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CITY OF WINONA, MISSISSIPPI

**FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

CITY OF WINONA, MISSISSIPPI
TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Government-Wide Financial Statements:	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements:	
Balance Sheet-Governmental Funds	10
Reconciliation of the Balance Sheet to the Statement of Net Position-Governmental Funds	11
Statement of Revenues-Expenditures and Changes in Fund Balances-Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities-Governmental Funds	13
Proprietary Funds-Statement of Net Position	14
Proprietary Funds-Statement of Revenues, Expenses and Changes in Fund Net Position	16
Proprietary Funds-Statement of Cash Flows	17
Notes to Financial Statements	18
Required Supplementary Information:	
Budget Comparison Schedule-Cash Budgetary Basis	39
Schedule of the City's Proportionate Share of the Net Pension Liability	42
Schedule of the City's Contributions	43
Notes to the Required Supplementary Information	44
Other Supplementary Information:	
Schedule of Reconciliation of Original Ad Valorem Tax Rolls to Fund Collections	45
Schedule of Surety Bonds for Municipal Officials	46
Independent Auditor's Report on Compliance with State Laws and Regulations	47

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-7 and 39-41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Winona, MS's basic financial statements. The other supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 other supplemental schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Dayles, Powell, Wilson & Hartford, P.A.

CITY OF WINONA, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
UNAUDITED

REPORTING THE CITY OF WINONA, MISSISSIPPI'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the City's major funds begins on Page 10. Fund financial reports provide detailed information about the City's major funds. Based on restrictions on the use of monies, the City has established several funds, which account for the multitude of services provided to the City's residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of Winona, the City's major funds are the General, City Bond, and Enterprise Water and Sewer Funds. There were no non-major funds during the year ended September 30, 2019.

Governmental Funds

All of the City's governmental type activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future on services provided to the City's residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds

All of the City's business-type activities are reported in the proprietary funds. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. These funds are reported using an accounting method called accrual accounting which records revenues when earned and expenses when incurred. The reporting entity includes the Water and Sewer Fund. The basis of accounting is the same as used in the Statement of Net Position and the Statement of Activities, so no reconciliation of differences is necessary.

The City of Winona as a Whole

Recall that the Statement of Net Position looks at the City as a whole. The following table provides a summary of the City's net position for 2019 compared to 2018.

	September 30,	
	2019	2018
Assets:		
Current and other assets	\$ 2,900,104	\$ 2,424,880
Capital assets, net	<u>12,488,566</u>	<u>12,431,187</u>
Total assets	15,338,670	14,856,067
Deferred outflows	111,580	80,261
Liabilities:		
Current and Other Liabilities	858,167	485,435
Long-term liabilities:		
Due Within One Year	367,924	391,345
Due in More than One Year	<u>5,839,586</u>	<u>6,154,733</u>
Total Liabilities	<u>7,065,677</u>	<u>7,031,513</u>
Deferred Inflows	<u>1,306,185</u>	<u>1,255,937</u>
Net Position:		
Invested in Capital Assets Net of Debt	10,736,614	10,287,891
Restricted	436,535	455,655
Unrestricted	<u>(4,094,761)</u>	<u>(4,094,668)</u>
Total Net Position	<u>\$ 7,078,388</u>	<u>\$ 6,648,878</u>

CITY OF WINONA, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
UNAUDITED

Business-type Activities

Charges for services fund our Business-type activities. Our proprietary fund includes the Water and Sewer Fund. Total operating revenues decreased \$41,990, or 3.35%, from 2018. Total operating expenses decreased \$152,489, or 10.97%, from 2018.

The City's Funds

Information about the City's major governmental funds begins on page 10. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$3,868,632, including bond and loan proceeds. This was an increase of \$367,443 over the prior year. Total revenues for the General Fund increased \$361,068 from 2018. Total expenditures for the General Fund increased \$325,822, or 9.16%, from 2018. The fund balance of the General Fund showed a decrease of \$44,615 during the year, from \$375,041 at September 30, 2018 to \$330,426 at September 30, 2019.

Information about the City's proprietary fund begins on page 14. This fund is accounted for using the accrual basis of accounting. The basis of accounting for this fund is the same as for the city as a whole and the results of operations are discussed above under "Business-type Activities."

CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

Capital Assets

		<u>Capital Assets Net of Depreciation</u>	
		<u>September 30,</u>	
		<u>2019</u>	<u>2018</u>
Governmental Activities:			
Land	\$	160,099	\$ 160,099
Buildings		1,068,688	1,077,034
Improvements other than buildings		2,144,923	1,728,521
Machinery and equipment		2,354,978	2,503,540
Infrastructure		881,154	805,470
Total governmental activities		<u>6,609,842</u>	<u>6,274,664</u>
Business-type Activities:			
Land		40,930	40,930
Water system		2,092,826	2,198,541
Sewer system		3,680,509	3,822,364
Machinery and equipment		64,459	94,688
Total business-type activities		<u>5,878,724</u>	<u>6,156,523</u>
Total	\$	<u>12,488,566</u>	<u>\$ 12,431,187</u>

