

CITY OF WINFIELD, MISSOURI
AUDITED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

TABLE OF CONTENTS

	<u>Pages</u>
FINANCIAL SECTION:	
Independent Auditors' Report	1-3
Government-wide Financial Statements:	
Statement of Net Position - Modified Cash Basis	4
Statement of Activities - Modified Cash Basis	5
Fund Financial Statements:	
Statement of Assets, Liabilities, and Fund Balances - Modified Cash Basis - Governmental Fund	6
Reconciliation of the Statement of Assets, Liabilities, and Fund Balances - Modified Cash Basis - Governmental Fund to the Statement of Net Position - Modified Cash Basis	7
Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis - Governmental Fund	8
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	9
Statement of Net Position - Modified Cash Basis - Proprietary Fund	10
Statement of Revenues, Expenditures, and Changes in Net Position - Modified Cash Basis - Proprietary Fund	11
Statement of Cash Flows - Modified Cash Basis - Proprietary Fund	12
Notes to Financial Statements	13-19
SUPPLEMENTAL INFORMATION:	
Budgetary Comparison Schedule - General Fund	20
Notes to Supplemental Information	21
Schedule of Expenditures of Federal Awards	22
Notes to Schedule of Expenditures of Federal Awards	23
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 <i>Government Auditing Standards</i>	24-25
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	26-27
Schedule of Findings and Questioned Costs	28-29
Schedule of Resolution of Prior Year Audit Findings	29

📍 **Saint Louis, Missouri**
6240 S. Lindbergh Blvd Ste 101
Saint Louis, MO 63123

📞 (314) 845-7999
📠 (314) 845-7770
🌐 www.afewcpas.com



📍 **Columbia, Illinois**
205 S. Main
Columbia, IL 62236

📞 (618) 281-4999
📠 (618) 281-9533
🌐 www.afewcpas.com

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, 2021, 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, 2021, 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 Auditor's 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*, are presented for purposes of additional analysis and are 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 are 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 auditor's 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 March 29, 2022, 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, CPAs
Saint Louis, Missouri
March 29, 2022

Basic Financial Statements

CITY OF WINFIELD, MISSOURI
STATEMENT OF NET POSITION
MODIFIED CASH BASIS
DECEMBER 31, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 620,109	\$ 52,877	\$ 672,986
Certificates of deposit	370,194	10,767	380,961
Total current assets	<u>990,303</u>	<u>63,644</u>	<u>1,053,947</u>
Noncurrent assets			
Capital assets, net of accumulated depreciation	696,906	2,086,237	2,783,143
Total noncurrent assets	<u>696,906</u>	<u>2,086,237</u>	<u>2,783,143</u>
Total assets	<u>\$ 1,687,209</u>	<u>\$ 2,149,881</u>	<u>\$ 3,837,090</u>
LIABILITIES			
Current liabilities			
Payroll tax and withholding	\$ 2,371	\$ -	\$ 2,371
Total current liabilities	<u>2,371</u>	<u>-</u>	<u>2,371</u>
Noncurrent liabilities			
Note payable	-	1,816,092	1,816,092
Total noncurrent liabilities	<u>-</u>	<u>1,816,092</u>	<u>1,816,092</u>
Total liabilities	<u>\$ 2,371</u>	<u>\$ 1,816,092</u>	<u>\$ 1,818,463</u>
NET POSITION			
Net investment in capital assets	\$ 696,906	\$ 270,145	\$ 967,051
Restricted for:			
Transportation sales tax	168,801	-	168,801
DWI/drug enforce	2,853	-	2,853
Police training fund	10,500	-	10,500
Police grants fund	5,227	-	5,227
Unrestricted	800,551	63,644	864,195
Total net position	<u>\$ 1,684,838</u>	<u>\$ 333,789</u>	<u>\$ 2,018,627</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, 2021

