

CITY OF WINFIELD, MISSOURI
AUDITED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Board of Aldermen
City of Winfield, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund, of the City of Winfield, Missouri (the City) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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.

Auditors' 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'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'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying 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*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the budgetary comparison schedule and related notes but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2023, on our consideration of the City'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'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's internal control over financial reporting and compliance.

Fick, Eggemeyer, & Williamson

Fick, Eggemeyer, & Williamson, CPAs
Saint Louis, Missouri
May 23, 2023

Basic Financial Statements

CITY OF WINFIELD, MISSOURI
STATEMENT OF NET POSITION
MODIFIED CASH BASIS
DECEMBER 31, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 712,725	\$ 124,153	\$ 836,878
Certificates of deposit	371,839	10,983	382,822
Total current assets	<u>1,084,564</u>	<u>135,136</u>	<u>1,219,700</u>
Noncurrent assets			
Capital assets, net of accumulated depreciation	670,882	4,608,248	5,279,130
Total noncurrent assets	<u>670,882</u>	<u>4,608,248</u>	<u>5,279,130</u>
Total assets	<u>\$ 1,755,446</u>	<u>\$ 4,743,384</u>	<u>\$ 6,498,830</u>
LIABILITIES			
Current liabilities			
Payroll tax and withholding	\$ 3,936	\$ -	\$ 3,936
Total current liabilities	<u>3,936</u>	<u>-</u>	<u>3,936</u>
Noncurrent liabilities			
Note payable	-	4,793,349	4,793,349
Total noncurrent liabilities	<u>-</u>	<u>4,793,349</u>	<u>4,793,349</u>
Total liabilities	<u>\$ 3,936</u>	<u>\$ 4,793,349</u>	<u>\$ 4,797,285</u>
NET POSITION			
Net investment in capital assets	\$ 670,882	\$ (185,101)	\$ 485,781
Restricted for:			
Transportation sales tax	487,962	-	487,962
DWI/drug enforce	2,853	-	2,853
Police training fund	12,680	-	12,680
Police grants fund	5,227	-	5,227
Unrestricted	<u>571,906</u>	<u>135,136</u>	<u>707,042</u>
Total net position	<u>\$ 1,751,510</u>	<u>\$ (49,965)</u>	<u>\$ 1,701,545</u>

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

CITY OF WINFIELD, MISSOURI
STATEMENT OF ACTIVITIES
MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 774,446	\$ 130,129	\$ 151,238	\$ -	\$ (493,079)	\$ -	\$ (493,079)
Public safety	410,001	137,742	-	-	(272,259)	-	(272,259)
Streets	44,559	-	-	-	(44,559)	-	(44,559)
Total governmental activities	<u>1,229,006</u>	<u>267,871</u>	<u>151,238</u>	<u>-</u>	<u>(809,897)</u>	<u>-</u>	<u>(809,897)</u>
Business-type activities:							
Water and sewer	762,050	642,844	-	-	-	(119,206)	(119,206)
Total business-type activities	<u>762,050</u>	<u>642,844</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(119,206)</u>	<u>(119,206)</u>
Total	<u>\$ 1,991,056</u>	<u>\$ 910,715</u>	<u>\$ 151,238</u>	<u>\$ -</u>	<u>(809,897)</u>	<u>(119,206)</u>	<u>(929,103)</u>
General revenues and transfers:							
Real and personal property taxes					48,691	-	48,691
City sales taxes					216,204	-	216,204
Franchise Taxes					92,308	-	92,308
Surtax					1,968	-	1,968
Transportation taxes					102,482	-	102,482
Motor vehicle sales taxes					14,393	-	14,393
Motor vehicle fees					6,681	-	6,681
Motor fuel taxes					45,285	-	45,285
Investment income					1,645	698	2,343
Miscellaneous					81,033	633	81,666
Transfers					265,879	(265,879)	-
Total general revenues and transfers					<u>876,569</u>	<u>(264,548)</u>	<u>612,021</u>
Change in net position					66,672	(383,754)	(317,082)
Net position - beginning					1,684,838	333,789	2,018,627
Net position - ending					<u>\$ 1,751,510</u>	<u>\$ (49,965)</u>	<u>\$ 1,701,545</u>