Long-Term Obligations

At September 30, 2019, the City of Winona had \$1,851,737 in outstanding General Obligation Bonds, Notes, Revenue Bonds and Compensated absences (this does not include Net Pension Liability). The following table shows the total outstanding long-term obligations of the City:

CITY OF WINONA, MISSISSIPPI
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash	\$ 126,826	\$ 84,367	\$ 211,193
Investments		15,712	15,712
Receivables (net)	1,359,182	133,026	1,492,208
Due from other governments	303,467	-	303,467
Due from other funds	-	88,153	88,153
Inventory		22,254	22,254
Restricted assets:			
Cash	442,142	-	442,142
Investments		274,975	274,975
Capital assets:			
Non-depreciable	160,099	40,930	201,029
Depreciable, net	6,449,743	5,837,794	12,287,537
Total assets	<u>8,841,459</u>	<u>6,497,211</u>	<u>15,338,670</u>
Deferred outflows of resources:			
Deferred outflows - pensions	90,964	20,616	111,580
Total assets and deferred outflows of resources	<u>8,932,423</u>	<u>6,517,827</u>	<u>15,450,250</u>
Liabilities:			
Accounts payable	561,115	49,949	611,064
Accrued liabilities	2,359	14,893	17,252
Due to other funds	88,153	-	88,153
Customer refundable meter deposits		141,698	141,698
Non-current liabilities:			
Due within one year:			
Bonds and loans payable	68,327	299,597	367,924
Due in more than one year:			
Bonds and loans payable	155,000	1,229,029	1,384,029
Compensated absences	82,295	17,489	99,784
Net pension liability	3,550,983	804,790	4,355,773
Total liabilities	<u>4,508,232</u>	<u>2,557,445</u>	<u>7,065,677</u>
Deferred inflows of resources:			
Deferred property taxes	1,251,549		1,251,549
Deferred pensions	42,672	9,671	52,343
Premium on revenue refunding bonds, Series 2011	-	2,293	2,293
Total deferred inflows of resources	<u>1,294,221</u>	<u>11,964</u>	<u>1,306,185</u>
Total liabilities and deferred inflows of resources	<u>5,802,453</u>	<u>2,569,409</u>	<u>8,371,862</u>
Net Position:			
Invested in capital assets, net of related debt	6,386,515	4,350,099	10,736,614
Restricted	442,142	274,975	717,117
Unrestricted	(3,698,687)	(676,656)	(4,375,343)
Total net position	<u>\$ 3,129,970</u>	<u>\$ 3,948,418</u>	<u>\$ 7,078,388</u>

See Notes to Financial Statements.

CITY OF WINONA, MISSISSIPPI
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	<u>General</u>	<u>City Bond</u>	<u>Total Governmental Funds</u>
Assets and Deferred Outflows of Resources:			
Assets:			
Cash	\$ 565,017	\$ 3,951	\$ 568,968
Due from other funds			
Due from other governments:			
Property taxes - auto	17,772	423	18,195
State sales taxes	149,189		149,189
Tourism tax	28,639		28,639
Motor vehicle privilege tax	112		112
Road maintenance tax	2,134		2,134
DUI enforcement grant	832		832
Mont. County Powell Street project	50,000		50,000
Mont. County Rail Car tax	7,741		7,741
Parks Trail grant	46,625		46,625
Other receivables:			
Property taxes receivable	1,222,851	28,698	1,251,549
Garbage fees	67,562		67,562
Franchise tax	34,219		34,219
Fines	-		-
Privilege tax	2,707		2,707
Penalties & interest	228		228
Payments in lieu of taxes	-		-
Local fire runs	2,917	-	2,917
Total Assets	<u>\$ 2,198,545</u>	<u>\$ 33,072</u>	<u>\$ 2,231,617</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 561,115	\$ -	\$ 561,115
Due to other funds	84,153	4,000	88,153
Total liabilities	<u>645,268</u>	<u>4,000</u>	<u>649,268</u>
Deferred inflow of resources:			
Deferred property taxes	<u>1,222,851</u>	<u>28,698</u>	<u>1,251,549</u>
Fund Balances:			
Restricted for:			
Debt service		3,951	3,951
Tourism fund	771		771
Fire protection	137,243		137,243
Capital project - Clock Tower	300,177		300,177
Assigned for:			
Various projects	2,554		2,554
Unassigned for:			
General fund	(110,319)	(3,577)	(113,896)
Total Fund Balances	<u>330,426</u>	<u>374</u>	<u>330,800</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,198,545</u>	<u>\$ 33,072</u>	<u>\$ 2,231,617</u>

See Notes to Financial Statements.