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	\$ 648,725	\$ 132,382	\$ 151,238	\$ -	\$ (365,105)	\$ -	\$ (365,105)
Public safety	401,019	155,082	-	-	(245,937)	-	(245,937)
Streets	53,288	-	-	-	(53,288)	-	(53,288)
Total governmental activities	<u>1,103,032</u>	<u>287,464</u>	<u>151,238</u>	<u>-</u>	<u>(664,330)</u>	<u>-</u>	<u>(664,330)</u>
Business-type activities:							
Water and sewer	318,886	528,336	-	-	-	209,450	209,450
Total business-type activities	<u>318,886</u>	<u>528,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>209,450</u>	<u>209,450</u>
Total	<u>\$ 1,421,918</u>	<u>\$ 815,800</u>	<u>\$ 151,238</u>	<u>\$ -</u>	<u>(664,330)</u>	<u>209,450</u>	<u>(454,880)</u>
General revenues and transfers:							
Real and personal property taxes					48,532	-	48,532
City sales taxes					211,823	-	211,823
Franchise Taxes					85,301	-	85,301
Surtax					1,922	-	1,922
Transportation taxes					100,784	-	100,784
Motor vehicle sales taxes					14,079	-	14,079
Motor vehicle fees					6,460	-	6,460
Motor fuel taxes					34,668	-	34,668
Gain on sale of assets					33,449	-	33,449
Investment income					7,447	212	7,659
Miscellaneous					74,201	33	74,234
Transfers					488,686	(488,686)	-
Total general revenues and transfers					<u>1,107,352</u>	<u>(488,441)</u>	<u>618,911</u>
Change in net position					443,022	(278,991)	164,031
Net position - beginning					1,241,816	612,780	1,854,596
Net position - ending					<u>\$ 1,684,838</u>	<u>\$ 333,789</u>	<u>\$ 2,018,627</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, 2021

	General
ASSETS	
Cash and cash equivalents	\$ 620,109
Certificates of deposit	370,194
Total assets	\$ 990,303
 LIABILITIES	
Payroll tax and withholding	\$ 2,371
Total liabilities	2,371
 FUND BALANCES	
Restricted for:	
Transportation sales tax	168,801
DWI/drug enforce	2,853
Police training fund	10,500
Police grants fund	5,227
Assigned	22,772
Unassigned	777,779
Total fund balances	987,932
Total liabilities and fund balances	\$ 990,303

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, 2021

Total fund balance - governmental fund	\$ 987,932
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>696,906</u>
Net position of governmental activities	<u><u>\$ 1,684,838</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, 2021

	General
Revenues	
Taxes	\$ 448,362
Intergovernmental	55,207
Fines and forfeitures	136,323
Licenses and permits	18,759
Charges for services	132,382
Investment income	7,447
Miscellaneous	225,439
Total revenues	1,023,919
Expenditures	
Current	
Administration	641,543
Public safety	395,593
Streets	35,820
Capital outlay	37,986
Total expenditures	1,110,942
Excess (deficiency) of revenues over expenditures	(87,023)
Other financing sources (uses):	
Proceeds from sale of assets	74,491
Transfers between funds	488,686
Total other financing sources (uses)	563,177
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	476,154
Fund balances - beginning	511,778
Fund balances - ending	\$ 987,932

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, 2021

Net change in fund balances - total governmental fund	\$	476,154
<p>Amounts reported for governmental activities in the Statement of Activities - Modified Cash Basis are different because:</p> <p>Capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of capital lease principle is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments.</p>		
Finance lease repayment		14,712
<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		37,986
Depreciation expense		(44,788)
<p>The net effect of various miscellaneous transactions involving capital assets:</p>		
Cost of disposals, net of accumulated depreciation		<u>(41,042)</u>
Change in net position of governmental activities	\$	<u><u>443,022</u></u>

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, 2021

	Water and Sewer Fund
ASSETS	
Current assets	
Cash and cash equivalents	\$ 52,877
Certificates of deposit	10,767
Total current assets	63,644
Noncurrent assets	
Capital assets, net of accumulated depreciation	2,086,237
Total noncurrent assets	2,086,237
Total assets	\$ 2,149,881
LIABILITIES	
Current liabilities	
None	\$ -
Total current liabilities	-
Noncurrent liabilities	
Notes payable	1,816,092
Total noncurrent liabilities	1,816,092
Total liabilities	1,816,092
NET POSITION	
Net investment in capital assets	270,145
Unrestricted	63,644
Total net position	\$ 333,789

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, 2021

	Water and Sewer Fund
Operating revenue	
Charges for services	\$ 528,336
Total operating revenues	528,336
Operating expenses	
Cost of sales and service	294,673
Depreciation	24,213
Total operating expenses	318,886
Operating income	209,450
Non-operating revenues (expenses)	
Miscellaneous income	33
Investment income	212
Total non-operating revenues (expenses)	245
Change in net position before transfers between funds	209,695
Transfer between funds	(488,686)
Change in net position after transfers between funds	(278,991)
Net position - beginning	612,780
Net position - ending	\$ 333,789

