirements associated with the underlying lease obligation are presented as follows:

<u>Year Ended June 30<sup>th</sup></u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal Installments</u>	<u>Interest</u>	<u>Principal Installments</u>	<u>Interest</u>
2024	144,960	11,848	44,446	4,081
2025	121,876	8,140	30,953	2,260
2026	75,964	4,470	28,394	1,822
2027	71,680	2,244	26,547	869
2028	36,301	549	15,971	247
<b>Total Payments</b>	<b>\$ 450,781</b>	<b>\$ 27,251</b>	<b>\$ 146,311</b>	<b>\$ 9,279</b>

### **NOTE 6 - LONG-TERM DEBT**

Debt attributable to the acquisition of the City's utility system and the operation of the utility system is reported as an obligation of the City's business-type enterprise funds. Remaining debts are reported as governmental activities. The City's debts are summarized as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Installment Purchase Agreement	\$ 172,835	\$ 311,202	\$ 484,037
Revenue Bonds	----	7,241,593	7,241,593
<b>Total Long-term Debt</b>	<b>172,835</b>	<b>7,552,795</b>	<b>7,725,630</b>
Due Within One Year	58,636	509,632	568,268
Due in More Than One Year	\$ 114,199	\$ 7,043,163	\$ 7,157,362

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<b><u>Governmental Activities</u></b>				
Installment Purchase Agreements	\$ 90,153	127,304	44,622	172,835
<b>Total Governmental Activities</b>	<b>355,632</b>	<b>127,304</b>	<b>44,622</b>	<b>172,835</b>

# **City of Winnfield**

## **Notes to Financial Statements**

**June 30, 2023**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<b><u>Business-Type Activities</u></b>				
Installment Purchase Agreements	194,296	152,295	35,389	311,202
Revenue Bonds	7,134,686	638,907	532,000	7,241,593
Total Business-Type Activities	<u>7,416,742</u>	<u>791,202</u>	<u>567,389</u>	<u>7,552,795</u>
Total Long-term Debts	<u>\$ 7,772,374</u>	<u>\$ 918,506</u>	<u>\$ 612,011</u>	<u>\$ 7,725,630</u>

### Installment Purchase Agreements

The City has executed installment purchase agreements to finance the acquisition of various pieces of equipment and a utility billing office. Terms of the agreements are described as follows:

\$81,136 Installment Purchase Agreement to purchase a 22' Diesel Dry Van payable in 120 monthly installments of \$1,272 including interest based on a rate of 8.319%, with the final installment due June of 2024.	\$ 14,601
\$127,304 Installment Purchase Agreement to purchase a Compact Track Loader payable in 48 monthly installments of \$2,933 including interest based on a rate of 4.71%, with the final installment due on February 22, 2027.	117,513
\$72,985 Installment Purchase Agreement to purchase a Freightliner payable in 66 monthly installments of \$1,388, including interest based on a rate of 8.49%, with the final installment due in March of 2026.	40,721
\$250,000 Installment Purchase Agreement for the purchase of the City's Utility Billing Office payable in 180 monthly installments of \$1,912 including interest based on a rate of 4.50%, with the final installment due in September of 2030.	140,365
\$152,295 Installment Purchase Agreement to purchase a Altec Digger Truck payable in annual installments of \$26,625, including interest based on a rate of 6.29%, with the final installment due in November of 2029.	152,295
\$100,526 Installment Purchase Agreement for a bucket truck payable in 5 yearly installments of \$19,278 including interest based on a rate of 3.97%, with the final installment due in October of 2023.	<u>18,542</u>
Total Installment Agreements	484,037
Business-Type Activities	<u>311,202</u>
Governmental Activities	<u>\$ 172,835</u>

### Revenue Bonds

The City has issued revenue bonds that are secured by and payable solely from a pledge of funds generated by a specific revenue source. Revenue bonds outstanding at June 30, 2023 are described as follows:

\$4,000,000 Electric Revenue Bonds Series 2014, bearing various interest rates. The bonds mature serially on July 1 <sup>st</sup> of each year in amounts ranging from \$150,000 to \$305,000. Final maturity is scheduled for July 1, 2034, unless the City elects to redeem the bonds prior to maturity.	\$ 2,665,000
\$2,000,000 Electric Revenue Bonds Series 2015, bearing various interest rates. The bonds mature serially on July 1 <sup>st</sup> of each year in amounts ranging from \$85,000 to \$150,000. Final maturity is scheduled for July 1, 2034, unless the City elects to redeem the bonds prior to maturity.	1,310,000
\$1,250,000 Sewer Revenue Bonds Series 2007 (DEQ), bearing interest at 2.45%. The bonds mature serially on April 1 <sup>st</sup> of each year in amounts ranging from \$47,000 to \$80,000. Final maturity is scheduled for May 1, 2028, unless the City elects to redeem the bonds prior to maturity.	382,404

# **City of Winnfield**

## **Notes to Financial Statements**

**June 30, 2023**

Sewer Revenue Bonds Series 2007, bearing interest at a rate of 0.45%. The face value of the bonds is available to reimburse construction certain construction costs and as of June 30, 2021 \$903,282 has been collected. The bonds mature serially on April 1<sup>st</sup> of each year, and if the entire loan is utilized, the principal payments will range from \$61,000 to \$81,000 Final maturity is scheduled for April 1, 2033, unless the City elects to redeem the bonds prior to maturity.

632,282

\$1,750,000 Water Revenue Bonds Series 2012, bearing interest at 2.95%. The bonds mature serially on February 1<sup>st</sup> of each year in amounts ranging from \$77,000 to \$119,000. Final maturity is scheduled for February of 2033, unless the City elects to redeem the bonds prior to maturity.

1,032,000

Water Revenue Bonds Series 2018, bearing interest at a rate of 1.95%. The face value of the bonds is available to reimburse construction certain construction costs. The bonds mature serially on February 1<sup>st</sup> of each year.

581,000

Taxable Excess Revenue Bond, Series 2022, Non-Interest Bearing. The face value of the bonds is available for certain construction costs and as of June 30, 2023 \$638,907 had been collected. The bonds mature serially, and will be forgiven by the Louisiana Department of Health as they become due.

638,907

Total Revenue Bonds

\$ 7,241,595

### Maturity of Long-term Debt

A schedule of maturities of long-term debt excluding compensated absences and capital leases is presented as follows:

<u>Year Ended June 30<sup>th</sup></u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal Installments</u>	<u>Interest</u>	<u>Principal Installments</u>	<u>Interest</u>
2024	\$ 56,636	\$ 8,485	\$ 509,632	\$ 153,264
2025	46,706	5,148	781,159	231,810
2026	45,362	2,329	805,133	212,881
2027	22,131	380	703,126	197,565
2028	---	---	657,825	178,933
2029 - 2033	---	---	2,942,920	563,743
2034 - 2038	---	---	1,071,000	64,230
2039 - 2043	---	---	82,000	1,599
Total	<u>\$ 172,835</u>	<u>\$ 16,342</u>	<u>\$ 7,552,795</u>	<u>\$ 1,604,025</u>

### NOTE 7 – TAXES:

Details related to ad valorem and sales taxes are described as follows:

#### Ad Valorem Taxes:

The City bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Winn Parish. For the year ended June 30, 2023, the City levied ad valorem taxes as follows:

<u>Description</u>	<u>Mills Levied</u>
Levied for general alimony as permitted by State Law. Revenue from taxes levied for general alimony is reported by the general fund.	7.41

# **City of Winnfield**

## **Notes to Financial Statements**

**June 30, 2023**

Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Revenues from ad valorem taxes are recognized as revenue in the year billed.

