

CITY OF WINFIELD, MISSOURI  
AUDITED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020

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# Fick, Eggemeyer & Williamson

Certified Public Accountants, PC



MEMBERS OF THE  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Board of Aldermen  
City of Winfield, Missouri

We have audited the accompanying modified cash basis 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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 error or fraud.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, and each major fund of the City, as of December 31, 2020, and the respective changes in modified cash basis 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 of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

**Other Matters**

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the City's basic financial statements. The budgetary comparison schedule and related notes on pages 19-20, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated February 13, 2021, 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  
St. Louis, Missouri  
February 13, 2021

## Basic Financial Statements

CITY OF WINFIELD, MISSOURI  
STATEMENT OF NET POSITION  
MODIFIED CASH BASIS  
DECEMBER 31, 2020

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 152,759	\$ 88,477	\$ 241,236
Certificates of deposit	362,882	10,554	373,436
Total current assets	<u>515,641</u>	<u>99,031</u>	<u>614,672</u>
Noncurrent assets			
Capital assets, net of accumulated depreciation	744,750	513,749	1,258,499
Total noncurrent assets	<u>744,750</u>	<u>513,749</u>	<u>1,258,499</u>
Total assets	<u>\$ 1,260,391</u>	<u>\$ 612,780</u>	<u>\$ 1,873,171</u>
<b>LIABILITIES</b>			
Current liabilities			
Payroll tax and withholding	\$ 2,421	\$ -	\$ 2,421
Municipal court bonds	1,442	-	1,442
Capital lease obligations	14,712	-	14,712
Total current liabilities	<u>18,575</u>	<u>-</u>	<u>18,575</u>
Noncurrent liabilities			
None	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 18,575</u>	<u>\$ -</u>	<u>\$ 18,575</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 730,038	\$ 513,749	\$ 1,243,787
Restricted for:			
Transportation sales tax	21,087	-	21,087
DWI/drug enforce	2,853	-	2,853
Police training fund	9,363	-	9,363
Police grants fund	5,227	-	5,227
Unrestricted	<u>473,248</u>	<u>99,031</u>	<u>572,279</u>
Total net position	<u>\$ 1,241,816</u>	<u>\$ 612,780</u>	<u>\$ 1,854,596</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, 2020

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		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 556,692	\$ 129,031	\$ -	\$ -	\$ (427,661)	\$ -	\$ (427,661)
Public safety	378,074	230,538	-	-	(147,536)	-	(147,536)
Streets	68,161	-	-	-	(68,161)	-	(68,161)
Total governmental activities	<u>1,002,927</u>	<u>359,569</u>	<u>-</u>	<u>-</u>	<u>(643,358)</u>	<u>-</u>	<u>(643,358)</u>
Business-type activities:							
Water and sewer	371,151	505,991	-	-	-	134,840	134,840
Total business-type activities	<u>371,151</u>	<u>505,991</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>134,840</u>	<u>134,840</u>
Total	<u>\$ 1,374,078</u>	<u>\$ 865,560</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(643,358)</u>	<u>134,840</u>	<u>(508,518)</u>
General revenues and transfers:							
Real and personal property taxes					57,432	-	57,432
City sales taxes					191,022	-	191,022
Franchise Taxes					82,032	-	82,032
Surtax					2,038	-	2,038
Transportation taxes					90,852	-	90,852
Motor vehicle sales taxes					11,830	-	11,830
Motor vehicle fees					5,690	-	5,690
Motor fuel taxes					37,591	-	37,591
Investment income					8,170	395	8,565
Miscellaneous					156,510	603	157,113
Transfers					45,596	(45,596)	-
Total general revenues and transfers					<u>688,763</u>	<u>(44,598)</u>	<u>644,165</u>
Change in net position					45,405	90,242	135,647
Net position - beginning					1,196,411	522,538	1,718,949
Net position - ending					<u>\$ 1,241,816</u>	<u>\$ 612,780</u>	<u>\$ 1,854,596</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, 2020

