

**TOWN OF WISNER**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2017**

***ROZIER, HARRINGTON & MCKAY***  
***Certified Public Accountants***  
***Alexandria, Louisiana***

# TABLE OF CONTENTS

	<u>Page</u>	
INDEPENDENT AUDITORS' REPORT .....	1-2	
REQUIRED SUPPLEMENTAL INFORMATION		
Management's Discussion & Analysis.....	3-6	
GOVERNMENT-WIDE FINANCIAL STATEMENTS		
Statement of Net Position .....	7	
Statement of Activities .....	8-9	
FUND FINANCIAL STATEMENTS		
Governmental Funds		
Balance Sheet.....	10	
Statement of Revenues, Expenditures, and Changes in Fund Balance .....	11	
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities .....	12	
Proprietary Funds		
Statement of Net Postion.....	13	
Statement of Revenues, Expenditures, and Changes in Fund Net Position.....	14	
Statement of Cash Flows.....	15-16	
Notes to Financial Statements .....	17-30	
REQUIRED SUPPLEMENTAL INFORMATION		
General Fund – Statement of Revenues, Expenditures, and Changes in Fund Balances (Budget and Actual) .....	31	
Schedule of Net Pension Liability.....	32	
Schedule of Employer Contributions .....	33	
SUPPLEMENTAL INFORMATION		
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer .....	34	
Schedule of Compensation Paid to Board Members.....	35	
Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards .....		36-37
Schedule of Findings and Questioned Costs.....	38	
Management's Corrective Action Plan.....	39-40	
Schedule of Prior Year Findings and Questioned Cost.....	41	
Appendix A:		
State-Wide Agreed –Upon Procedures.....	A-1 – A-20	

# ROZIER, HARRINGTON & MCKAY

## CERTIFIED PUBLIC ACCOUNTANTS

1407 PETERMAN DRIVE • ALEXANDRIA, LOUISIANA 71301

**JOHN S. ROZIER, IV, CPA, APALLC**  
**MARK S. MCKAY, CPA**  
**LEE W. WILLIS, CPA**  
**RHONDA L. RACHAL, CPA**  
**STEVEN E. KIMBALL, CPA**  
**RICHARD BESSON, CPA**

**MAILING ADDRESS**  
**POST OFFICE BOX 12178**  
**ALEXANDRIA, LOUISIANA 71315-2178**  
**TELEPHONE (318) 442-1608**  
**TELECOPIER (318) 487-2027**

**M. DALE HARRINGTON, CPA**  
**RETIRED - 2005**

December 20, 2017

### Independent Auditors' Report

The Honorable Mayor  
and Members of the Town Council  
Town of Wisner, Louisiana

#### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wisner, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

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

#### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wisner, as of June 30, 2017, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

-Members-

American Institute of Certified Public Accountants • Society of Louisiana CPAs

**Other Matters**

**Required Supplementary Information**

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

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

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 Supplemental Information**

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

- Schedule of Compensation Paid to Board Members
- Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer

The other supplementary information is the responsibility of management and is derived from and relates 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standard**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2017, on our consideration of the Town of Wisner'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 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 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 Town of Wisner's internal control over financial reporting and compliance.



ROZIER, HARRINGTON & MCKAY  
Certified Public Accountants

# **TOWN OF WISNER**

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

**June 30, 2017**

---

This section of the Town of Wisner's annual financial report presents our discussion and analysis of the Town's financial performance during the fiscal year ended June 30, 2017.

### **Overview of Financial Statements**

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

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

The government-wide financial statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Town's assets (including infrastructure acquired after July 1, 2003) and all of the Town's liabilities (including long-term debt).

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

- **Governmental Activities** – Expenses incurred in connection with providing basic services including police protection, fire protection, culture, recreation, public works, and general administration are reported as governmental activities. The governmental activities are financed by taxes, license fees, fines, court cost, interest, grants, and contributions.
- **Business-Type Activities** – Expenses associated with providing water and sewer services are recovered through fees paid by the customers that utilize these services. These activities are operated in a manner similar to commercial enterprises. Accordingly, activities associated with water and sewer services are reported as business type activities.