CITY OF WINONA, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	General	City Bond	Total Governmental Funds
Revenues:			
Property taxes	\$ 1,147,475	\$ 26,338	\$ 1,173,813
Licenses and permits	157,895		157,895
Intergovernmental revenues	1,872,854	2,226	1,875,080
Charges for services	574,028		574,028
Fines and forfeits	78,892		78,892
Miscellaneous	8,921	3	8,924
	<u>3,840,065</u>	<u>28,567</u>	<u>3,868,632</u>
Total revenues			
Expenditures:			
General government	374,669		374,669
Public safety	1,336,135		1,336,135
Highways and streets	582,474		582,474
Sanitation	431,783		431,783
Health and welfare	40,778		40,778
Culture and recreation	375,440		375,440
Non-departmental	20,615		20,615
Capital outlay	637,281		637,281
Debt service:			
Principal retirement	76,088	23,000	99,088
Interest and other	9,417	2,486	11,903
	<u>3,884,680</u>	<u>25,486</u>	<u>3,910,166</u>
Total expenditures			
Excess (Deficiency) of Revenues Over Expenditures	<u>(44,615)</u>	<u>3,081</u>	<u>(41,534)</u>
Other Financing Sources and (Uses):			
Transfers In(Out)			-
Bond and loan proceeds			
	<u> </u>	<u> </u>	<u> </u>
Total other financing sources, (uses)			
	<u> </u>	<u> </u>	<u> </u>
Net change in fund balances	(44,615)	3,081	(41,534)
Fund balances - beginning of year	<u>375,041</u>	<u>(2,707)</u>	<u>372,334</u>
Fund balances - end of year	<u>\$ 330,426</u>	<u>\$ 374</u>	<u>\$ 330,800</u>

See Notes to Financial Statements.

CITY OF WINONA, MISSISSIPPI
PROPRIETARY FUND
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

	Business - Type Activity <u>Enterprise Water & Sewer Fund</u>
Current assets:	
Cash	\$ 84,367
Investments	15,712
Accounts receivables less allowance for uncollectible accounts	104,208
Unbilled revenue	28,818
Due from other funds	88,153
Inventory	<u>22,254</u>
Total current assets	<u>343,512</u>
Non-current assets:	
Restricted:	
Cash - meter deposits	-
Investments:	
Meter deposits	-
Bond debt depr. & cont.	10,000
Bond debt service reserve	264,975
Capital assets:	
Land	40,930
Building and improvements	33,138
Water and sewer system	12,617,935
Equipment	739,124
Vehicles	84,805
Office equipment, furniture and fixtures	57,458
Less accumulated depreciation	<u>(7,694,666)</u>
Total non-current assets	<u>6,153,699</u>
Total assets	<u>6,497,211</u>
Deferred outflows of resources:	
Deferred outflows - pensions	<u>20,616</u>
Total assets and deferred outflows of resources	<u>6,517,827</u>
Current Liabilities:	
Accounts payable	49,949
Due to other funds	-
Bonds, notes, and loans payable (current)	299,597
Accrued interest	14,893
Meter deposits	<u>141,698</u>
Total current liabilities	<u>506,137</u>

See Notes to Financial Statements.

CITY OF WINONA, MISSISSIPPI
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business - Type Activity
	<u>Enterprise Water & Sewer Fund</u>
Operating Revenue:	
Water sales	\$ 785,097
Sewer charges	426,896
Other revenues	24,545
Total operating revenues	<u>1,236,538</u>
Operating Expenses:	
General administration	227,493
Maintenance - buildings, grounds & equip.	89,352
Water line transmission & distribution	247,543
Treatment & purification	77,625
Sewage collection	196,137
Sewage treatment	51,369
Depreciation	290,616
Total operating expenses	<u>1,180,135</u>
Operating income, loss (-)	<u>56,403</u>
Non-Operating Revenues, Expenses (-):	
Investment income	7,419
Gain, loss (-) on sale of fixed assets	
Capital grants	
Interest and fiscal charges	(57,261)
Bond discount/premium amortization	887
Total non-operating revenues, expenses (-)	<u>(48,955)</u>
Changes in net position	7,448
Net position - Beginning	<u>3,940,970</u>
Net position - Ending	<u>\$ 3,948,418</u>

See Notes to Financial Statement.

CITY OF WINONA, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Winona, Mississippi (the "City") have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting and reporting policies and practices used by the City are described below.

1.A. FINANCIAL REPORTING ENTITY

The City's financial reporting entity comprises the following:

Primary Government: City of Winona

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, and includes all component units of which the City appointed a voting majority of the units' board; the City is either able to impose its will on the unit or a financial benefit or burden relationship exists.

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Board of Aldermen or the component unit provides services entirely to the City. These component units' funds are blended into those of the City's by appropriate activity type to compose the primary government presentation. Currently, the City has no blended presented component units.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. Currently, the City has no discretely presented component units.

1.B. BASIS OF PRESENTATION

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

CITY OF WINONA, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

1.B. BASIS OF PRESENTATION (Cont'd)

Proprietary Fund

Enterprise Fund

Enterprise Funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the Winona Water and Sewer Fund.