	General
<b>ASSETS</b>	
Cash and cash equivalents	\$ 152,759
Certificates of deposit	362,882
Total assets	\$ 515,641
 <b>LIABILITIES</b>	
Payroll tax and withholding	\$ 2,421
Municipal court bonds	1,442
Total liabilities	3,863
 <b>FUND BALANCES</b>	
Restricted for:	
Transportation sales tax	21,087
DWI/drug enforce	2,853
Police training fund	9,363
Police grants fund	5,227
Assigned	36,307
Unassigned	436,941
Total fund balances	511,778
Total liabilities and fund balances	\$ 515,641

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, 2020

Total fund balance - governmental fund	\$ 511,778
<p>Amounts reported for governmental activities in the Statement          of Net Position - Modified Cash Basis are different because:</p>	
<p>Long-term liabilities are not due and payable in current period and therefore          are not reported in the governmental funds. All liabilities both current and          long-term are reported in the statement of net position - modified cash basis.</p>	
Capital lease obligations	(14,712)
<p>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.</p>	<u>744,750</u>
Net position of governmental activities	<u><u>\$ 1,241,816</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, 2020

	General
Revenues	
Taxes	\$ 423,377
Intergovernmental	55,110
Fines and forfeitures	215,898
Licenses and permits	14,640
Charges for services	129,031
Investment income	8,170
Miscellaneous	156,510
Total revenues	1,002,736
Expenditures	
Current	
Administration	534,798
Public safety	378,074
Streets	50,694
Capital outlay	38,124
Total expenditures	1,001,690
Excess (deficiency) of revenues over expenditures	1,046
Other financing sources (uses):	
Transfers between funds	45,596
Total other financing sources (uses)	45,596
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	46,642
Fund balances - beginning	465,136
Fund balances - ending	\$ 511,778

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, 2020

Net change in fund balances - total governmental fund	\$	46,642
<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		38,124
Depreciation expense		(39,361)
		45,405
Change in net position of governmental activities	\$	45,405

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, 2020

	Water and Sewer Fund
<b>ASSETS</b>	
Current assets	
Cash and cash equivalents	\$ 88,477
Certificates of deposit	10,554
Total current assets	99,031
Noncurrent assets	
Capital assets, net of accumulated depreciation	513,749
Total noncurrent assets	513,749
Total assets	\$ 612,780
<b>LIABILITIES</b>	
Current liabilities	
None	\$ -
Total current liabilities	-
Noncurrent liabilities	
None	-
Total noncurrent liabilities	-
Total liabilities	-
<b>NET POSITION</b>	
Net investment in capital assets	513,749
Unrestricted	99,031
Total net position	\$ 612,780

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, 2020

	Water and Sewer Fund
Operating revenue	
Charges for services	\$ 505,991
Total operating revenues	505,991
Operating expenses	
Cost of sales and service	354,612
Depreciation	16,539
Total operating expenses	371,151
Operating income	134,840
Non-operating revenues (expenses)	
Miscellaneous income	603
Investment income	395
Total non-operating revenues (expenses)	998
Change in net position before transfers between funds	135,838
Transfer between funds	(45,596)
Change in net position after transfers between funds	90,242
Net position - beginning	522,538
Net position - ending	\$ 612,780

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, 2020

	Water and Sewer Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from customers	\$ 505,991
Payments for services	(252,215)
Payments to employees	<u>(102,397)</u>
<b>TOTAL OPERATING ACTIVITIES</b>	<u>151,379</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchase of capital assets	<u>(32,134)</u>
<b>TOTAL CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(32,134)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchase of certificates of deposit	(239)
Investment income	<u>395</u>
<b>TOTAL INVESTING ACTIVITIES</b>	<u>156</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
Miscellaneous income	603
Transfers between funds	<u>(45,596)</u>
<b>TOTAL NON-CAPITAL FINANCING ACTIVITIES</b>	<u>(44,993)</u>
Net increase (decrease) in cash and cash equivalents	74,408
Cash and cash equivalents - beginning	<u>14,069</u>
Cash and cash equivalents - ending	<u><u>\$ 88,477</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>	
Operating income	\$ 134,840
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	<u>16,539</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><u>\$ 151,379</u></u>

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

CITY OF WINFIELD, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**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, 2020

**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, and capital lease obligations.

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.