Sales Taxes:

Sales taxes are collected either by the Winn Parish School Board, and remitted to the City on a monthly basis. For the year ended June 30, 2023 the City has levied sales taxes as follows:

<u>Description</u>	<u>Percentage Levied</u>
Levied per proposition approved by the citizens of Winnfield authorizing a one percent (1%) sales tax to be allocated first to the Parish (60%), while the City receives the remainder. (40%). The City's portion can be used for solid waste collection and disposal, operation and maintenance of the Waste Compaction station, or for providing any municipal service.	1.0%
Levied per proposition approved by the citizens of Winnfield authorizing a one- and one-half cent sales tax, with the proceeds to be dedicated for the purpose of providing funds for the sewer treatment, solid waste landfill, capital improvements including streets, drainage, and sanitation, and for the additional purpose of providing funds for any other lawful purpose of the City. While Revenue from this sales tax is not restricted, the City has elected to account for it within a special revenue fund, as the proceeds are committed to various purposes.	1.5%

**NOTE 8 – CAPITAL ASSETS**

Changes in governmental and business-type capital assets are presented as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<b><u>Governmental Activities</u></b>				
Non-Depreciable Capital Assets				
Land	\$ 381,134	\$ ----	\$ ----	\$ 381,134
Construction in Process	831,639	55,248	(886,887)	----
Total	<u>1,212,773</u>	<u>55,248</u>	<u>(886,887)</u>	<u>381,134</u>



# **City of Winnfield**

## **Notes to Financial Statements**

**June 30, 2023**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
Depreciable Capital Assets				
Buildings and Improvements	8,264,747	249,806	----	8,514,553
Furniture, Fixtures and Equipment	861,082	66,340	----	927,422
Vehicles and Automobiles	2,046,028	127,304	----	2,173,332
Infrastructure	41,329,605	637,082	----	41,966,687
Accumulated Depreciation	(47,526,737)	(501,332)	----	(48,028,069)
Total	<u>4,974,725</u>	<u>579,200</u>	<u>----</u>	<u>5,553,925</u>
Total Governmental Activities	<u>\$ 6,187,499</u>	<u>\$ 634,448</u>	<u>\$ (886,887)</u>	<u>\$ 5,935,059</u>
<b><u>Business-Type Activities</u></b>				
Non-Depreciable Capital Assets				
Land	\$ 54,480	\$ ----	\$ ----	\$ 54,480
Construction in Process	1,819,190	1,395,037	(904,335)	2,309,892
Total Non-Depreciable	<u>1,873,670</u>	<u>1,395,037</u>	<u>(904,335)</u>	<u>2,364,372</u>
Depreciable Capital Assets				
Electric System and Equipment	10,625,720	167,064	----	10,792,784
Water System and Equipment	14,417,025	955,890	----	15,372,915
Wastewater System and Equipment	8,806,965	8,211	----	8,815,176
Utility Administration	393,394	----	----	393,394
Accumulated Depreciation	(18,691,740)	(716,381)	----	(19,408,122)
Total	<u>15,551,364</u>	<u>414,784</u>	<u>----</u>	<u>15,966,148</u>
Total Business-Type Activities	<u>\$ 17,425,034</u>	<u>\$ 1,809,821</u>	<u>\$ (904,335)</u>	<u>\$ 18,330,520</u>

Depreciation expense charged to various functions presented on the statement of activities is presented as follows:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
City Administration	\$ 148,383	\$ ----	\$ 148,383
Police Department	47,065	----	47,065
Fire Department	43,432	----	43,432
Streets and Drainage	166,310	----	166,310
Culture and Recreation	93,216	----	93,216
Health & Welfare (Impounding)	2,926	----	2,926
Electric Distribution	----	178,085	178,085
Water System	----	323,984	323,984
Wastewater System	----	197,518	197,518
Utility Administration	----	16,794	16,794
Total Depreciation Expense	<u>\$ 501,332</u>	<u>\$ 716,381</u>	<u>\$ 1,217,713</u>

### **NOTE 9 – ACCOUNT PAYABLES**

Amounts reported as accounts payable are composed entirely of invoices payable to vendors.

# **City of Winnfield**

## **Notes to Financial Statements**

**June 30, 2023**

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### **NOTE 10- RISK MANAGEMENT**

The City is exposed to various risk of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City insures against these risks by participation in public entity risk pools that operate as common insurance programs and by purchasing commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

### **NOTE 11 - RESTRICTED RESOURCES**

The City's net position is subject to restrictions described as follows:

- Bond covenants require the City to establish bank accounts which serve as debt service and depreciation reserves. Funds may be disbursed from these accounts only under specific circumstances described by the bond covenants.
- The City received funds subject to the requirement that these resources be used to build a specific capital project.

In addition to the restrictions above, the City Council designated sales tax collections for certain purposes. These amounts have been reported as committed fund balance, as the amount is constrained to specific purposes by the City itself.

### **NOTE 12 – PENSION PLANS:**

Substantially all City employees are members of statewide retirement systems. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. A summary of amounts reported in connection with participation in these plans is summarized as follows:

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Municipal Employees' Retirement System	\$ 2,916,549	\$ 1,096,566	\$ 11,168
Firefighters' Retirement System of Louisiana	1,091,708	687,998	57,530
Municipal Police Employees' Retirement System of Louisiana	<u>1,222,105</u>	<u>650,548</u>	<u>58,681</u>
Total	5,230,362	2,435,112	127,379
Portion Applicable to Business Type Activities	<u>1,187,835</u>	<u>447,905</u>	<u>4,562</u>
Portion Applicable to Government Type Activities	<u>\$ 4,042,527</u>	<u>\$ 1,987,207</u>	<u>\$ 122,817</u>

Further information regarding each of the retirement systems presented above is furnished as follows:

#### **Municipal Employees' Retirement System of Louisiana:**

**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 City participating in the retirement system 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, or after any age with 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average monthly salary for each year of creditable service. Monthly retirement benefits paid under Plan A cannot exceed 100 percent of final-average salary. 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

# **City of Winnfield**

## **Notes to Financial Statements**

**June 30, 2023**

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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 by state statute.

**Funding Policy** - Under Plan A, members are required by state statute to contribute 10.0 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. 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 are established and may be amended by state statute. As provided by State law, 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's contributions to the system were equal to the required contributions for the year.

**Financial Summary** – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available stand-alone financial report. The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at [mersla.com](http://mersla.com). The plans net pension liability was determined at June 30, 2022 (measurement date and actuarial valuation date) and details are provided as follows:

Net Pension Liability	\$ 415,323,385
City's Proportionate Share (Percentage)	0.70224%
City's Proportionate Share (Amount)	<u>\$ 2,916,549</u>

The net pension liability presented above was not affected by any special funding situations. Changes in the City's proportionate share of Plan's net pension liability during the measurement period ending June 30, 2022 are provided as follows:

Beginning Net Pension Liability	\$ 1,803,032
Employer Contributions	(417,760)
<u>Pension Expense</u>	
Proportionate Share of Plan Pension Expense	485,485
Changes in Benefit Terms	----
Employee Contributions	<u>(50,009)</u>
Change in Deferred Outflows of Resources	529,838
Change in Deferred Inflows of Resources	<u>565,963</u>
Ending Net Pension Liability	<u>\$ 2,916,549</u>

There were no changes between June 30, 2023 and the Plan's measurement date that are expected to have a significant effect on the City's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

# **City of Winnfield**

## **Notes to Financial Statements**

**June 30, 2023**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net</b>
Differences Between Expected and Actual Experience	\$ 3,444	\$ 11,168	\$ (7,724)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	485,303	----	485,303
Changes of Assumptions	28,254	----	28,254
Changes in Proportion	172,279	----	172,279
Employer Contributions Made After the Measurement Date	407,286	----	407,286
Total Deferrals	1,096,566	11,168	1,085,398
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	407,286	----	407,286
Deferrals Subject to Amortization	<u>\$ 689,280</u>	<u>\$ 11,168</u>	<u>\$ 678,112</u>

Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

<u>For the Year Ending:</u>	
June 30, 2023	\$ 243,456
June 30, 2024	155,486
June 30, 2025	46,440
June 30, 2026	232,730
Total	<u>\$ 678,112</u>

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.85%, net of pension plan investment expense, including inflation
Projected Salary Increases	1 to 4 years of service – 6.4% More than 4 years of service – 4.5%
Mortality Rates	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scales.
Expected Remaining Service Lives	3 years

# **City of Winnfield**

## **Notes to Financial Statements**

**June 30, 2023**

Cost of Living Adjustments

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Public Equity	53%	2.31%
Public Fixed Income	38%	1.65%
Alternatives	9%	0.39%
Totals	<u>100%</u>	<u>4.35%</u>
Inflation		<u>2.60%</u>
Expected Arithmetic Nominal Return		<u>6.95%</u>

The discount rate used to measure the total pension liability was 6.85%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to changes in the discount has been determined by measuring net pension liability at a discount rate that is one percentage point lower and one percentage point higher than the current rate. The results are presented as follows:

	1% Decrease 5.85% Discount Rate	Current Discount Rate 6.85%	1% Increase 7.85% Discount
Net Pension Liability	\$ 3,879,575	\$ 2,916,549	\$ 2,102,817

### 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 enact an ordinance before January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3<sup>1</sup>/<sub>3</sub> percent of their final-average salary for each year of creditable service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The system also provides death and disability benefits. Benefits are established or amended by state statute.