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

CITY OF WINFIELD, MISSOURI
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
MODIFIED CASH BASIS
GOVERNMENTAL FUND
DECEMBER 31, 2022

	General
ASSETS	
Cash and cash equivalents	\$ 712,725
Certificates of deposit	371,839
Total assets	\$ 1,084,564
 LIABILITIES	
Payroll tax and withholding	\$ 3,936
Total liabilities	3,936
 FUND BALANCES	
Restricted for:	
Transportation sales tax	487,962
DWI/drug enforce	2,853
Police training fund	12,680
Police grants fund	5,227
Assigned	23,111
Unassigned	548,795
Total fund balances	1,080,628
Total liabilities and fund balances	\$ 1,084,564

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

CITY OF WINFIELD, MISSOURI
RECONCILIATION OF THE STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2022

Total fund balance - governmental fund	\$ 1,080,628
Amounts reported for governmental activities in the Statement of Net Position - Modified Cash Basis are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources, and therefore, are not reported on the governmental funds balance sheet.	<u>670,882</u>
Net position of governmental activities	<u><u>\$ 1,751,510</u></u>

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

CITY OF WINFIELD, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	General
Revenues	
Taxes	\$ 461,653
Intergovernmental	66,359
Fines and forfeitures	121,592
Licenses and permits	16,150
Charges for services	130,129
Operating grants	151,238
Investment income	1,645
Miscellaneous	81,033
Total revenues	1,029,799
Expenditures	
Current	
Administration	750,352
Public safety	402,084
Streets	27,094
Capital outlay	23,452
Total expenditures	1,202,982
Excess (deficiency) of revenues over expenditures	(173,183)
Other financing sources (uses):	
Transfers between funds	265,879
Total other financing sources (uses)	265,879
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	92,696
Fund balances - beginning	987,932
Fund balances - ending	\$ 1,080,628

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

CITY OF WINFIELD, MISSOURI
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUND TO
 THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2022

Net change in fund balances - total governmental fund	\$	92,696
<p>Amounts reported for governmental activities in the Statement of Activities - Modified Cash Basis are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities - Modified Cash Basis the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay		23,452
Depreciation expense		(49,476)
		(49,476)
Change in net position of governmental activities	\$	66,672

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

CITY OF WINFIELD, MISSOURI
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUND
DECEMBER 31, 2022

	Water and Sewer Fund
ASSETS	
Current assets	
Cash and cash equivalents	\$ 124,153
Certificates of deposit	10,983
Total current assets	135,136
Noncurrent assets	
Capital assets, net of accumulated depreciation	4,608,248
Total noncurrent assets	4,608,248
Total assets	\$ 4,743,384
LIABILITIES	
Current liabilities	
None	\$ -
Total current liabilities	-
Noncurrent liabilities	
Notes payable	4,793,349
Total noncurrent liabilities	4,793,349
Total liabilities	4,793,349
NET POSITION	
Net investment in capital assets	(185,101)
Unrestricted	135,136
Total net position	\$ (49,965)

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

CITY OF WINFIELD, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Water and Sewer Fund
Operating revenue	
Charges for services	\$ 642,844
Total operating revenues	642,844
Operating expenses	
Cost of sales and service	624,495
Depreciation	137,555
Total operating expenses	762,050
Operating income	(119,206)
Non-operating revenues (expenses)	
Miscellaneous income	633
Investment income	698
Total non-operating revenues (expenses)	1,331
Change in net position before transfers between funds	(117,875)
Transfer between funds	(265,879)
Change in net position after transfers between funds	(383,754)
Net position - beginning	333,789
Net position - ending	\$ (49,965)