CITY OF WINFIELD, MISSOURI  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2020

**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.

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, 2020

**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 capital lease obligations.

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.

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.

**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 2020 for purposes of local taxation was \$15,666,406. The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2020 for the purposes of location taxation was \$0.3359.

CITY OF WINFIELD, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 3 - CAPITAL ASSETS**

Capital asset activity for governmental activities for the year ended December 31, 2020, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Governmental activities:</b>				
Construction in progress	\$ 27,850	\$ 13,192	\$ -	\$ 41,042
Land	108,918	-	-	108,918
Total capital assets not being depreciated	<u>136,768</u>	<u>13,192</u>	<u>-</u>	<u>149,960</u>
<i>Capital assets being depreciated:</i>				
Vehicles and equipment	261,311	24,932	-	286,243
Infrastructure	743,070	-	-	743,070
Total capital assets being depreciated	<u>1,004,381</u>	<u>24,932</u>	<u>-</u>	<u>1,029,313</u>
<i>Less accumulated depreciation for:</i>				
Vehicles and equipment	215,632	17,867	-	233,499
Infrastructure	179,530	21,494	-	201,024
Total accumulated depreciation	<u>395,162</u>	<u>39,361</u>	<u>-</u>	<u>434,523</u>
Total net capital assets being depreciated	<u>609,219</u>	<u>(14,429)</u>	<u>-</u>	<u>594,790</u>
Governmental activities capital assets, net	<u>\$ 745,987</u>	<u>\$ (1,237)</u>	<u>\$ -</u>	<u>\$ 744,750</u>

Depreciation expense for the year ended December 31, 2020 was charged to general government and street functions/programs in the amounts \$21,494 and \$17,867, respectively.

Capital asset activity for business-type activities for the year ended December 31, 2020, were as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Business-type activities:</b>				
Construction in progress	\$ 253,680	\$ 32,134	\$ -	\$ 285,814
Total capital assets not being depreciated	<u>253,680</u>	<u>32,134</u>	<u>-</u>	<u>285,814</u>
<i>Capital assets being depreciated:</i>				
Vehicles and equipment	57,389	-	-	57,389
Infrastructure	603,478	-	-	603,478
Total capital assets being depreciated	<u>660,867</u>	<u>-</u>	<u>-</u>	<u>660,867</u>
Less accumulated depreciation	416,393	16,539	-	432,932
Total net capital assets being depreciated	<u>244,474</u>	<u>(16,539)</u>	<u>-</u>	<u>227,935</u>
Business-type activities capital assets, net	<u>\$ 498,154</u>	<u>\$ 15,595</u>	<u>\$ -</u>	<u>\$ 513,749</u>

Depreciation expense of \$16,539 was charged to the Water and Sewer fund.

CITY OF WINFIELD, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE 4 - FUND BALANCE TRANSFERS**

The Water and Sewer fund transferred \$45,596 to the General fund. These transfers were used to pay for general operating expenditures.

**NOTE 5 - MUNICIPAL COURT TRAFFIC VIOLATIONS FINES AND COSTS**

Missouri State statutes require municipalities to report an accounting of the percent of “annual general operating revenue” from fines and costs for traffic violations. All fines and costs from minor traffic violations in excess of 20% of the City’s “annual general operating revenue” is required to be remitted to the director of the department of revenue for annual distribution to the schools of the county. “Annual general operating revenue of the City” is defined by the Missouri State Auditor as revenue that is not required by the enacting ordinance law or Constitution to be used only for a designated purpose and can be used to pay any bill or obligation of the City. This includes, but is not limited to, general sales tax, general property tax, and fees from certain licenses and permits, interest, fines, and penalties. “General Operation Revenues” does not include, among other items, designated sales or use taxes, user fees, grant funds or other revenue designated by law, ordinance, or Constitution, for a specific purpose.