**Funding Policy** – Plan members are required by state statute to contribute 10.0 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. The contribution requirements of plan members and the City are established and may be amended by state statute. As proved by state law, the employer contributions are

# **City of Winnfield**

## **Notes to Financial Statements**

**June 30, 2023**

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's contributions to the plan were equal to the required contributions for the year.

**Financial Summary** – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available stand-alone financial report. The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at lafirefightersret.com. The plans net pension liability was determined at June 30, 2022 (measurement date and actuarial valuation date) and details are provided as follows:

Net Pension Liability	\$ 705,129,222
City's Proportionate Share (Percentage)	0.15482%
City's Proportionate Share (Amount)	<u>\$ 1,091,708</u>

The net pension liability presented above was not affected by any special funding situations. Changes in the City's proportionate share of Plan's net pension liability during the measurement period ending June 30, 2022 are provided as follows:

Beginning Net Pension Liability		\$ 547,166
Employer Contributions		(134,942)
<u>Pension Expense</u>		
Proportionate Share of Plan Pension Expense	213,709	
Changes in Benefit Terms	----	
Employee Contributions	<u>(44,072)</u>	169,637
Change in Deferred Outflows of Resources		174,043
Change in Deferred Inflows of Resources		<u>335,804</u>
Ending Net Pension Liability		<u>\$ 1,091,708</u>

There were no changes between June 30, 2023 and the Plan's measurement date that are expected to have a significant effect on the City's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences Between Expected and Actual Experience	\$ 6,525	\$ 51,457	\$ (44,932)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	247,301	----	247,301
Changes of Assumptions	90,019	----	90,019
Changes in Proportion	196,352	6,073	190,279
Employer Contributions Made After the Measurement Date	<u>147,801</u>	----	<u>147,801</u>
Total Deferrals	687,998	57,530	630,468
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>147,801</u>	----	<u>147,801</u>
Deferrals Subject to Amortization	<u>\$ 540,197</u>	<u>\$ 57,530</u>	<u>\$ 482,667</u>

# **City of Winnfield**

## **Notes to Financial Statements**

**June 30, 2023**

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Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

<u>For the Year Ending:</u>	
June 30, 2023	\$ 108,484
June 30, 2024	96,950
June 30, 2025	73,509
June 30, 2026	177,879
June 30, 2027	28,452
Thereafter	<u>(2,607)</u>
Total	<u>\$ 482,667</u>

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

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	7 Years
Investment Rate of Return	6.90% per annum
Inflation Rate	2.50% per annum
Projected Salary Increases	Vary from 14.10% in the first two years of service to 5.20% thereafter
Cost of Living Adjustments	Only those previously granted

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Target Asset Allocation</u>	<u>Expected Portfolio Real Rate of Return</u>
U.S. Equity	27.50%	5.64%
Non-U.S. Equity	11.50%	5.89%
Global Equity	17.00%	5.99 – 7.75%
Fixed Income	26.00%	0.51 – 2.99%
Real Estate / Real Assets	9.00%	4.57 – 4.89%
Private Equity	9.00%	8.99%
Totals	<u>100.00%</u>	

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to

# **City of Winnfield**

## **Notes to Financial Statements**

**June 30, 2023**

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produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

Sensitivity to changes in the discount has been determined by measuring net pension liability at a discount rate that is one percentage point lower and one percentage point higher than the current rate. The results are presented as follows:

	<u>1% Decrease 5.9%</u> <u>Discount Rate</u>	<u>Current Discount</u> <u>Rate 6.9%</u>	<u>1% Increase 7.9%</u> <u>Discount</u>
Net Pension Liability	\$ 1,615,063	\$ 1,091,708	\$ 655,196

### Municipal Police Employees' Retirement System of Louisiana

**Plan Description** - All full-time police department employees engaged in law enforcement are eligible 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 55 with at least 12 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 previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

**Funding Policy** - Plan members are required by state statute to contribute 10.0 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, 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's contributions to the plan were equal to the required contributions for the year.

**Financial Summary** – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available stand-alone financial report available on the internet at [www.lampers.org](http://www.lampers.org). The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at [lampers.org](http://lampers.org). The plans net pension liability was determined at June 30, 2022 (measurement date and actuarial valuation date) and details are provided as follows:

Net Pension Liability	\$ 1,022,177,525
City's Proportionate Share (Percentage)	0.11956%
City's Proportionate Share (Amount)	<u>\$ 1,222,105</u>

The net pension liability presented above was not affected by any special funding situations. Changes in the City's proportionate share of Plan's net pension liability during the measurement period ending June 30, 2022 are provided as follows:



# **City of Winnfield**

## **Notes to Financial Statements**

**June 30, 2023**

Beginning Net Pension Liability		\$	674,644
Employer Contributions			(109,959)
<u>Pension Expense</u>			
Proportionate Share of Plan Pension Expense	231,030		
Changes in Benefit Terms	----		
Employee Contributions	(26,596)		204,434
Change in Deferred Outflows of Resources			42,532
Change in Deferred Inflows of Resources			410,454
Ending Net Pension Liability		\$	<u>1,222,105</u>

There were no changes between June 30, 2023 and the Plan's measurement date that are expected to have a significant effect on the City's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences Between Expected and Actual Experience	\$ 6,027	\$ 9,961	\$ (3,934)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	218,184	----	218,184
Changes of Assumptions	42,156	9,090	33,066
Changes in Proportion	249,610	39,630	209,980
Employer Contributions Made After the Measurement Date	134,571	-----	134,571
Total Deferrals	650,548	58,681	591,867
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	134,571	----	134,571
Deferrals Subject to Amortization	<u>\$ 515,977</u>	<u>\$ 58,681</u>	<u>\$ 457,296</u>

Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

<u>For the Year Ending:</u>	
June 30, 2023	\$ 195,190
June 30, 2024	146,934
June 30, 2025	724
June 30, 2026	<u>114,448</u>
Total	<u>\$ 457,296</u>

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

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal Cost

# **City of Winnfield**

## **Notes to Financial Statements**

**June 30, 2023**

Investment Rate of Return	6.75% per annum	
Expected Remaining Service Lives	4 Years	
Inflation Rate	2.50% per annum	
Projected Salary Increases Including Inflation and Merit	<u>Years of Service</u> 1 - 2 Over 2	<u>Salary Growth Rate</u> 12.30% 4.70%

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
Equity	55.50%	3.60%
Fixed Income	30.50%	0.85%
Alternatives	14.00%	0.95%
Other	0.00%	0.00%
Totals	<u>100.00%</u>	<u>5.40%</u>
Inflation		<u>2.66%</u>
Expected Arithmetic Nominal Return		<u>8.06%</u>

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2014 through June 30, 2019 and review of similar law enforcement mortality. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

Sensitivity to changes in the discount has been determined by measuring net pension liability at a discount rate that is one percentage point lower and one percentage point higher than the current rate. The results are presented as follows:

	<u>1% Decrease 5.75% Discount Rate</u>	<u>Current Discount Rate 6.75%</u>	<u>1% Increase 7.75% Discount Rate</u>
Net Pension Liability	\$ 1,710,713	\$ 1,222,105	\$ 813,956

# **City of Winnfield**

## **Notes to Financial Statements**

**June 30, 2023**

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### **NOTE 13 - TRANSFERS**

In the ordinary course of business, the City routinely transfers resources between its funds for various reasons. A description of the transfers and the purpose for transfers regarding governmental activities is presented below.