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

CITY OF WINFIELD, MISSOURI
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Water and Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 642,844
Payments for services	(491,257)
Payments to employees	(133,238)
TOTAL OPERATING ACTIVITIES	18,349
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Proceeds from notes payable	2,977,257
Purchase of capital assets	(2,659,566)
TOTAL CAPITAL AND RELATED FINANCING ACTIVITIES	317,691
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of certificates of deposit	(216)
Investment income	698
TOTAL INVESTING ACTIVITIES	482
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Miscellaneous income	633
Transfers between funds	(265,879)
TOTAL NON-CAPITAL FINANCING ACTIVITIES	(265,246)
Net increase (decrease) in cash and cash equivalents	71,276
Cash and cash equivalents - beginning	52,877
Cash and cash equivalents - ending	\$ 124,153
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ (119,206)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	137,555
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 18,349

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

CITY OF WINFIELD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Winfield, Missouri (the “City”) was incorporated on February 14, 1882, and operates under a Mayor/Board of Aldermen form of government, providing the following services: legislative, public safety, highways and streets, water and sewer, trash collection, and general administrative services. The City, for financial purposes, includes all of the funds relevant to the operations of the City of Winfield. The City is considered to be a primary government pursuant to GASB Statement No. 14 since it is legally separate and fiscally independent.

Reporting Entity

The City defines its financial reporting entity in accordance with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* (GASB 14). GASB 14 requirements for the inclusion of component units are based primarily upon whether the City’s governing body has any significant amount of financial accountability for potential component units. The City is financially accountable if it appoints a voting majority of a potential component unit’s governing body and can impose its will on that potential component unit, or the potential component unit may provide specific financial benefits to, or impose specific financial burdens on, the City. Currently, the City does not have any component units.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position - modified cash basis and the statement of activities - modified cash basis) report information on all of the nonfiduciary activities of the City. The statements distinguish between governmental and business-type activities. As a general rule, the effect of interfund activity has been removed from these statements.

The statement of activities - modified cash basis demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are identifiable with a specific function. Program revenues include 1) charges for services to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, unrestricted interest earnings, gains, and other miscellaneous revenues, that are not included as program revenues, are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. The City’s water and sewer services are classified as business-type activities.

Measurement Focus and Basis of Accounting

Measurement focus is the term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

In the government-wide statement of net position - modified cash basis and the statement of activities - modified cash basis, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting.

CITY OF WINFIELD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Governmental activities and business-type activities in the government-wide financial statements and the governmental fund financial statements are presented on the modified cash basis of accounting. Accordingly, revenue is recognized and recorded when cash is received and expenditures are recognized and recorded when checks are written. This differs from the accounting principles generally accepted in the United States of America of recording revenues and expenditures of governmental funds when they become measurable and available and when the related liability is incurred.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues and certain liabilities and their related expenses are not recorded in these financial statements. Modifications to the cash basis include certificates of deposit, capital assets, payroll tax and withholding, municipal court bonds, finance lease obligations, and notes payable.

The government reports the following major governmental fund:

General Fund - This fund is established to account for resources devoted to financing the general services that the City performs for its citizens. General tax revenues and other sources of revenue used to finance fundamental operations of the City are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

The City reports the following major proprietary fund:

Water and Sewer Fund - This fund accounts for activities related to the water distribution system, the sewage pumping station, and sewage treatment lagoons.

Cash and Cash Equivalents

The Board of Aldermen has not adopted a formal investment policy for investing City monies. However, the City has determined through experience that savings accounts and certificates of deposit are the appropriate type of deposits and investments for its needs.

The City considers all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less to be cash and cash equivalents. Missouri State Statute requires that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

Certificates of deposit held at local banks with an original maturity of more than three months are valued at cost and labeled as certificates of deposit in the financial statements.