Total court fines and costs (all case types)	\$ 75,679
Total general operating revenue of the City	919,887
Court fines and costs as a percentage of total general operating revenue of the City	8.2%

**NOTE 6 - CAPITAL LEASES**

In April 2016 the City entered into a 60-month lease with Providence Bank for playground equipment. The lease payment is \$15,166 per year. The buyout purchase option price is \$1.

At December 31, 2020 future minimum lease payments were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ended December 31, 2021	\$ 14,712	\$ 454	\$ 15,166
Total	\$ 14,712	\$ 454	\$ 15,166

Assets acquired through capital leases are as follows:

Infrastructure	\$ 70,000
Accumulated depreciation	(23,333)
Total	\$ 46,667

Depreciation expense associated with the capital lease assets for the years ended December 31, 2020 was \$4,667.

CITY OF WINFIELD, MISSOURI  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**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, 2020, 2019 and 2018, the City contributed \$20,449, \$18,034, and \$14,599 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.

At year-end, the carrying amount of the City's demand deposits totaled \$241,236 and bank balances totaled \$250,816. At year-end, the City also had certificates of deposit with a total carrying amount, which approximates fair value, of \$373,436. These are shown as certificates of deposit due to their original maturity dates.

Of the bank balances (including demand deposits and certificates of deposit), \$500,000 was insured by the Federal Deposit Insurance Corporation (FDIC) and \$124,252 was collateralized by securities held by the pledging financial institution's trust department

**NOTE 9 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through February 13, 2021, the date which the financial statements were available for issue and no reportable events were noted.

Supplemental Information

CITY OF WINFIELD, MISSOURI  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 426,200	\$ 426,200	\$ 423,377	\$ (2,823)
Intergovernmental	59,700	59,700	55,110	(4,590)
Fines and forfeitures	184,763	184,763	215,898	31,135
Licenses and permits	17,140	17,140	14,640	(2,500)
Charges for service	137,650	137,650	129,031	(8,619)
Investment income	-	-	8,170	8,170
Miscellaneous	174,200	174,200	156,510	(17,690)
Total revenues	<u>999,653</u>	<u>999,653</u>	<u>1,002,736</u>	<u>3,083</u>
<b>Expenditures</b>				
Current operating				
Administration	604,809	604,809	534,798	70,011
Public safety	298,028	298,028	378,074	(80,046)
Streets	56,324	56,324	50,694	5,630
Capital outlay	-	-	38,124	(38,124)
Total expenditures	<u>959,161</u>	<u>959,161</u>	<u>1,001,690</u>	<u>(42,529)</u>
Excess (deficiency) of revenues over expenditures	<u>40,492</u>	<u>40,492</u>	<u>1,046</u>	<u>(39,446)</u>
<b>Other financing sources (uses)</b>				
Transfer between funds	-	-	45,596	45,596
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>45,596</u>	<u>45,596</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ 40,492</u>	<u>\$ 40,492</u>	46,642	<u>\$ 6,150</u>
Fund balance - beginning			<u>465,136</u>	
Fund balance - ending			<u>\$ 511,778</u>	

CITY OF WINFIELD, MISSOURI  
 NOTES TO SUPPLEMENTAL INFORMATION  
 DECEMBER 31, 2020

**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>
<b>General Fund</b>	\$ 1,001,690	\$ 959,161	\$ 42,529



Federal Compliance Section



**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**

To the 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, 2020, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated February 13, 2021.

**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.

**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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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

February 13, 2021