	<u>Governmental Activities</u>			
	<u>General Fund</u>	<u>Dedicated Sales Tax</u>	<u>Other</u>	<u>Total</u>
<b><u>Transfers In</u></b>				
Transfers of resources from restricted funds to reimburse other funds for expenditures satisfying the restrictions.	\$ 2,209,428	\$ ----	\$ ----	\$ 2,209,428
Transfer excess utility revenues to the general fund.	503,414	----	----	503,414
Total Transfers In	<u>2,712,842</u>	<u>----</u>	<u>----</u>	<u>2,712,842</u>
<b><u>Transfers Out</u></b>				
Transfers of resources from restricted funds to reimburse other funds for expenditures satisfying the restrictions.	<u>----</u>	<u>2,209,428</u>	<u>----</u>	<u>2,209,428</u>
<b>Net Transfers</b>	<u>\$ 2,712,842</u>	<u>\$ (2,209,428)</u>	<u>\$ ----</u>	<u>\$ 503,414</u>

Transfers from the Utility System were limited to transfers out of \$ 503,414 to transfer excess utility revenues to the general fund.

### **NOTE 14 – CONTINGENCIES:**

Existing conditions that may have financial consequences are referred to as contingencies. Contingencies existing at June 30, 2023 are described as follows:

#### **Litigation:**

Like most governmental units with extensive and diverse operations, the City is occasionally named as a defendant in litigation. Based on consultation with the City Attorney, the ultimate outcome of litigation that is pending or anticipated cannot be estimated at the present time; however, exposure to losses are expected to be limited to the deductible provisions of insurance policies.

The City was named as a defendant in a lawsuit filed by Poor Boy Tree Service, Inc. in the U.S. District Court for the Western District of Louisiana on July 21, 2022. This lawsuit alleges non-payment for services rendered by Poor Boy Tree Service during the aftermath of Hurricane Laura. However, the terms of the contract, exorbitant nature of the invoices sent, and non-payment by FEMA due to these factors has rendered any eventually outcome uncertain, and the City plans a vigorous defense. At this time, no reserve for any claims resulting from this lawsuit has been accrued.

#### **Grant Compliance:**

The City receives state and federal assistance through various grant programs. Management is confident that all significant grant conditions have been met; however, grantor agencies routinely review grant activity and could request reimbursement if a dispute occurs regarding compliance with grant conditions.

# **City of Winnfield**

## **Notes to Financial Statements**

**June 30, 2023**

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### **NOTE 15– POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

#### General Information about the OPEB Plan

*Plan description* – The City of Winnfield (the City) provides certain continuing health care and life insurance benefits for its retired employees. The City of Winnfield’s OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the City. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the City. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

*Benefits Provided* – Benefits are provided through comprehensive plans and are made available to employees upon actual retirement. The employees are covered by one of three retirement systems: first, the Municipal Employees’ Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 25 years of service at any age; or, age 60 and 10 years of service; second, the Firefighters’ Retirement System of Louisiana, and, third, the Municipal Police Retirement System of Louisiana. Both the Fire and Police systems have retirement eligibility (D.R.O.P. entry) provisions as follows: 25 years of service at any age; age 50 and 20 years of service; or, age 55 and 12 years of service. For each system, employees hired on and after January 1, 2013 must meet the following retirement (D.R.O.P. entry) requirements: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service.

Life insurance is not considered in this valuation.

*Employees covered by benefit terms* – As of the measurement date June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	5
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>63</u>
	<u>68</u>

#### Total OPEB Liability

The City’s total OPEB liability is \$193,891 as of the measurement date June 30, 2023, the end of the fiscal year.

*Actuarial Assumptions and other inputs* – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary increases	3.0%, including inflation
Discount rate	2.16% annually (Beginning of Year to Determine ADC) 2.54% annually (As of End of Year Measurement Date)
Healthcare cost trend rates	5.5% annually until year 2032, then 4.5%
Mortality	SOA RP-2014 Table

The discount rate was based on the Bond Buyers’ 20 Year General Obligation municipal bond index on the applicable measurement dates.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2023.

# **City of Winnfield**

## **Notes to Financial Statements**

**June 30, 2023**

### Changes in Total OPEB Liability

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Balances at June 30, 2022	\$ 91,463	\$ 87,875	\$ 179,338
Changes for the year:			
Service Cost	6,469	1,935	8,404
Interest	5,001	1,496	6,497
Differences between expected and actual experience	38,879	11,627	50,506
Changes in Assumptions	(615)	(184)	(799)
Benefit payments and net transfers	(38,533)	(11,523)	(50,056)
Net Changes	<u>11,201</u>	<u>3,351</u>	<u>14,552</u>
Balance at June 30, 2023	<u>\$ 102,664</u>	<u>\$ 91,226</u>	<u>\$ 193,890</u>

*Sensitivity of the total OPEB liability to changes in the discount rate* – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

	<b>1.0% Decrease (2.65 %)</b>	<b>Current Discount Rate (3.65%)</b>	<b>1.0% Increase (4.65%)</b>
Total OPEB liability	\$ 202,963	\$ 193,890	\$ 185,678

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates* – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	<b>1.0% Decrease (4.5%)</b>	<b>Current Trend (5.5%)</b>	<b>1.0% Increase (6.5%)</b>
Total OPEB liability	\$ 184,106	\$ 193,890	\$ 205,436

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

For the year ended June 30, 2023, the City recognized OPEB expense of \$10,786. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 119,630	\$ (147,177)
Changes in assumptions	270	(26,091)
Total	<u>\$ 119,900</u>	<u>\$ (173,268)</u>

# **City of Winnfield**

## **Notes to Financial Statements**

**June 30, 2023**

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

<u>For the Year Ending:</u>	
June 30, 2024	\$ (4,116)
June 30, 2025	(4,116)
June 30, 2026	(4,116)
June 30, 2027	(4,116)
June 30, 2028	(4,116)
Thereafter	<u>(32,789)</u>
Total	<u>\$ (53,369)</u>

### **NOTE 16— ON BEHALF PAYMENTS**

The State of Louisiana provides supplemental pay for public safety employees that meet certain requirements. Amounts reported as revenue and expenditures in connection with State Supplemental Pay are presented as follows:

Police Department	\$ 49,817
Fire Department	55,190
Total	<u>\$ 105,007</u>

### **NOTE 17— PRIOR PERIOD ADJUSTMENT**

In the previous year, a bank account was omitted. The inclusion of this bank account in the current year financial required a prior period adjustment.

The effect the omission had on the prior period net position and fund balances is presented below:

	<u>Net Position</u>		<u>Fund Balance</u>	<u>Net Position</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>General Fund</u>	<u>Utility Fund</u>
Cash and Equiv.	\$ 400,301	\$ ----	\$ 400,301	\$ ----
Net Effect	\$ 400,301	\$ ----	\$ 400,301	\$ ----

The effect on changes in net position and changes in fund balance has not been presented, as it could not be determined.