Fiduciary Funds (Not included in governmental-wide statements)

Agency Funds

Agency funds account for assets held by the City in a purely custodial capacity. The reporting entity includes three agency funds. Since agency funds are custodial in nature (i.e., assets equal liabilities) they do not involve the measurement of results of operations. The agency funds are as follows:

Fund	Brief Description
Accounts Payable Clearing	Accounts for funds transferred in to pay claims of the City. Funds are transferred in monthly from Governmental and Proprietary type funds and disbursements are made to the City's vendors.
Payroll Fund	Accounts for disbursement of payroll checks for City. Funds are transferred in monthly from Governmental and Proprietary type funds and payroll checks are disbursed to employees.
Tax Collector's Fund	All property taxes collected are deposited to this fund. Settlements are made monthly from this fund to the various governmental funds which the taxes were levied.

Major and Non-major Funds

The funds further classified as major or non-major are as follows:

Fund	Brief Description
Major:	
General	See above for description.
Enterprise Funds:	
Water and Sewer	See above for description

CITY OF WINONA, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Cont'd)

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

1.D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, "cash" includes all demand, savings accounts, and certificates of deposits of the City. For the purpose of the proprietary fund Statement of Cash Flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds". Short-term interfund loans are reported as "interfund receivables and payables". Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds". Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Note 12 for details of interfund transactions, including receivables and payables at year-end.

CITY OF WINONA, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

1.D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND EQUITY (Cont'd)

Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) 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.

Government-wide Statements

In the government-wide financial statements, general capital assets including major general infrastructure assets acquired during the current year are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Assets capitalized, not including infrastructure assets, have an estimated useful life of over three years. All infrastructure asset additions are capitalized.

Prior to October 1, 2003, and the implementation of GASB 34, governmental fund's major general infrastructure assets were not capitalized. In accordance with the provisions of GASB 34, the City has elected not to report major general infrastructure assets acquired before the adoption of GASB 34, or October 1, 2003. Accordingly, those assets and depreciation thereon have not been reported in these financial statements.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	25-50 years
Improvements	10-50 years
Machinery and Equipment	3-20 years
Utility System	25-50 years
Infrastructure	25-50 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Restricted Assets

Restricted assets include cash that is legally restricted as to their use. The primary restricted assets are related to revenue bond reserve accounts, fire protection funds, and unexpended tourism tax revenues.

CITY OF WINONA, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

1.D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND EQUITY (Cont'd)

Equity Classifications (Cont'd)

Fund Statements

Governmental fund equity is classified as fund balance. In the Balance Sheet of governmental funds, fund balance is reported in five possible classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent. The classifications are as follows:

Nonspendable

The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash (e.g. inventories and prepaid assets).

Restricted

Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

Committed

The committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision making authority.

Assigned Fund Balance

The assigned fund balance includes amounts constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned Fund Balance

The unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. Expenditures may be incurred for purposes for which both restricted, if any, and unrestricted (committed, assigned, or unassigned) amounts are available. Composition of the ending fund balance will be determined by applying the following: In those instances where both restricted and unrestricted amounts are available, restricted amounts will be considered to have been spent first, followed by committed amounts, followed by assigned amounts, and then unassigned amounts.

Proprietary fund equity is classified the same as in the government-wide statements.

CITY OF WINONA, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 3: CASH AND CASH EQUIVALENTS (Cont'd)

In accordance with state statutes, the City maintains deposits within approved limits at those depositories authorized by the Board of Aldermen. State statutes require that all of the City's deposits be protected by collateral or insurance equal to 105% of the total deposits not covered by insurance. The City's deposits are collateralized through the Statewide Collateral Pool Program sponsored by the State of Mississippi Treasury Department.

At September 30, 2019 all of the City's funds on deposit in financial institutions were insured or collateralized per the schedule below:

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Total</u>
Carrying amount per books	\$ 252,554	\$ 398,914	\$	\$ 651,468
Balance per bank	\$ 252,554	\$ 526,123	\$	\$ 778,667

The categories of risk are described as follows:

Category 1 - Insured by Federal Deposit Insurance Corporation

Category 2 - Collateralized with securities held by the pledging financial institution's agent in the City's name

Category 3 - Uncollateralized

Cash and cash equivalents at September 30, 2019 is shown on the Statement of Cash Flows – Proprietary Fund as \$84,367. This amount is shown on the Statement of Net Position – Proprietary Fund as current asset cash balance of \$84,367 – all unrestricted.

NOTE 4: INVESTMENTS:

State statutes, City bond ordinances and city resolutions authorize the City's investments. Generally, the City is authorized to invest in bonds or other direct obligations of the U.S. Government or the State of Mississippi, or of any county, municipality, or school district of this state meeting certain qualifications or in obligations issued or guaranteed in full as to principal and interest by the U.S. Government.

Water and Sewer Enterprise Fund investments consist of the following at September 30, 2019:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
290,687 units Federated US Treasury Cash Reserve Fund	\$ 15,712	\$ 274,975	\$ 290,687

All of the above investments at September 30, 2019, were held by a bank trust department in the City's name (Category 2).