Use of Estimates

The preparation of basic financial statements in conformity with a comprehensive basis of accounting other than U.S. generally accepted accounting principles requires the City to make estimates and assumptions that affect the reported amounts in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities - modified cash basis, all interfund transfers between individual governmental funds have been eliminated.

CITY OF WINFIELD, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Capital Assets

Capital assets, which include land, vehicles, equipment, and infrastructure assets, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and estimated useful lives in excess of one year. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciation is being computed on the straight-line method, using asset lives as follows:

Assets	Years
Buildings and improvements	40
Infrastructure	20-40
Vehicles and equipment	7

Risk Management

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

Fund Equity

In accordance with the Government Accounting Standards Board 54, Fund Balance Reporting and Government Fund Type Definitions, the City classifies governmental fund balances as follows:

Restricted - This consists of the governmental fund balances that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. The following fund balance is restricted by City ordinance, taxing authority, or grant agreements: General

Assigned - This consists of the governmental fund balances that are intended to be used for specific purposes by management. The following fund comprises the assigned fund balance: General

Unassigned - This consists of the available expendable financial resources in a governmental fund that are not designated for a specific purpose. The following fund comprises the unassigned fund balance: General

The City uses restricted amounts to be spent first when both restricted and unrestricted fund balances are available unless there are legal contracts that prohibit doing this.

Compensated Absences

City employees earn vacation and accumulate sick days based on years of continuous service. Vacation earned within a service year must be used before the expiration of the succeeding service year. Employees who are separated from service are compensated for vacation accrued up to the date of separation. Because of the accounting method used, the City does not record a liability for unused sick or vacation time.

CITY OF WINFIELD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets represents the cost of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The City uses restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

Long-Term Liabilities

The accounting treatment of long-term liabilities depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. Long-term liabilities consist primarily of finance lease obligations and notes payable.

Long-term liabilities for governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as it is in the government-wide statements.

NOTE 2 - PROPERTY TAX

The City's property tax is levied each year on all taxable real property located in the City on January 1. The property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are payable by December 31. The county collects the property tax and remits it to the City. The assessed valuation of the tangible real and personal taxable property for the calendar year 2022 for purposes of local taxation was \$17,815,511. The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2022 for the purposes of location taxation was \$0.3210.

NOTE 3 - FUND BALANCE TRANSFERS

The Water and Sewer Fund transferred \$265,879 to the General Fund. These transfers were used to pay for general operating expenditures.

NOTE 4 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 23, 2022, the date which the financial statements were available for issue, and noted one reportable event. The note payable disclosed in note 7 was refinanced by a USDA bond issuance in the amount of \$4,793,349.

CITY OF WINFIELD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 - CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended December 31, 2022, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Land	\$ 108,918	\$ -	\$ -	\$ 108,918
Total capital assets not being depreciated	<u>108,918</u>	<u>-</u>	<u>-</u>	<u>108,918</u>
<i>Capital assets being depreciated:</i>				
Vehicles and equipment	324,229	23,452	-	347,681
Infrastructure	743,070	-	-	743,070
Total capital assets being depreciated	<u>1,067,299</u>	<u>23,452</u>	<u>-</u>	<u>1,090,751</u>
<i>Less accumulated depreciation for:</i>				
Vehicles and equipment	256,793	27,982	-	284,775
Infrastructure	222,518	21,494	-	244,012
Total accumulated depreciation	<u>479,311</u>	<u>49,476</u>	<u>-</u>	<u>528,787</u>
Total net capital assets being depreciated	<u>587,988</u>	<u>(26,024)</u>	<u>-</u>	<u>561,964</u>
Governmental activities capital assets, net	<u>\$ 696,906</u>	<u>\$ (26,024)</u>	<u>\$ -</u>	<u>\$ 670,882</u>

Depreciation expense for the year ended December 31, 2022 was charged to general government, public safety, and street functions/programs in the amounts of \$24,094, \$7,917 and \$17,465, respectively.