# **City of Winnfield**

## **General Fund**

### **Statement of Revenues, Expenditures and Changes in Fund Balances**

**Budget and Actual - Year Ended June 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b><u>Revenues:</u></b>				
Taxes				
Ad Valorem	\$ 185,000	\$ 175,200	\$ 175,213	\$ 13
Sales	728,000	925,000	1,035,530	110,530
Hotel Motel Tax	68,650	68,650	121,364	52,714
Licenses & Permits:				
Franchise Fees	48,300	42,400	64,975	22,575
Occupational Licenses	194,700	194,700	246,766	52,066
Intergovernmental	111,770	1,135,000	1,702,923	567,923
Fines and Forfeitures	12,000	12,000	42,921	30,921
Interest	240	900	2,417	1,517
Other	524,750	402,229	423,502	21,273
<b>Total revenues</b>	<b>1,873,410</b>	<b>2,956,079</b>	<b>3,815,611</b>	<b>859,532</b>
<b><u>General Government:</u></b>				
General Government				
City Hall Administration	1,063,701	1,190,711	1,688,779	(498,068)
Public Safety				
Police Department	1,721,592	1,473,315	1,426,764	46,551
Fire Department	792,964	860,475	950,524	(90,049)
Public Works				
Streets and Drainage	836,973	596,863	529,474	67,389
Sanitation	431,217	571,037	597,562	(26,525)
Code Enforcement	123,997	137,897	145,174	(7,277)
Warehousing and Storage	-	-	15,852	(15,852)
Culture & Recreation				
Recreation Department	683,405	583,051	546,333	36,718
Health & Welfare				
Impounding	105,101	126,765	130,012	(3,247)
Capital Expenditures	-	-	248,892	(248,892)
Debt Service	-	-	187,652	(187,652)
<b>Total expenditures</b>	<b>5,758,950</b>	<b>5,540,114</b>	<b>6,467,018</b>	<b>(926,904)</b>

# **City of Winnfield**

**General Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**

**Budget and Actual - Year Ended June 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Excess (Deficiency) of</b>				
<b>Revenues Over Expenditures</b>	(3,885,540)	(2,584,035)	(2,651,407)	(67,372)
<b>Other Financing Sources (Uses):</b>				
Proceeds from Long Term Debt	-	-	127,304	127,304
Operating Transfers In	2,850,000	4,254,000	2,712,841	(1,541,159)
Operating Transfers Out	-	-	-	-
<b>Excess (Deficiency) of</b>				
<b>Revenues and Other Sources</b>				
<b>Over Expenditures and Other</b>				
<b>Uses</b>	(1,035,540)	1,669,965	188,738	(1,481,227)
<b>Fund Balance (Deficit) -</b>				
<b>Beginning of Year, As Restated</b>	<u>1,230,162</u>	<u>1,230,162</u>	<u>515,762</u>	<u>(714,400)</u>
<b>Fund Balance (Deficit) -</b>				
<b>End of Year</b>	<u>\$ 194,622</u>	<u>\$ 2,900,127</u>	<u>\$ 704,500</u>	<u>\$ (2,195,627)</u>



# **City of Winnfield**

## **Dedicated 1% Sales Tax Fund**

### **Statement of Revenues, Expenditures and Changes in Fund Balances**

**Budget and Actual - Year Ended June 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b><u>Revenues:</u></b>				
Sales Taxes	\$ 1,437,500	\$ 2,015,250	\$ 1,870,678	\$ (144,572)
Other	-	-	4,395	4,395
<b>Total revenues</b>	<u>1,437,500</u>	<u>2,015,250</u>	<u>1,875,073</u>	<u>(140,177)</u>
<b><u>General Government:</u></b>				
Current	1,368,320	12,000	-	12,000
<b>Total expenditures</b>	<u>1,368,320</u>	<u>12,000</u>	<u>-</u>	<u>12,000</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	69,180	2,003,250	1,875,073	(128,177)
<b><u>Other Financing Sources (Uses):</u></b>				
Operating Transfers Out	(650,000)	(1,670,000)	(2,209,428)	(539,428)
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	(580,820)	333,250	(334,355)	(667,605)
<b>Fund Balance (Deficit) - Beginning of Year</b>	<u>1,230,162</u>	<u>1,230,162</u>	<u>3,003,026</u>	<u>-</u>
<b>Fund Balance (Deficit) - End of Year</b>	<u>\$ 649,342</u>	<u>\$ 1,563,412</u>	<u>\$ 2,668,671</u>	<u>\$ (667,605)</u>

# **City of Winnfield**

## **Schedule of Changes in Net OPEB Liability** **Retiree Healthcare Plan**

	<b>For the Year Ended June 30th:</b>					
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b><u>Total OPEB Liability</u></b>						
Beginning Balance	\$ 450,707	428,056	404,526	\$ 164,554	\$ 176,158	\$ 179,338
Service Cost	9,623	9,996	8,070	11,131	10,954	8,404
Interest	16,907	15,655	15,852	3,760	3,923	6,497
Differences Between expected and actual experience	-	-	(196,236)	42,479	45,232	50,506
Changes in Assumptions	-	-	(22,861)	332	(9,483)	(799)
Benefit Payments	<u>(49,181)</u>	<u>(49,181)</u>	<u>(44,797)</u>	<u>(46,098)</u>	<u>(47,446)</u>	<u>(50,056)</u>
Ending Balance	<u>428,056</u>	<u>404,526</u>	<u>164,554</u>	<u>176,158</u>	<u>179,338</u>	<u>193,890</u>
<b><u>Fiduciary Net Position</u></b>						
Beginning Balance	-	-	-	-	-	-
Employer Contributions	49,181	49,181	44,797	46,098	47,446	50,056
Benefit Payments	<u>(49,181)</u>	<u>(49,181)</u>	<u>(44,797)</u>	<u>(46,098)</u>	<u>(47,446)</u>	<u>(50,056)</u>
Ending Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net OPEB Liability</b>	<b><u>\$ 428,056</u></b>	<b><u>\$ 404,526</u></b>	<b><u>\$ 164,554</u></b>	<b><u>\$ 176,158</u></b>	<b><u>\$ 179,338</u></b>	<b><u>\$ 193,890</u></b>
Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered Payroll	1,531,135	1,531,135	1,903,700	1,903,700	1,903,700	1,960,811
Net OPEB Liability as a Percentage of Covered Payroll	27.96%	26.42%	8.64%	9.25%	9.42%	9.89%
<b>Notes to Schedule:</b>						
Benefit Change:	None	None	None	None	None	None
Changes of Assumptions						
Discount Rate:	3.57%	3.50%	2.21%	2.16%	3.54%	3.65%
Mortality:	RP-2014	RP-2014	RP-2014	RP-2014	RP-2014	RP-2014
Trend:	5.00%	5.00%	Variable	Variable	Variable	Variable

This schedule is intended to fulfill requirements to present information for a period of 10 years. However, until a full 10 year trend has been compiled, information is presented only for the years for which the required information is available.

There are no assets accumulated in a trust that meets criteria established by Governmental Accounting Standards to pay related benefits. In addition, there are no known factors that can be expected to significantly effect the amounts reported.

# **City of Winnfield**

## **Schedule of Net Pension Liability Data Cost Sharing Retirement Systems**

Retirement System / Measurement Date	Share of Collective		Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Pension Plans Fiduciary Net Position as a Percentage of Total Pension Liability
	Net Pension Liability				
	Percent	Amount			
<b>Municipal Employees' Retirement System</b>					
June 30, 2014	0.81802%	2,099,403	1,299,099	161.6%	76.9%
June 30, 2015	0.75412%	2,693,842	1,256,443	214.4%	68.7%
June 30, 2016	0.69976%	2,868,118	1,165,267	246.1%	63.3%
June 30, 2017	0.64412%	2,694,626	999,306	269.6%	63.5%
June 30, 2018	0.54735%	2,266,396	1,204,470	188.2%	65.6%
June 30, 2019	0.65064%	2,718,825	1,224,865	222.0%	64.7%
June 30, 2020	0.61195%	2,645,703	1,171,439	225.9%	64.5%
June 30, 2021	0.64822%	1,803,032	1,284,186	140.4%	67.9%
June 30, 2022	0.70224%	2,916,549	1,338,223	217.9%	67.9%
<b>Firefighters's Retirement System</b>					
June 30, 2014	0.10584%	470,988	234,594	200.8%	76.0%
June 30, 2015	0.10775%	581,539	270,736	214.8%	72.4%
June 30, 2016	0.11037%	721,913	238,513	302.7%	68.2%
June 30, 2017	0.10215%	585,531	245,386	238.6%	73.5%
June 30, 2018	0.10307%	592,855	341,165	173.8%	74.8%
June 30, 2019	0.10457%	654,839	253,370	258.5%	74.0%
June 30, 2020	0.12705%	880,626	316,294	278.4%	72.6%
June 30, 2021	0.15440%	547,166	387,278	141.3%	86.8%
June 30, 2022	0.15482%	1,091,708	395,719	275.9%	74.7%
<b>Municipal Police Employees' Retirement System</b>					
June 30, 2014	0.14954%	935,553	369,535	253.2%	75.1%
June 30, 2015	0.12931%	1,012,970	309,727	327.1%	70.7%
June 30, 2016	0.10773%	1,009,771	319,192	316.4%	66.0%
June 30, 2017	0.11503%	1,004,252	331,073	303.3%	70.1%
June 30, 2018	0.11356%	960,001	297,008	323.2%	71.9%
June 30, 2019	0.05571%	505,913	174,149	290.5%	71.0%
June 30, 2020	0.07931%	732,991	248,444	295.0%	70.9%
June 30, 2021	0.12656%	674,644	385,613	175.0%	84.1%
June 30, 2022	0.11956%	1,222,105	321,786	379.8%	70.8%

Notes to Schedule:

At the present time, management has not identified any factors that are expected to significantly affect trends in the amounts reported above.