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, 2021

	Water and Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 528,336
Payments for services	(197,341)
Payments to employees	(97,332)
TOTAL OPERATING ACTIVITIES	233,663
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Proceeds from notes payable	1,816,092
Purchase of capital assets	(1,596,702)
TOTAL CAPITAL AND RELATED FINANCING ACTIVITIES	219,390
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of certificates of deposit	(212)
Investment income	212
TOTAL INVESTING ACTIVITIES	-
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Miscellaneous income	33
Transfers between funds	(488,686)
TOTAL NON-CAPITAL FINANCING ACTIVITIES	(488,653)
Net increase (decrease) in cash and cash equivalents	(35,600)
Cash and cash equivalents - beginning	88,477
Cash and cash equivalents - ending	\$ 52,877
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ 209,450
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	24,213
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 233,663

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

CITY OF WINFIELD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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, 2021

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, 2021

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.

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.

CITY OF WINFIELD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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

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.

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 2021 for purposes of local taxation was \$17,381,648. The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2021 for the purposes of location taxation was \$0.3165.

NOTE 3 - FUND BALANCE TRANSFERS

The Water and Sewer fund transferred \$488,686 to the General fund. These transfers were used to pay for general operating expenditures.

NOTE 4 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 29, 2022, the date which the financial statements were available for issue, and noted one reportable event. The note payable disclosed in note 7 had additional disbursements totaling \$531,740.

CITY OF WINFIELD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 - CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended December 31, 2021, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Construction in progress	\$ 41,042	\$ -	\$ 41,042	\$ -
Land	108,918	-	-	108,918
Total capital assets not being depreciated	<u>149,960</u>	<u>-</u>	<u>41,042</u>	<u>108,918</u>
<i>Capital assets being depreciated:</i>				
Vehicles and equipment	286,243	37,986	-	324,229
Infrastructure	743,070	-	-	743,070
Total capital assets being depreciated	<u>1,029,313</u>	<u>37,986</u>	<u>-</u>	<u>1,067,299</u>
<i>Less accumulated depreciation for:</i>				
Vehicles and equipment	233,499	23,294	-	256,793
Infrastructure	201,024	21,494	-	222,518
Total accumulated depreciation	<u>434,523</u>	<u>44,788</u>	<u>-</u>	<u>479,311</u>
Total net capital assets being depreciated	<u>594,790</u>	<u>(6,802)</u>	<u>-</u>	<u>587,988</u>
Governmental activities capital assets, net	<u>\$ 744,750</u>	<u>\$ (6,802)</u>	<u>\$ 41,042</u>	<u>\$ 696,906</u>

Depreciation expense for the year ended December 31, 2021 was charged to general government and street functions/programs in the amounts of \$21,494 and \$23,294, respectively.

Capital asset activity for business-type activities for the year ended December 31, 2021, were as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type activities:				
Construction in progress	\$ 285,813	\$ 1,588,302	\$ -	\$ 1,874,115
Total capital assets not being depreciated	<u>285,813</u>	<u>1,588,302</u>	<u>-</u>	<u>1,874,115</u>
<i>Capital assets being depreciated:</i>				
Vehicles and equipment	57,389	8,400	-	65,789
Infrastructure	603,478	-	-	603,478
Total capital assets being depreciated	<u>660,867</u>	<u>8,400</u>	<u>-</u>	<u>669,267</u>
<i>Less accumulated depreciation for:</i>				
Vehicles and equipment	44,614	6,034	-	50,648
Infrastructure	388,318	18,179	-	406,497
Less accumulated depreciation	<u>432,932</u>	<u>24,213</u>	<u>-</u>	<u>457,145</u>
Total net capital assets being depreciated	<u>227,935</u>	<u>(15,813)</u>	<u>-</u>	<u>212,122</u>
Business-type activities capital assets, net	<u>\$ 513,748</u>	<u>\$ 1,572,489</u>	<u>\$ -</u>	<u>\$ 2,086,237</u>

Depreciation expense of \$24,213 was charged to the Water and Sewer fund.

CITY OF WINFIELD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 - 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)	\$ 41,070
Total general operating revenue of the City	1,451,645
Court fines and costs as a percentage of total general operating revenue of the City	2.8%

NOTE 7 - LONG-TERM LIABILITIES

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

	Balance January 1, 2021	Additions	Reductions	Balance December 31, 2021	Amount Due Within One Year
Note payable	\$ -	\$ 1,816,092	\$ -	\$ 1,816,092	\$ -
Finance leases payable	14,712	-	(14,712)	-	-
Total	\$ 14,712	\$ 1,816,092	\$ (14,712)	\$ 1,816,092	\$ -

Finance Leases Payable

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. The balance as of December 31, 2021 was \$0.