Capital asset activity for business-type activities for the year ended December 31, 2022, were as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type activities:				
Construction in progress	\$ 1,874,115	\$ 2,690,492	\$4,564,607	\$ -
Total capital assets not being depreciated	<u>1,874,115</u>	<u>2,690,492</u>	<u>4,564,607</u>	<u>-</u>
<i>Capital assets being depreciated:</i>				
Vehicles and equipment	65,789	-	-	65,789
Infrastructure	603,478	4,533,681	-	5,137,159
Total capital assets being depreciated	<u>669,267</u>	<u>4,533,681</u>	<u>-</u>	<u>5,202,948</u>
<i>Less accumulated depreciation for:</i>				
Vehicles and equipment	50,648	6,034	-	56,682
Infrastructure	406,497	131,521	-	538,018
Less accumulated depreciation	<u>457,145</u>	<u>137,555</u>	<u>-</u>	<u>594,700</u>
Total net capital assets being depreciated	<u>212,122</u>	<u>4,396,126</u>	<u>-</u>	<u>4,608,248</u>
Business-type activities capital assets, net	<u>\$ 2,086,237</u>	<u>\$ 7,086,618</u>	<u>\$4,564,607</u>	<u>\$ 4,608,248</u>

Depreciation expense of \$137,555, was charged to the Water and Sewer Fund.

CITY OF WINFIELD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6 - LONG-TERM LIABILITIES

The following is a summary of changes in long-term commitments:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due within One Year
Governmental Activities					
Note payable	\$ 1,816,092	\$ 2,977,257	\$ -	\$ 4,793,349	\$ -
Total governmental activities	<u>\$ 1,816,092</u>	<u>\$ 2,977,257</u>	<u>\$ -</u>	<u>\$ 4,793,349</u>	<u>\$ -</u>

Note Payable

In April 2021, the City entered into a construction loan agreement with Regions Bank to finance the construction and upgrade of the City’s sewer infrastructure up to a maximum balance of \$4,900,000. It accrues interest at a rate of 2.5%. No payments of principal or interest are due until after the project is completed and the construction loan is refinanced by the USDA Rural Development Water and Waste Disposal Program. The balance as of December 31, 2022 was \$4,793,349.

NOTE 7 - EMPLOYEE RETIREMENT SYSTEMS

Plan Description

The City participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by state statute, Section RSMo 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401 (a) and it is tax-exempt. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

Funding Policy

Full-time employees of the employer contribute 4% of annual covered payroll to the pension plan. The employer contribution rate is 7.5% (General) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the City. The contribution provisions of the City are established by state statute. For the years ended December 31, 2022, 2021 and 2020, the City contributed \$19,572, \$24,385, and \$20,449, respectively, as required.

NOTE 8 - DEPOSITS

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City has a deposit policy for custodial credit risk that follows Missouri Statutes for deposits. The City maintains a cash pool that is available for use by all funds. Each fund type’s portion of this pool is displayed on the statement of position or balance sheet under each fund’s caption. In accordance with the applicable Missouri Statute, the City maintains deposits at depository banks authorized by the City’s elected officials. Missouri Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of the collateral pledged must equal 100% of the deposits not covered by insurance or corporate surety bonds.

CITY OF WINFIELD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 8 - DEPOSITS (cont.)

At year-end, the carrying amount of the City's demand deposits totaled \$ 1,229,700 and bank balances totaled \$1,249,990. At year-end, the City also had certificates of deposit with a total carrying amount, which approximates fair value, of \$382,822. These are shown as certificates of deposit due to their original maturity dates.

Of the bank balances (including demand deposits and certificates of deposit), \$750,000 was insured by the Federal Deposit Insurance Corporation (FDIC), \$ 499,990 was collateralized by securities held by the pledging financial institution's trust department.