# **City of Winnfield**

## **Schedule of Employer Contributions Cost Sharing Retirement Systems**

Retirement System / Fiscal Year Ending	Statutorily	Contributions	Difference	Covered Payroll	Contributions Recognized as a Percentage of Covered Payroll
	Required Employer Contributions	Recognized By the Pension Plan	Between Required and Recognized Contributions		
<b>Municipal Employees' Retirement System</b>					
June 30, 2014	256,203	256,203	-	1,299,099	19.72%
June 30, 2015	246,878	246,878	-	1,256,443	19.65%
June 30, 2016	266,122	266,122	-	1,165,267	22.84%
June 30, 2017	245,959	245,959	-	999,306	24.61%
June 30, 2018	313,162	313,162	-	1,204,470	26.00%
June 30, 2019	318,465	318,465	-	1,224,865	26.00%
June 30, 2020	325,074	324,572	502	1,171,439	27.71%
June 30, 2021	378,835	378,658	177	1,284,186	29.49%
June 30, 2022	394,776	397,030	(2,254)	1,338,223	29.67%
<b>Firefighters's Retirement System</b>					
June 30, 2014	66,979	66,979	-	234,594	28.55%
June 30, 2015	67,814	67,814	-	270,736	25.05%
June 30, 2016	60,250	60,250	-	238,513	25.26%
June 30, 2017	65,118	65,118	-	245,386	26.54%
June 30, 2018	90,255	90,255	-	341,165	26.45%
June 30, 2019	67,143	67,143	-	253,370	26.50%
June 30, 2020	87,772	87,772	-	316,294	27.75%
June 30, 2021	124,897	124,897	-	387,278	32.25%
June 30, 2022	133,555	134,622	(1,067)	395,719	34.02%
<b>Municipal Police Employees' Retirement System</b>					
June 30, 2014	108,953	108,953	-	369,535	29.48%
June 30, 2015	89,027	89,027	-	309,727	28.74%
June 30, 2016	109,029	109,029	-	319,192	34.16%
June 30, 2017	95,141	95,141	-	331,073	28.74%
June 30, 2018	95,785	95,785	-	297,008	32.25%
June 30, 2019	56,163	56,163	-	174,149	32.25%
June 30, 2020	80,744	79,612	1,132	248,444	32.04%
June 30, 2021	130,144	130,315	(171)	385,613	33.79%
June 30, 2022	109,806	109,806	-	321,786	34.12%

**Notes to Schedule:**

At the present time, management has not identified any factors that are expected to significantly affect trends in the amounts reported above.

# **City of Winnfield**

## ***Schedule of Compensation Paid to Board Members For the year ended June 30, 2023***

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Gerald Hamms	65,000
Erica Breda	13,200
Chiquita Caldwell	13,200
Ada Hall	13,200
Matt Miller	13,200
Teresa Phillips	<u>13,200</u>
Total Compensation	<u><u>\$ 131,000</u></u>

# **City of Winnfield**

## **Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer For the year ended June 30, 2023**

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### **Agency Head (Mayor) - Gerald Hamms**

#### **Purpose:**

Compensation	\$ 65,000
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#### Benefits

Health Insurance	8,450
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Payroll Taxes	943
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Retirement	19,175
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Reimbursements	-
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# **City of Winnfield**

**Justice System Funding Schedule - Receiving Entity**  
**As Required by Act 87 of the 2020 Regular Legislative Session -**  
**Cash Basis Presentation**  
**For the Year Ended June 30, 2023**

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	First Six Month Period Ended December 31, 2022	Second Six Month Period Ended June 30, 2023
Receipts From:		
Winnfield City Court Fine Fees - Criminal Court Costs/Fees	<u>15,452</u>	<u>12,748</u>
<b>Subtotal Receipts</b>	<u><u>15,452</u></u>	<u><u>12,748</u></u>
Ending Balance of Amounts Assessed but Not Received	-	-

# **City of Winnfield**

## **Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2023**

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<b><u>Federal Grantor / Pass-through Grantor / Program Title</u></b>	Assistance	
	<u>Listing Number</u>	<u>Federal Expenditures</u>
<b>Department of Transportation</b>		
Passed Through Louisiana Highway Safety Commission		
National Priority Safety Programs	20.616	\$ 7,220
Total Highway Safety Cluster		<u>7,220</u>
Total Department of Transportation		<u>7,220</u>
<b>United States Environmental Protection Agency</b>		
Passed Through Louisiana Department of Health		
Drinking Water State Revolving Fund	66.468	<u>1,308,351</u>
Total Drinking Water State Revolving Fund Cluster		<u>1,308,351</u>
Total United States Environmental Protection Agency		<u>1,308,351</u>
<b>Department of the Treasury</b>		
Passed Through Governor's Office of Homeland Security and Emergency Preparedness		
"COVID-19" - Coronavirus State and Local Fiscal Recovery Funds	21.027	<u>1,578,138</u>
Total Department of the Treasury		<u>1,578,138</u>
<b>Department of Homeland Security</b>		
Passed Through Governor's Office of Homeland Security and Emergency Preparedness		
Disaster Grants- Public Assistance (Presidentially Declared Disasters)	97.036	<u>16,875</u>
Total Department of Homeland Security		<u>16,875</u>
<b>Total Expenditure of Federal Awards</b>		<b><u>\$2,910,584</u></b>

### **Note**

The schedule of expenditures of federal awards was prepared in conformity with generally accepted accounting principles. See Note 1 of the accompanying financial statements for further details. Furthermore, the City of Winnfield has not used the 10% de minimus indirect cost rate.





February 6, 2024

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

To the Honorable Mayor  
and the Board of Aldermen  
City of Winnfield, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Winnfield, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City of Winnfield's basic financial statements, and have issued our report thereon dated February 6, 2024.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the City of Winnfield's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. However, material weaknesses or significant deficiencies may exist that were not identified.

**REPORT ON COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the City of Winnfield's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2023-001 and 2023-002.

**CITY OF WINNFIELD'S RESPONSE TO FINDINGS**

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

**PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



ROZIER, MCKAY & WILLIS  
Certified Public Accountants  
Alexandria, Louisiana



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

To the Honorable Mayor  
and the Board of Aldermen  
City of Winnfield, Louisiana

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

**Opinion on Each Major Federal Program**

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

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

**Basis for Opinion on Each Major Federal Program**

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

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

**Responsibilities of Management for Compliance**

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

**Auditor's Responsibilities for the Audit of Compliance**

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

aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

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

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

### **Report on Internal Control over Compliance**

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

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

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

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



Rozier, McKay & Willis  
Alexandria, Louisiana

# **CITY OF WINNFIELD**

## **Summary of Findings**

**June 30, 2023**

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### **PART I - SUMMARY OF AUDITOR'S RESULTS:**

#### **Financial Statements**

- The Independent Auditor's Report on the financial statements for the City of Winnfield as of June 30, 2023 and for the year then ended expressed opinions as follows.

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
Aggregate Discretely Presented Component Units	Adverse
Each Major Governmental Fund	Unmodified
Utility Fund	Qualified
Aggregate Remaining Fund Information	Unmodified

- No significant deficiencies in internal control were identified in connection with the audit.
- Two instances of noncompliance material to the financial statements of the City of Winnfield were disclosed during the audit.