NOTE 5: ACCOUNTS RECEIVABLE, NET OF ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

At September 30, 2019, accounts receivable were as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Property taxes	\$ 1,251,549	\$	\$ 1,251,549
Penalties and interest	228		228
Franchise taxes receivable	34,219		34,219
Court fines			
Privilege taxes	2,707		2,707
Water, sewer and garbage	67,562	139,026	206,588
Local fire runs	2,917		2,917
(Allowance for uncollectible accounts)		(6,000)	(6,000)
Net accounts receivable	\$ 1,359,182	\$ 133,026	\$ 1,492,208

CITY OF WINONA, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 7: LONG-TERM DEBT

<u>Date Issued</u>	<u>Definition and Purpose</u>	<u>Beginning Balance Oct. 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance Sept. 30, 2019</u>	<u>Amounts Due within One Year</u>
GOVERNMENTAL ACTIVITIES:						
GENERAL OBLIGATION BONDS:						
12-12-12	\$231,000 Building Bonds. Payable in annual installments of \$21,000 to \$26,000 on March 1. Final installment due 3-1-33. Interest payable on March 1 and September 1 at 2.25%.	<u>\$ 122,000</u>	<u>\$</u>	<u>\$ 23,000</u>	<u>\$ 99,000</u>	<u>\$ 24,000</u>
TAX INCREMENT FINANCING REVENUE BONDS:						
3-2-11	\$355,000 T.I.F. bonds for infrastructure executed with Trustmark National Bank. Interest payable in semi-annual installments at 4.5% on 11-1 and interest and principal installments on 5-1 beginning with final installment 5-1-22.	<u>150,000</u>	<u></u>	<u>35,000</u>	<u>115,000</u>	<u>35,000</u>
NOTES PAYABLE:						
4-12-16	\$53,867.80 Bank of Winona - Excavator note payable. Payable in monthly installments of \$1,180.50, including principal and interest at the rate of 2.50%. Payments beginning 5-12-16 with final payment on 4-12-20.	<u>23,073</u>	<u></u>	<u>13,746</u>	<u>9,327</u>	<u>9,327</u>
10-1-08	\$221,000 Musco Finance note payable. Payable in annual installments of \$28,739, starting 10-1-09 at a rate of 4.97%	<u>27,342</u>	<u></u>	<u>27,342</u>	<u></u>	<u></u>
	Total notes payable	<u>50,415</u>	<u></u>	<u>41,088</u>	<u>9,327</u>	<u>9,327</u>
OTHER LIABILITIES:						
	Compensated absences	<u>85,191</u>	<u></u>	<u>2,896</u>	<u>82,295</u>	<u></u>
	Total Governmental Activities Long-term liabilities	<u>\$ 407,606</u>	<u>\$</u>	<u>\$ 101,984</u>	<u>\$ 305,622</u>	<u>\$ 68,327</u>
BUSINESS-TYPE ACTIVITIES:						
REVENUE BONDS:						
3-1-01	\$2,815,000 Combined Water & Sewer System Revenue Refunding Bonds Series 2011. Payable in annual installments of varying amounts from \$190,000 to \$255,000 starting 12-1-11. Final payment 6-1-24. Interest payable on 6-1 and 12-1 at various rates from 2.00% to 3.625%.	<u>\$ 1,410,000</u>	<u>\$</u>	<u>\$ 220,000</u>	<u>\$ 1,190,000</u>	<u>\$ 225,000</u>

CITY OF WINONA, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 7: LONG-TERM DEBT (Cont'd)

\$231,000 GENERAL OBLIGATION BUILDING BONDS OF 12/12/12

<u>Year ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2020	\$ 24,000	\$ 1,958	2.25%
2021	24,000	1,417	2.25%
2022	25,000	866	2.25%
2023	26,000	293	2.25%
Total	<u>\$ 99,000</u>	<u>\$ 4,534</u>	

\$355,000 TAX INCREMENT FINANCE REVENUE BONDS 3/2/11

<u>Year ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2020	\$ 35,000	\$ 5,175	4.50%
2021	40,000	3,600	4.50%
2022	40,000	1,800	4.50%
Total	<u>\$ 115,000</u>	<u>\$ 10,575</u>	

GENERAL NOTES PAYABLE:

BANK OF WINONA LOAN OF 4/12/16

<u>Year ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2020	\$ 9,327	\$ 87	2.50%
Total	<u>\$ 9,327</u>	<u>\$ 87</u>	

COMBINED WATER AND SEWER SYSTEM REVENUE REFUNDING BOND OF 09/22/11

<u>Year ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2020	\$ 225,000	\$ 39,975	2.50%
2021	230,000	33,225	2.50%
2022	235,000	25,750	2.50%
2023	245,000	17,819	2.50%
2024	255,000	9,244	Varies
Total	<u>\$ 1,190,000</u>	<u>\$ 126,013</u>	

AUTOMATED METER READING SYSTEM - REGIONS EQUIPMENT FINANCE OF 05/19/11

<u>Year ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2020	\$ 41,260	\$ 3,363	3.996%
2021	42,908	1,715	3.996%
Total	<u>\$ 84,168</u>	<u>\$ 5,078</u>	

CITY OF WINONA, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 8: DEFINED BENEFIT PENSION PLAN (Cont'd)

Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years of creditable service for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost of Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired plan member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

At September 30, 2019, the City of Winona, MS reported a liability of \$4,355,773 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of Winona, MS's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to projected contributions of all participating entities, actuarially determined. At June 30, 2019, the City of Winona, MS's proportion was .024760 percent.