#### **Fund Financial Statements**

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

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

### **Financial Analysis of the Town as a Whole**

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

# **TOWN OF WISNER**

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

**June 30, 2017**

---

### Net Position

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

	<u>June 30, 2017</u>			<u>For the Year Ended June 30, 2016</u>
	<u>Govern- mental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	
<b><u>Assets:</u></b>				
Current and Other Assets	\$ 49,533	\$ 163,068	\$ 212,601	\$ 208,493
Capital Assets	884,329	1,752,856	2,637,185	2,772,202
Total Assets	<u>933,862</u>	<u>1,915,924</u>	<u>2,849,756</u>	<u>2,980,695</u>
<b><u>Deferred Outflows:</u></b>				
Pension Funding Deferrals	<u>17,081</u>	<u>26,501</u>	<u>43,582</u>	<u>40,664</u>
<b><u>Liabilities:</u></b>				
Current and Other Liabilities	20,613	93,022	113,635	156,751
Long-term Liabilities	11,997	1,064,616	1,076,613	1,068,012
Total Liabilities	<u>32,610</u>	<u>1,157,638</u>	<u>1,190,248</u>	<u>1,224,763</u>
<b><u>Deferred Inflows:</u></b>				
Pension Funding Deferrals	<u>4,566</u>	<u>7,081</u>	<u>11,647</u>	<u>9,429</u>
<b><u>Net Position:</u></b>				
Invested in Capital Assets (Net)	884,329	752,515	1,636,844	1,738,393
Restricted	50	79,343	79,393	86,826
Unrestricted	29,388	(54,152)	(24,764)	(38,052)
Total Net Position	<u>\$ 913,767</u>	<u>\$ 777,706</u>	<u>\$ 1,691,473</u>	<u>\$ 1,787,167</u>

As the presentation appearing above demonstrates, the largest portion of the Town's net position (96.8%) is invested in capital assets. Net position invested in capital assets consist of land, buildings, equipment, and infrastructure less any debt used to acquire the assets. The Town uses these capital assets to provide services to its citizens; consequently, these amounts are not available for future spending.

An additional portion of the net position represent resources that are subject to restrictions that are imposed by agreements with the Town's bondholders or requirements imposed by various revenue sources.

Spending excess cash during the year for police protection and significant repairs to the utility system as well as liabilities associated with providing retirement benefits have eliminated the Town's remaining net position. Despite the absence of net position, the Town has sufficient resources to meet these obligations for the foreseeable future. In addition, the town has raised sewer rates at the end of the fiscal year.

# **TOWN OF WISNER**

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

**June 30, 2017**

### Changes in Net Position

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

	<u>For the Year Ended June 30, 2017</u>			<u>For the Year Ended June 30, 2016</u>
	<u>Govern- mental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	
<b>Revenues:</b>				
Program Revenue:				
Charges for Services	\$ 43,396	\$ 329,411	\$ 372,807	\$ 365,085
Operating Grants and Contributions	----	----	----	13,051
Capital Grants and Contributions	----	----	----	25,293
General Revenue:				
Sales Taxes	112,903	----	112,903	116,544
Property Taxes	24,150	----	24,150	24,532
Insurance Premium Taxes	27,991	----	27,991	22,070
Franchise Taxes	18,022	----	18,022	18,133
Occupational Licenses	22,487	----	22,487	24,193
Miscellaneous	11,491	62	11,553	19,289
Total Revenue	<u>260,440</u>	<u>329,473</u>	<u>589,913</u>	<u>628,190</u>
<b>Program Expenses:</b>				
General Government	60,254	----	60,254	77,208
Public Safety				
Police Department	146,678	----	146,678	178,691
Fire Department	12,437	----	12,437	15,825
Public Works	70,716	372,341	443,057	504,099
Recreation	23,181	----	23,181	30,966
Total Expenses	<u>313,266</u>	<u>372,341</u>	<u>685,607</u>	<u>806,789</u>
Increase (Decrease) in Net				
Position Before Transfers	(52,826)	(42,868)	(95,694)	(178,599)
Transfers	51,790	(51,790)	----	----
Change in Net Position	<u>(1,036)</u>	<u>(94,658)</u>	<u>(95,694)</u>	<u>(178,599)</u>
Net Position Beginning:	914,803	872,364	1,787,167	1,965,766
Net Position Ending	<u>\$ 913,767</u>	<u>\$ 777,706</u>	<u>\$ 1,691,473</u>	<u>\$ 1,787,167</u>

Governmental activities before transfers experienced a decrease of \$52,856. This decrease resulted due to a decrease in current year revenues.