#### **Federal Awards**

- No deficiencies in internal control over major federal award programs were disclosed during the audit. Accordingly, there were no material weaknesses applicable to major federal award programs.
- The Independent Auditor's Report on Compliance for each Major Program and on Internal Control over Compliance required by the Uniform Guidance expressed an unmodified opinion on compliance for major programs.
- The audit did not disclose any audit findings which are required to be reported as findings and questioned cost in connection with Federal Programs.
- Major Programs for the year ended June 30, 2023 are presented as follows:

Department of the Treasury

Assistance Listing No. 21.027 – "COVID-19" Coronavirus State and Local Fiscal Recovery Funds

Environmental Protection Agency

Assistance Listing No. 66.468 – Drinking Water State Revolving Fund

- A threshold of \$750,000 was used for distinguishing between type A and Type B Programs for purposes of identifying major programs.
- The City of Winnfield was not considered a low-risk auditee as defined by the Uniform Guidance

### **PART II**

#### **FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:**

# **CITY OF WINNFIELD**

## ***Summary of Findings***

***June 30, 2023***

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### **FINDING 2023-001: LATE SUBMISSION OF REPORT**

- Criteria: The Louisiana Audit Law requires local auditees to be audited annually, and requires submission of the annual financial report to the Legislative Auditor within six months after the end of the fiscal year
- Condition: The City of Winnfield did not submit its annual financial report within the required deadline.
- Effect: The City was not in compliance with the Louisiana Audit Law. In addition, the City was not in compliance with debt covenants related to a timely filed audit report.
- Cause: The City's Auditor had a sudden death in the family, who was also a partner of the accounting firm in question. Because of this, auditors weren't able to perform fieldwork timely.
- Recommendation: We believe this matter will be resolved without any additional efforts from the City, due to the nature of the finding.

### **FINDING 2023-002: BUDGET VIOLATION**

- Criteria: State law prohibits unfavorable budget variances from exceeding 5%.
- Condition: In the current year, the City experienced unfavorable budget variances in both the General Fund and the Sales Tax Fund.
- Effect: The City was not in compliance with the Louisiana Government Budget Act
- Cause: An appropriate amendment was not made to the budget once the City of Winnfield realized that unfavorable variances exceeded 5% of budgeted amounts
- Recommendation: The City of Winnfield should implement policies and procedures to ensure that the budget is amended whenever variances exceed amounts allowed by the Louisiana Government Budget Act.

### **PART III**

#### **FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS WHICH SHALL INCLUDE AUDIT FINDINGS AS DEFINED BY THE UNIFORM GUIDANCE:**

- None

# **CITY OF WINNFIELD**

## **Management's Corrective Action Plan**

**June 30, 2023**

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<b>SECTION I</b>	
<b>INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS</b>	
<b><u>FINDINGS</u></b>	<b><u>RESPONSE</u></b>
<p><b><u>2023-001: Late Submission of Report</u></b> The City did not comply with the Louisiana Audit Law, and submitted its annual audit more than six months after the close of the fiscal year.</p> <p><b><u>2023-002: Local Government Budget Act</u></b> The City experienced unfavorable Budget Variances in excess of amounts allowed by the Louisiana Local Government Budget Act</p>	<p><b><u>2023-001: Response</u></b> The City has made every effort to catch up on delinquent audits. The only reason our current year audit was late was because our City Auditor had an untimely death in his family, which caused difficulties in his performing the work timely. This matter will not occur in future years.</p> <p><b><u>2023-002: Response</u></b> In the future we will monitor our budget more closely, to ensure budgetary compliance.</p>
<b>SECTION II</b>	
<b>INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>	
<b><u>FINDINGS</u></b>	<b><u>RESPONSE</u></b>
<p>No Findings of this nature.</p>	<p>No response necessary</p>
<b>SECTION III</b>	
<b>MANAGEMENT LETTER</b>	
<b><u>FINDINGS</u></b>	<b><u>RESPONSE</u></b>
<p>No Findings of this nature.</p>	<p>No response necessary</p>

# **CITY OF WINNFIELD**

## **Schedule of Prior Year Findings**

**June 30, 2023**

<b>SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS</b>	
<b><u>FINDINGS</u></b>	<b><u>RESPONSE</u></b>
<b><u>2022-001: Late Submission of Report</u></b> The City did not comply with the Louisiana Audit Law, and submitted its annual audit more than six months after the close of the fiscal year.	<b><u>Unresolved: See Finding 2023-001</u></b>
<b><u>2022-002: Local Government Budget Act</u></b> The City experienced unfavorable Budget Variances in excess of amounts allowed by the Louisiana Local Government Budget Act	<b><u>Unresolved: See Finding 2023-002</u></b>
<b><u>2022-003: Utility Rates</u></b> The City did not charge commercial users of its electric distribution system the rate that was set by ordinance.	<b><u>Resolved</u></b>
<b><u>2022-004: Accounting Practices and Financial Reporting</u></b> The City was not able to produce timely, relevant financial reports to enable management to make financial decisions, had significant difficulty balancing interfund transactions, and significantly over drafted a checking account at the end of the fiscal year.	<b><u>Resolved</u></b>
<b>SECTION II MANAGEMENT LETTER</b>	
<b><u>FINDINGS</u></b>	<b><u>RESPONSE</u></b>
No Findings of this nature.	No response necessary



**APPENDIX A**  
**Statewide Agreed-Upon Procedures**



Independent Accountant's Report  
On Applying Agreed-Upon Procedures

To the City of Winnfield and  
the Louisiana Legislative Auditor:

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

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

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

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

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

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**City of Winnfield**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

Written Policies and Procedures		
Agreed-Upon Procedure	Results	Managements' Response
<p>1 Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories.</p> <ul style="list-style-type: none"> <li>• Budgeting</li> <li>• Purchasing</li> <li>• Disbursements</li> <li>• Receipts</li> <li>• Payroll/Personnel</li> <li>• Contracting</li> <li>• Credit Cards</li> <li>• Travel and expense reimbursements</li> <li>• Ethics</li> <li>• Debt Service</li> <li>• Disaster Recovery / Business Continuity</li> <li>• Sexual Harassment</li> </ul>	<p>The City has written policies that covered each of the required elements for the following categories:</p> <ul style="list-style-type: none"> <li>• Purchasing</li> <li>• Disbursements</li> <li>• Receipts</li> <li>• Payroll/Personnel</li> <li>• Contracting</li> <li>• Credit Cards</li> <li>• Travel and expense reimbursements</li> <li>• Ethics</li> <li>• Debt Service</li> <li>• Sexual Harassment</li> <li>• Disaster Recovery / Business Continuity</li> </ul> <p>The City does not have the following written policies or procedures for the following category:</p> <ul style="list-style-type: none"> <li>• Budgeting</li> </ul>	<p><b><i>We will examine our written procedures and the Legislative Auditor's "Best Practices" and develop written policies for budgeting.</i></b></p>

# **City of Winnfield**

## **Statewide Agreed-Upon Procedures**

### **Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Board (or Finance Committee)</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>2 Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:</p> <p>a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.</p> <p>b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. <i>Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.</i></p> <p>c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the</p>	<p>Board and committee minutes were reviewed for the fiscal period.</p> <p>The governing board met monthly with a quorum.</p> <p>Budget-to-Actual comparisons are not included as part of the Board's monthly report every month.</p> <p>There were no deficit fund balances in the previous report.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The City Clerk will start providing Budget-to-Actual comparisons as part of the Board's monthly report each month.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p>

**City of Winnfield**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

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Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
<p>fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.</p> <p>d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.</p>	<p>The board/finance committee did not receive written updates of the progress of resolving audit finding(s)</p>	<p><b><i>We will work to ensure that the board/finance committee will receive written updates on the progress of resolving audit finding(s)</i></b></p>