For the year ended September 30, 2019, the City of Winona, MS recognized pension expense of \$228,688. At September 30, 2019, the City's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,577	\$ 4,689
Changes of assumptions	42,704	
Net difference between projected and actual earnings on pension plan investments		47,654
Changes of assumptions		
City of Winona contributions subsequent to the measurement date	<u>66,299</u>	
Totals	<u>\$ 111,580</u>	<u>\$ 52,343</u>

CITY OF WINONA, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 8: DEFINED BENEFIT PENSION PLAN (Cont'd)

Discount Rate. The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the current employer contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City of Winona, MS's proportionate share of the net pension liability to changes in the discount rate. The following presents the City of Winona, MS's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the City of Winona, MS's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount rate (7.75%)	1% Increase (8.75%)
City of Winona's proportionate share of the net pension liability	\$ 5,725,814	\$ 4,355,773	\$ 3,224,926

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

NOTE 9: BOND PREMIUMS

The unamortized bond premiums at September 30, 2019 were \$2,293.

NOTE 10: RISK MANAGEMENT

The City of Winona has entered into a joint and several relationships with other public entities in the Mississippi Municipal Worker's Compensation Group and the Mississippi Municipal Liability Group. Each member shares responsibility for premium contribution based on payroll and their own loss experiences as well as assessments needed for fund inadequacies. They also share the benefit of fund surplus in the form of dividends when applicable.

The City of Winona is a member of the Mississippi Municipal Association Unemployment Compensation Group Account with Unemployment Compensation Control Systems, Inc., of Mississippi as its agent.

NOTE 11: COMMITMENTS AND CONTINGENCIES

The City participates in federally assisted grant programs, principal of which are Community Development Block Grants and HOME grants. These programs are subject to program compliance audits by grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or applicable fund. The City expects amounts disallowed, if any, to be immaterial.

The City is occasionally involved in various other legal actions arising in the normal course of business. Any such cases would be turned over to the City's insurer's attorneys, who would handle the defense of these claims. In the opinion of management, there were currently no such matters outstanding that would have a material effect upon the financial position of the City.

CITY OF WINONA, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 14: RESTRICTED ASSETS (Cont'd)

Certain cash and investments in the City can be restricted as to use by donors or bond ordinances. The Enterprise Fund 2011 Revenue Refunding Bond ordinance requires that the City provide and maintain a Bond Fund, Depreciation Fund and a Contingent Fund. The Bond Fund requires a Debt Service Account and a Debt Service Reserve Account. The Debt Service Account is established for the City to set aside on a monthly basis an amount which will provide a sum for the payment of the semi-annual interest and annual principal payments on the refunding bonds when they become due. The Debt Service Reserve Account was required by the 2011 Revenue Refunding Bond ordinance to be funded with a portion of the sale proceeds of the 2011 bonds. Moneys in the Debt Service Reserve Account can only be used for the purpose of paying maturing principal or interest on the Bonds when the moneys in the Debt Service Account are insufficient and for no other purpose. In the event that amounts credited to the Debt Service Reserve Account are used to pay maturing principal or interest on the Bonds when moneys on hand in the Debt Service Account are insufficient, the City shall restore the amounts credited to the Debt Service Reserve Account to the amount of the Reserve Account requirement. The Debt Service Reserve Account requirement is equal to the lesser of (1) 10% of the principal amount of all bonds, (2) the maximum annual debt service requirement on a bond year basis or (3) 125% of the average annual debt service on a bond year basis. The Depreciation Fund is to be maintained with a balance of \$5,000 and shall be used for the purpose of paying the cost of repairing the system when needed. The Contingent Fund is to be maintained with a balance of \$5,000 and shall be used for the purpose of paying the cost of unforeseen contingencies arising in the operation and maintenance of the system, including the construction of reasonable and proper improvements.

	<u>Cash</u>	<u>Investments</u>	<u>Total</u>
Business-type Activities:			
Revenue Refunding Bond Reserves:			
Bond Fund:			
Debt Service Accounts	\$	264,975	\$ 264,975
Depreciation Fund		5,000	5,000
Contingent Fund		<u>5,000</u>	<u>5,000</u>
Totals	<u>\$</u>	<u>274,975</u>	<u>\$ 274,975</u>

NOTE 15: SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 20, 2020, which is the date the financial statements were available to be issued.

As of the date of these financial statements the following grants had been awarded to the City; yet, no grant revenues were received or expended by the fiscal year end September 30, 2019:

State of Mississippi grant – Historic clock tower restoration grant in the amount of \$250,000.

Rural Development Communities Facilities grant – For the purpose of fire department equipment purchases in the amount of \$24,600.

Small Municipalities Limited Population grant – For the purpose of public improvements; specifically, this grant will be used to cover excess costs of the clock tower project. Grant is for the amount of \$150,000.