NOTE 9 - UNRESTRICTED NET POSITION DEFICIT

The government-wide statement of net position reflects an unrestricted net position deficit for the business-type activities of (\$49,965). This total is comprised of a 135,136 unrestricted net position from operations and a balance related to net investment in capital assets of (\$185,101).

Supplemental Information

CITY OF WINFIELD, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 492,200	\$ 492,200	\$ 461,653	\$ (30,547)
Intergovernmental	68,000	68,000	66,359	(1,641)
Fines and forfeitures	212,458	212,458	121,592	(90,866)
Licenses and permits	20,709	20,709	16,150	(4,559)
Charges for service	141,000	141,000	130,129	(10,871)
Operating grants	154,000	154,000	151,238	(2,762)
Investment income	-	-	1,645	1,645
Miscellaneous	42,800	42,800	81,033	38,233
Total revenues	<u>1,131,167</u>	<u>1,131,167</u>	<u>1,029,799</u>	<u>(101,368)</u>
Expenditures				
Current operating				
Administration	673,776	673,776	750,352	(76,576)
Public safety	392,244	392,244	402,084	(9,840)
Streets	43,000	43,000	27,094	15,906
Capital outlay	-	-	23,452	(23,452)
Total expenditures	<u>1,109,020</u>	<u>1,109,020</u>	<u>1,202,982</u>	<u>(93,962)</u>
Excess (deficiency) of revenues over expenditures	<u>22,147</u>	<u>22,147</u>	<u>(173,183)</u>	<u>(195,330)</u>
Other financing sources (uses)				
Transfer between funds	-	-	265,879	265,879
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>265,879</u>	<u>265,879</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ 22,147</u>	<u>\$ 22,147</u>	92,696	<u>\$ 70,549</u>
Fund balance - beginning			<u>987,932</u>	
Fund balance - ending			<u>\$ 1,080,628</u>	

CITY OF WINFIELD, MISSOURI
 NOTES TO SUPPLEMENTAL INFORMATION
 DECEMBER 31, 2022

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING

The Board follows the procedures outlined below in establishing the budgetary data reflected in the basic financial statements:

1. Formal budgetary integration is employed as a management control device during the year for all governmental funds. The budgets are adopted on a modified cash basis of accounting.
2. The Board of Alderman approves the tax rate by ordinance. Once this rate has been established, the Board approves the total budget appropriation and amendments.
3. Unused appropriations lapse at the end of the year.

NOTE 2 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Expenditures over Appropriations</u>
General Fund	\$ 1,202,982	\$ 1,109,020	\$ 93,962

CITY OF WINFIELD, MISSOURI
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL PROGRAM EXPENDITURES
US DEPARTMENT OF AGRICULTURE			
Water and Waste Disposal Systems for Rural Communities (m)	10.760	n/a	\$ <u>2,690,491</u>
TOTAL US DEPARTMENT OF AGRICULTURE			<u>2,690,491</u>
US DEPARTMENT OF THE TREASURY			
Passed-through Missouri Department of Revenue Coronavirus State and Local Fiscal Recovery Funds	21.027		<u>305,000</u>
TOTAL US DEPARTMENT OF THE TREASURY			<u>305,000</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 2,995,491</u></u>

(m) - Program audited as a major program.

CITY OF WINFIELD, MISSOURI
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and is presented on the modified cash basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - SUBRECIPIENTS

None of the federal expenditures presented in the schedule were provided to sub-recipients.

NOTE 3 - DESCRIPTIONS OF MAJOR FEDERAL PROGRAM

The Water and Waste Disposal Systems for Rural Communities program is designed to assist rural communities to obtain safe drinking water and adequate waste disposal facilities which are prerequisites for economic growth.

NOTE 4 - NON-CASH ASSISTANCE

The City did not received non-cash assistance during the audit period.