Business-type activities before transfers experienced a decrease in net position of \$42,868. This decrease is due to expenses the high costs related to maintaining the aging system.

# **TOWN OF WISNER**

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

**June 30, 2017**

---

### **Financial Analysis of the Town's Funds**

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

- The Town's governmental funds reported combined fund balances of \$28,920 which represents an increase of \$28,012 in comparison to the previous balance. This increase is due in part to transfers from the utility fund.
- Amounts reported for business-type activities in the Town's individual funds are identical to the business-type activities reported in the government-wide presentation.

### **General Fund Budget Highlights**

The general fund is the only fund required by law to adopt a budget and the budget is amended as necessary.

### **Capital Asset Administration**

The Town purchased a new air conditioner and bush hog during the year.

### **Debt Administration**

Debt activity was limited to payment of principal and interest on current debt obligations. There was no new debt issued during the current year.

### **Factors Expected to Affect Future Operations**

There are no factors that are expected to affect future operations.

# **TOWN OF WISNER**

## **Statement of Net Position**

**June 30, 2017**

	Governmental Activities	Business-Type Activities	Total
<b><u>ASSETS:</u></b>			
Cash and cash equivalents	\$ 26,673	\$ 37,974	\$ 64,647
Receivables (net)	22,810	45,751	68,561
Restricted assets			
Cash and cash equivalents	50	79,343	79,393
Capital Assets			
Non depreciable capital assets			
Land	57,000	13,200	70,200
Depreciable capital assets (net)	<u>827,329</u>	<u>1,739,656</u>	<u>2,566,985</u>
<b>Total assets</b>	<u>933,862</u>	<u>1,915,924</u>	<u>2,849,786</u>
<b><u>DEFERRED OUTFLOWS:</u></b>			
Pension funding deferrals	<u>17,081</u>	<u>26,501</u>	<u>43,582</u>
<b><u>LIABILITIES:</u></b>			
Accounts payable	20,613	16,650	37,263
Deposits due others	-	51,640	51,640
Accrued interest payable	-	24,732	24,732
Long-term liabilities			
Notes Payable			
Due within one year	-	36,972	36,972
Due in more than one year	-	938,636	938,636
Net pension liability	<u>11,997</u>	<u>89,008</u>	<u>101,005</u>
<b>Total liabilities</b>	<u>32,610</u>	<u>1,157,638</u>	<u>1,190,248</u>
<b><u>DEFERRED INFLOWS:</u></b>			
Pension funding deferrals	<u>4,566</u>	<u>7,081</u>	<u>11,647</u>
<b><u>NET POSITION:</u></b>			
Invested in capital assets, net of related debt	884,329	752,515	1,636,844
Restricted for Capital Projects			
Capital Projects	50	-	50
Debt Service	-	79,343	79,343
Unrestricted	<u>29,388</u>	<u>(54,152)</u>	<u>(24,764)</u>
<b>Total net position</b>	<u>\$ 913,767</u>	<u>\$ 777,706</u>	<u>\$ 1,691,473</u>

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

# **TOWN OF WISNER**

## **Statement of Activities**

**Year Ended June 30, 2017**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants &amp; Contributions</u>	
<b><u>Governmental Activities:</u></b>					
General government	\$ 60,254	\$ -	\$ -	\$ -	\$ (60,254)
Public safety					
Police department	146,678	40,751	-	-	(105,927)
Fire department	12,437	-	-	-	(12,437)
Public works	70,716	-	-	-	(70,716)
Recreation	23,181	2,645	-	-	(20,536)
Total governmental activities	<u>313,266</u>	<u>43,396</u>	<u>-</u>	<u>-</u>	<u>(269,870)</u>
<b><u>Business-Type Activities:</u></b>					
Water and sewer	372,341	329,411	-	-	(42,930)
Total Business-Type Activities	<u>372,341</u>	<u>329,411</u>	<u>-</u>	<u>-</u>	<u>(42,930)</u>
Total Primary Government	<u>\$ 685,607</u>	<u>\$ 372,807</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (312,800)</u>