Appalachian Regional Commission grant – Grant amount not to exceed \$294,800 with a City match of \$73,700, for the purpose of Highway 82 and frontage road extension.

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, economic uncertainties could arise which could likely negatively affect future revenue streams for the City. Currently, management is unable to quantify the potential effects of the pandemic on its future finances.

**CITY OF WINONA, MISSISSIPPI
BUDGET COMPARISON SCHEDULE
CASH BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2019
UNAUDITED**

GENERAL FUND	Original Amounts	Final Amounts after Amendments	Actual Amounts	Variance With final Budget Positive(Negative)
Beginning Fund Resources, Cash in Bank	\$ 180,365	\$ 185,279	\$ 565,017	\$ 379,738
RECEIPTS:				
Licenses and Permits	157,400	157,400	154,385	(3,015)
Inter Governmental Revenue	238,600	238,371	155,181	(83,190)
Federal Grants	522,790	546,447	81,086	(465,361)
Federal Shared Revenues	-	-	-	-
Fed Payment/Lieu of Taxes	5,100	5,100	5,080	(20)
State Grants	-	300,000	300,000	-
State Shared Revenues	1,315,550	1,321,414	1,274,319	(47,095)
Grants from Local Governments	-	-	-	-
Charges for Services	16,100	18,300	15,300	(3,000)
General Government	-	-	-	-
Public Safety	2,000	2,000	1,671	(329)
Highways & Streets	-	-	-	-
Sanitation	415,000	415,000	413,952	(1,048)
Welfare	200	200	100	(100)
Culture and Recreation	164,000	166,000	112,140	(53,860)
Other	1,310	1,410	1,440	30
Fines and Forfeits	104,000	104,000	92,235	(11,765)
Miscellaneous	5,600	6,311	5,444	(867)
Total Ad Valorem	<u>1,175,250</u>	<u>1,175,250</u>	<u>1,127,440</u>	<u>(47,810)</u>
TOTAL RECEIPTS AND BEGINNING RESOURCES	<u>\$ 4,303,265</u>	<u>\$ 4,642,482</u>	<u>4,304,790</u>	<u>\$ (717,430)</u>
DISBURSEMENTS:				
DISBURSEMENTS GENERAL GOVERNMENT EXPENSES:				
Personal services	\$ 228,089	\$ 218,443	213,143	\$ 5,300
Supplies	15,550	14,550	12,844	1,706
Other services and charges	143,474	145,323	145,282	41
Capital outlay	650,200	654,823	301,701	353,122
TOTAL GENERAL GOV'T EXPENSES	<u>1,037,313</u>	<u>1,033,139</u>	<u>672,970</u>	<u>360,169</u>
DISBURSEMENTS FOR PUBLIC SAFETY/POLICE AND FIRE				
Personal services	1,093,997	1,126,299	1,125,014	1,285
Supplies	112,500	116,973	115,575	1,398
Other services and charges	134,890	113,635	55,959	57,676
Capital outlay	149,055	144,782	38,186	106,596
TOTAL PUBLIC SAFETY/POLICE AND FIRE	<u>1,490,442</u>	<u>1,501,689</u>	<u>1,334,734</u>	<u>166,955</u>

**CITY OF WINONA, MISSISSIPPI
BUDGET COMPARISON SCHEDULE
CASH BUDGETARY BASIS
YEAR ENDED SEPTEMBER 30, 2019**

CITY BOND FUND	UNAUDITED		Actual Amounts	Variance With final Budget Positive(Negative)
	Original Amounts	Final Amounts after Amendments		
Beginning Fund Resources, Cash in Bank	\$ -	\$ -	\$ 3,951	\$ 3,951
RECEIPTS:				
Miscellaneous	10	10	3	(7)
Advalorem Taxes	27,600	27,600	28,370	770
TOTAL RECEIPTS	\$ 27,610	\$ 27,610	32,324	\$ 4,714
DISBURSEMENTS FOR DEBT SERVICE:				
Bond redemption	23,000	23,000	23,000	-
Interest paid	4,610	4,610	2,486	2,124
Other expenses	-	-	-	-
TOTAL DISBURSEMENTS	\$ 27,610	\$ 27,610	25,486	\$ 2,124
Budgetary Fund Excess, (Deficiency) of revenues over expenditures			6,838	
Reconciliation of Differences: Budget to GAAP				
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes			(3,951)	
Accrued revenues - end of year			423	
Accrued revenues - beginning of year			(229)	
Excess, (Deficiency) of revenues and other financing sources over expenditures and other financing uses			3,081	
Beginning Fund Balance - GAAP Oct. 1, 2018			(2,707)	
Ending Fund Balance - GAAP Sept. 30, 2019			<u>\$ 374</u>	

CITY OF WINONA, MISSISSIPPI
SCHEDULE OF THE CITY OF WINONA, MS'S CONTRIBUTIONS
SEPTEMBER 30, 2019

	September 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution					\$ 258,508	\$ 257,541	\$ 243,411	\$ 227,854	\$ 223,235	\$ 229,190
Contributions in relation to the contractually required contributions					(258,508)	(257,541)	(243,411)	(227,854)	(223,235)	(229,190)
Contribution deficiency, (excess)					\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
The City of Winona, MS's covered-employee payroll					\$ 1,603,479	\$ 1,635,181	\$ 1,545,467	\$ 1,446,692	\$ 1,419,177	\$ 1,451,517
Contribution as a percentage of covered-employee payroll					* 16.12%	15.75%	15.75%	15.75%	15.75%	15.75%

* PERS employer matching contribution percentage increased from 15.75% to 17.40% on July 1, 2019.