NOTE 5 - INSURANCE

The federal programs presented in the previous schedule did not have separate program specific insurance policies.

NOTE 6 - LOANS/LOAN GUARANTEES/INTEREST SUBSIDIES

The City was approved by the USDA Rural Development to receive a loan totaling \$4,900,000 to upgrade the City's existing wastewater treatment facility. Interim loan financing was received for the construction period. The amount listed for this loan includes the beginning of the period loan balance plus proceeds used during the year. The balance owed at the end of the period is \$4,793,349.

NOTE 7 - DE MINIMIS COST RATE

The City has not elected to use the 10% de minimis indirect cost rate.

Federal Compliance Section

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

Honorable Mayor and Board of Aldermen
City of Winfield
Winfield, Missouri

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, business-type activities, and each major fund of the City of Winfield, Missouri (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated May 23, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2022-001.

City of Winfield, Missouri's Response to Findings


Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City 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.


Fick, Eggemeyer, & Williamson




Fick, Eggemeyer, & Williamson, CPAs
Saint Louis, Missouri
May 23, 2023

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

Honorable Mayor and Board of Aldermen
City of Winfield, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Winfield, Missouri's (the City) 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 the City's major federal programs for the year ended December 31, 2022. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City 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 December 31, 2022.

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 Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Auditors' 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'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'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'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 Auditors' 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.

Fick, Eggemeyer, & Williamson

Fick, Eggemeyer, & Williamson, CPAs
Saint Louis, Missouri
May 23, 2023

CITY OF WINFIELD, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Section I - Summary of Auditors' Results
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Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified	_____ Yes	___X___ No
Reportable conditions identified that are not considered to be material weaknesses	_____ Yes	___X___ No
Noncompliance material to financial statements noted?	___X___ Yes	_____ No

Federal Awards

Internal control over major programs:

Material weaknesses identified?	_____ Yes	___X___ No
Reportable conditions identified that are not considered to be material weaknesses	_____ Yes	___X___ No

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with federal Uniform Guidance	_____ Yes	___X___ No
---	-----------	------------

Identification of major program:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.760	Water and Waste Disposal Systems for Rural Communities

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
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Auditee qualified as low risk auditee?	_____ Yes	___X___ No
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CITY OF WINFIELD, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Section II - Financial Statement Findings

Federal Compliance Audit Finding

2022-001 Tracking Allowable Expenditures for Federal Awards (CFDA# 21.027)

Criteria: All recipients of federal awards are required to track allowable expenditures separately in their accounting system.

Condition: The City is currently following the policies and procedures of the U.S. Department of Agriculture. However, the City is not following the policies and procedures regarding federal awards received from the U.S. Department of the Treasury.

Cause: The City was unaware of the requirements related to federal awards from the U.S. Department of the Treasury.

Effect: The City was not in compliance with federal awards Uniform Guidance.

Questioned Costs: None

Recommendation: To help prevent noncompliance, the City should formally develop, adopt, and implement written policies and procedures for all federal awards to ensure compliance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Subpart D, Section 200.302).

Response: The City is in agreement with the finding and will review this procedure.

Section III - Federal Award Findings

There are no federal award findings to disclose.

CITY OF WINFIELD, MISSOURI
SCHEDULE OF RESOLUTION OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022

There were no prior year audit findings.



CITY OF WINFIELD

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Corrective Action Plan

December 31, 2022, Audit Findings

June 2, 2023

Federal Compliance Audit Finding

2022-001 Tracking Allowable Expenditures for Federal Awards (CFDA# 21.027) ARPA Funds

The city will designate a separate bank account to deposit all Federal Money that is awarded in the future. In addition to a separate account with our bank, the Awarded Funds will also be segregated within our Accounting System (Quickbooks) in order to track all expenditures.

Anticipated Date of Completion: At the time of Award Receipt

Name of Contact Person: Tracy Kennison, City Clerk

Very truly yours,

Mayor Dawn Garver