Assets acquired through finance leases are as follows:

Infrastructure	\$ 70,000
Accumulated depreciation	<u>(28,000)</u>
Total	<u>\$ 42,000</u>

Depreciation expense associated with the finance lease assets for the year ended December 31, 2021, was \$4,667.

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, 2021 was \$1,816,092.

CITY OF WINFIELD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 - 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, 2021, 2020 and 2019, the City contributed \$24,385, \$20,449, and \$18,034 respectively, as required.

NOTE 9 - 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 \$672,986 and bank balances totaled \$838,358. At year-end, the City also had certificates of deposit with a total carrying amount, which approximates fair value, of \$380,961. 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), \$705,960 was collateralized by securities held by the pledging financial institution's trust department, and \$13,358 was in excess of coverage.

Supplemental Information

CITY OF WINFIELD, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 350,200	\$ 350,200	\$ 448,362	\$ 98,162
Intergovernmental	151,700	151,700	55,207	(96,493)
Fines and forfeitures	215,035	215,035	136,323	(78,712)
Licenses and permits	16,595	16,595	18,759	2,164
Charges for service	136,800	136,800	132,382	(4,418)
Investment income	-	-	7,447	7,447
Miscellaneous	387,288	387,288	225,439	(161,849)
Total revenues	<u>1,257,618</u>	<u>1,257,618</u>	<u>1,023,919</u>	<u>(233,699)</u>
Expenditures				
Current operating				
Administration	917,420	917,420	641,543	275,877
Public safety	320,850	320,850	395,593	(74,743)
Streets	49,980	49,980	35,820	14,160
Capital outlay	-	-	37,986	(37,986)
Total expenditures	<u>1,288,250</u>	<u>1,288,250</u>	<u>1,110,942</u>	<u>177,308</u>
Excess (deficiency) of revenues over expenditures	<u>(30,632)</u>	<u>(30,632)</u>	<u>(87,023)</u>	<u>(56,391)</u>
Other financing sources (uses)				
Proceeds from sale of assets	-	-	74,491	74,491
Transfer between funds	-	-	488,686	488,686
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>563,177</u>	<u>563,177</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ (30,632)</u>	<u>\$ (30,632)</u>	476,154	<u>\$ 506,786</u>
Fund balance - beginning			<u>511,778</u>	
Fund balance - ending			<u>\$ 987,932</u>	

CITY OF WINFIELD, MISSOURI
NOTES TO SUPPLEMENTAL INFORMATION
DECEMBER 31, 2021

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.

CITY OF WINFIELD, MISSOURI
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2021

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	\$ 1,816,058
TOTAL US DEPARTMENT OF AGRICULTURE			<u>1,816,058</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,816,058</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, 2021

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 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 \$1,816,092.

NOTE 7 - DE MINIMIS COST RATE

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

Federal Compliance Section

📍 **Saint Louis, Missouri**
6240 S. Lindbergh Blvd Ste 101
Saint Louis, MO 63123

📞 (314) 845-7999
📠 (314) 845-7770
🌐 www.afewcpas.com



📍 **Columbia, Illinois**
205 S. Main
Columbia, IL 62236

📞 (618) 281-4999
📠 (618) 281-9533
🌐 www.afewcpas.com

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, 2021, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated March 29, 2022.

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 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.

A handwritten signature in cursive script that reads "Fick, Eggemeyer & Williamson".

Fick, Eggemeyer, & Williamson, CPAs
Saint Louis, Missouri
March 29, 2022

📍 **Saint Louis, Missouri**
6240 S. Lindbergh Blvd Ste 101
Saint Louis, MO 63123

📞 (314) 845-7999
📠 (314) 845-7770
🌐 www.afewcpas.com



📍 **Columbia, Illinois**
205 S. Main
Columbia, IL 62236

📞 (618) 281-4999
📠 (618) 281-9533
🌐 www.afewcpas.com

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, 2021. 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, 2021.

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
March 29, 2022

CITY OF WINFIELD, MISSOURI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2021

Section I - Summary of Auditors' Results

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?	_____ Yes	___X___ 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
--	------------

Auditee qualified as low risk auditee?	_____ Yes	___X___ No
--	-----------	------------

CITY OF WINFIELD, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Section II - Financial Statement Findings

There are no significant deficiencies to disclose.

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, 2021

There were no prior year audit findings.