See Notes to the Required Supplementary Information.

CITY OF WINONA, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2019

NOTE 1 - SCHEDULE OF THE CITY OF WINONA, MS'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

The amounts presented for each fiscal year were determined as of the measurement date of June 30 of the fiscal year presented.

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASS 68 was implemented in the fiscal year ended September 30, 2015, and, until a full 10-year trend is compiled, the Commission has only presented information for the years in which information is available.

NOTE 2 - SCHEDULE OF THE CITY OF WINONA, MS'S CONTRIBUTIONS

The amounts presented for each fiscal year were determined as of the measurement date of June 30 of the fiscal year presented.

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in the fiscal year ended September 30, 2015, and, until a full 10-year trend is compiled, the Commission has only presented information for the years in which information is available.

NOTE 3 - BUDGETS AND BUDGETARY ACCOUNTING

Budgets are adopted on the cash basis of accounting.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 15, the City Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. As required by State law, the City conducts public hearings on the budget.
3. The budget as submitted is reviewed by the Mayor and Board of Aldermen and necessary revisions are made to the budget. Then the budget is approved prior to September 15.
4. The budget is formally revised no later than July of each year or any time a deficit is indicated.
5. Budgetary comparisons are employed by management as a management control device during the year for all governmental funds and Water and Sewer Enterprise Fund. The budget and actual comparisons are formally presented in the financial statements to the Mayor and Board of Aldermen. Budgetary control over other funds is achieved through applicable state law, bond ordinances, or other restrictions imposed when the fund is created.

Budgeted amounts are as originally adopted or as amended by the Board of Aldermen as of September 30, 2019.

The City's budget is adopted on the cash basis of accounting modified to include recognition of expenditures paid within 30 days after year-end as required by the State of Mississippi. This method is not consistent with U.S. generally accepted accounting principles ("GAAP").

The Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) presents the original legally adopted budget, the final legally adopted budget, actual amounts on a budgetary (non-GAAP) basis and variances between the final budget and the actual amounts. The schedule is presented for the general fund and city bond and interest fund only.

CITY OF WINONA, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
SEPTEMBER 30, 2019

<u>NAME</u>	<u>POSITION</u>	<u>COMPANY</u>	<u>BOND</u>
Jerry Flowers	Mayor	Travelers Casualty & Surety Co.	\$ 90,000
Kelvin Winbush	Alderman	Travelers Casualty & Surety Co.	90,000
William Travis Johnson	Alderman	Travelers Casualty & Surety Co.	90,000
Michael Austin	Alderman	Travelers Casualty & Surety Co.	90,000
William Ware	Alderman	Travelers Casualty & Surety Co.	90,000
Sara Miniweather	Alderpersion	Travelers Casualty & Surety Co.	90,000
June Williams	City Clerk	Liberty Mutual Surety	67,500
Tiffany Everett	Deputy Asst. City Clerk	Travelers Casualty & Surety Co.	50,000
Dorothy Washington	Deputy Clerk	Travelers Casualty & Surety Co.	50,000
Rachele Heath	Court Clerk	Travelers Casualty & Surety Co.	50,000
Tommy Bibbs	Police Chief	Travelers Casualty & Surety Co.	50,000
Sean Turner	Police Officer	Travelers Casualty & Surety Co.	25,000
Martha Caradine	Police Officer	Travelers Casualty & Surety Co.	25,000
Calvin Robinson	Police Officer	Travelers Casualty & Surety Co.	25,000
Danny Herod	Police Officer	Travelers Casualty & Surety Co.	25,000
William Herring	Police Officer	Travelers Casualty & Surety Co.	25,000
Matthew Miletello	Police Officer	Travelers Casualty & Surety Co.	25,000
Michael Narmour	Recreational Director	Travelers Casualty & Surety Co.	50,000

TAYLOR, POWELL, WILSON & HARTFORD, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
POST OFFICE BOX 9369
GREENWOOD, MISSISSIPPI 38930-9369
662-453-6432

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

To the Honorable Mayor and
Board of Aldermen
City of Winona, Mississippi

We have audited the basic financial statements of the City of Winona, MS as of and for the year ended September 30, 2019 and have issued our report dated July 20, 2020. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of those procedures and our audit of the general purpose financial statements disclosed no material instances of noncompliance with state laws and regulations.

This report is intended for the information of the City's management and the Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Taylor, Powell, Wilson & Hartford, P.A.

July 20, 2020