**City of Winnfield**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Bank Reconciliations</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>3 Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:</p> <p>a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);</p> <p>b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and</p> <p>c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.</p>	<p>Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date.</p> <p>Reconciliations are performed by a third-party CPA firm, who doesn't have any responsibility for handling cash or issuing checks, and reviewed by a member of management.</p> <p>Management voids all checks older than 90 days; no checks were outstanding longer than 12 months from the statement closing date.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p>



**City of Winnfield**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Collections (excluding EFTs)</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.</p>	<p>Employees responsible for collecting cash are not responsible for reconciling collection documentation.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p>
<p>c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.</p>	<p>Employees responsible for collecting cash are not responsible for posting collection entries to the general ledger.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p>
<p>d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.</p>	<p>The employee responsible for reconciling cash collections to the general ledger is not responsible for collecting cash.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p>
<p>6 Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.</p>	<p>All employees of the City are covered by an employee dishonesty policy.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p>
<p>7 Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source</p>		



**City of Winnfield**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

Collections (excluding EFTs)		
Agreed-Upon Procedure	Results	Managements' Response
<p>document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:</p> <p>a. Observe that receipts are sequentially pre-numbered.</p> <p>b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.</p> <p>c. Trace the deposit slip total to the actual deposit per the bank statement.</p> <p>d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).</p> <p>e. Trace the actual deposit per the bank statement to the general ledger.</p>	<p>Receipts were sequentially pre-numbered.</p> <p>Documentation was consistent with deposit slips.</p> <p>The deposit slips matched the actual deposit per the bank statement</p> <p>The deposits were made within one business day of receipt.</p> <p>The bank statement agreed to the general ledger.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p>

# **City of Winnfield**

## **Statewide Agreed-Upon Procedures**

### **Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>8 Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).</p>	<p>Management provided a listing of locations and represented its completeness</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p>
<p>9 For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:</p> <p>a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.</p> <p>b) At least two employees are involved in processing and approving payments to vendors.</p> <p>c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.</p> <p>d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail</p>	<p>Purchases require involvement from multiple parties.</p> <p>Processing and approval involve multiple parties.</p> <p>Adding and modifying vendor files involves multiple parties.</p> <p>The employee who signs checks also mails the checks.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p>

**City of Winnfield**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
<p>who is not responsible for processing payments.</p> <p>10 For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:</p> <p>a. Observe that the disbursement matched the related original invoice/billing statement.</p> <p>b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.</p> <p>11 Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made</p>	<p>Disbursements are supported by invoices.</p> <p>Disbursement documentation included evidence of segregation of duties.</p> <p>Electronic disbursements were not approved by the required number of authorized signers.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>We will work to ensure that all the electronic disbursements are approved by the required number of authorized signers.</i></p>

**City of Winnfield**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

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Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.		



**City of Winnfield**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

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<b>Credit Cards/Debit Cards/Fuel Cards/P-Cards</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
14 Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).	An original, itemized receipt was not available for each transaction. In addition, individuals participating in meals were not always documented.	<b><i>In the future, we will ensure that an itemized receipt is retained, and that individuals participating in meals are properly documented.</i></b>

**City of Winnfield**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Travel and Expense Reimbursement</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>15 Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:</p> <p>a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (<a href="http://www.gsa.gov">www.gsa.gov</a>).</p> <p>b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.</p> <p>c. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).</p> <p>d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.</p>	<p>A list was provided by management.</p> <p>Reimbursements were calculated using established mileage rates.</p> <p>Reimbursements were supported by itemized receipts.</p> <p>The business purpose was evident for each transaction selected.</p> <p>Each Reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p>

**City of Winnfield**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Contracts</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>16 Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:</p> <p>a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.</p> <p>b. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).</p> <p>c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.</p> <p>d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.</p>	<p>None of the selected contracts required bidding under the Louisiana Public Bid Law.</p> <p>The selected contracts were approved by appropriate officials.</p> <p>None of the selected contracts were amended in the current year.</p> <p>Invoices agreed to the terms and conditions of the selected contracts.</p>	<p><b><i>The results did not include findings or criticisms</i></b></p> <p><b><i>The results did not include findings or criticisms</i></b></p> <p><b><i>The results did not include findings or criticisms</i></b></p> <p><b><i>The results did not include findings or criticisms</i></b></p>



# **City of Winnfield**

## **Statewide Agreed-Upon Procedures**

### **Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Payroll and Personnel</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
17 Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.	A listing and representations were provided.	<b><i>The results did not include findings or criticisms.</i></b>
18 Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:		
a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).	Attendance was properly documented.	<b><i>The results did not include findings or criticisms</i></b>
b. Observe that supervisors approved the attendance and leave of the selected employees/officials.	Approval was documented	<b><i>The results did not include findings or criticisms</i></b>
c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.	Leave taken was reflected in the leave records where applicable.	<b><i>The results did not include findings or criticisms</i></b>
19 Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination	Management provided the listing, and represented that it was complete. The selected employees who received termination payments were paid only for their accumulated leave, at their approved rates of pay.	<b><i>The results did not include findings or criticisms</i></b>

**City of Winnfield**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

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<b>Payroll and Personnel</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.  20 Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.	Management has asserted that all relevant payments have been made.	<b><i>The results did not include findings or criticisms</i></b>

**City of Winnfield**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

Ethics		
Agreed-Upon Procedure	Results	Managements' Response
<p>21 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:</p> <p>a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.</p> <p>b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.</p> <p>22 Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.</p>	<p>Evidence of ethics training was present for all employees selected.</p> <p>Signature verification was present for all employees selected.</p> <p>The entity appointed an ethics designee as required.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms</i></b></p>

**City of Winnfield**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

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<b>Debt Service</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
23 Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.	Management issued a list and represented that the list was complete.	<b><i>The results did not include findings or criticisms.</i></b>
25 Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.	The Entity was in compliance with its debt Covenants, excepting those related to a timely audit filing.	<b><i>Our audit wasn't filed timely because of personal matters affecting one of the principals at our CPA firm. This isn't a problem that will occur again.</i></b>

**City of Winnfield**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

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<b>Fraud Notice</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
23 Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.	No misappropriations were reported.	<b><i>The results did not include findings or criticisms</i></b>
26 Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.	The entity posted the notice on its premises as required.	<b><i>The results did not include findings or criticisms</i></b>

**City of Winnfield**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

Information Technology Disaster Recovery /Business Continuity		
Agreed-Upon Procedure	Results	Managements' Response
<p>27 Perform the following procedures, <b>verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."</b></p> <p>a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.</p> <p>b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.</p> <p>c. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.</p>	<p>We performed the procedures and discussed the results with management.</p> <p>We performed the procedures and discussed the results with management.</p> <p>We performed the procedures and discussed the results with management.</p>	<p><b><i>The results did not include findings or criticisms</i></b></p> <p><b><i>The results did not include findings or criticisms</i></b></p> <p><b><i>The results did not include findings or criticisms</i></b></p>

**City of Winnfield**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

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<b>Information Technology Disaster Recovery /Business Continuity</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
28 Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.		<b><i>The results did not include findings or criticisms</i></b>

**City of Winnfield**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

Sexual Harassment		
Agreed-Upon Procedure	Results	Managements' Response
<p>29 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.</p>	<p>Documentation was provided for 4 of the 5 selected employees.</p>	<p><b><i>We will work to ensure that all employees complete the required training in the future.</i></b></p>
<p>30 Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).</p>	<p>The Entity's sexual harassment policy was not on the entity's website, but was in a conspicuous location on the Entity's premise</p>	<p><b><i>We will work with our attorney and determine the cost benefit of adding our harassment policy on our website. Previously, the policy was not included on the website because we have communicated our policy regularly to our staff and committed to regular sexual harassment training.</i></b></p>
<p>31 Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:</p> <ul style="list-style-type: none"> <li>a. Number and percentage of public servants in the agency who have completed the training requirements;</li> <li>b. Number of sexual harassment complaints received by the agency;</li> <li>c. Number of complaints which resulted in a finding that sexual harassment occurred;</li> <li>d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and</li> <li>e. Amount of time it took to resolve each complaint.</li> </ul>	<p>An annual sexual harassment report was not completed.</p>	<p><b><i>Management will work to produce an annual sexual harassment report going forward.</i></b></p>