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

# **TOWN OF WISNER**

## **Statement of Activities (Continued)**

**Year Ended June 30, 2017**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business- Type Activities	Net (Expenses) Revenue
Net (Expense) Revenues (Continued From Previous Page)	\$ (269,870)	\$ (42,930)	\$ (312,800)
<b>General Revenues:</b>			
Taxes:			
Ad Valorem	24,150	-	24,150
Sales Taxes	112,903	-	112,903
Franchise	18,022	-	18,022
Insurance Premium Taxes	27,991	-	27,991
Occupational Licenses	22,487	-	22,487
Miscellaneous	11,491	62	11,553
Transfers	51,790	(51,790)	(0)
Total General Revenues and Transfers	268,834	(51,728)	217,106
Change in Net Position	(1,036)	(94,658)	(95,694)
Net Position Beginning	914,803	872,364	1,787,167
Net Position Ending	\$ 913,767	\$ 777,706	\$ 1,691,473

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

# **TOWN OF WISNER**

## **Balance Sheet**

### **Governmental Funds - June 30, 2017**

	General	Non-Major Fund	Total Governmental Funds
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 26,673	\$ -	\$ 26,673
Receivables (net)	22,810	-	22,810
Restricted assets:			
Cash and cash equivalents	-	50	50
<b>Total assets</b>	<b>\$ 49,483</b>	<b>\$ 50</b>	<b>\$ 49,533</b>
<b><u>Liabilities and Fund Equity</u></b>			
<b><u>Liabilities:</u></b>			
Accounts and other payables	\$ 20,613	\$ -	\$ 20,613
<b>Total liabilities</b>	<b>20,613</b>	<b>-</b>	<b>20,613</b>
<b><u>Fund Balance:</u></b>			
Unassigned	28,870	-	28,870
Assigned	-	50	50
<b>Total fund equity</b>	<b>28,870</b>	<b>50</b>	<b>28,920</b>
<b>Total liabilities and fund equity</b>	<b>\$ 49,483</b>	<b>\$ 50</b>	<b>\$ 49,533</b>

### **Reconciliation of the Governmental Funds Balance Sheets to the Statement of Net Assets**

Total Fund Balances - Governmental Funds	\$ 28,920
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	884,329
Liabilities not due and payable in the current period are excluded from the Governmental Fund Balance Sheet	519
Net Assets of Governmental Activities	<b>\$ 913,767</b>

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

# **TOWN OF WISNER**

## **Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds - Year Ended June 30, 2017**

	General	Non-Major Fund	Total Governmental Funds
<b><u>Revenues:</u></b>			
Taxes:			
Ad valorem	\$ 24,150	\$ -	\$ 24,150
Sales tax	112,903	-	112,903
Franchise	18,022	-	18,022
Insurance premium taxes	27,991	-	27,991
Licenses and permits:	22,487	-	22,487
Intergovernmental:	965	-	965
Bonds and fines	39,786	-	39,786
Miscellaneous:	14,116	28	14,144
<b>Total revenues</b>	<b>260,420</b>	<b>28</b>	<b>260,448</b>
<b><u>Expenditures:</u></b>			
General government	63,506	-	63,506
Public safety			
Police Department	138,327	-	138,327
Fire Department	8,803	-	8,803
Public works	66,520	-	66,520
Recreation	7,070	-	7,070
Capital Expenditures	-	-	-
<b>Total expenditures</b>	<b>284,226</b>	<b>-</b>	<b>284,226</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(23,806)</b>	<b>28</b>	<b>(23,778)</b>
<b><u>Other financing sources (uses):</u></b>			
Operating transfers (net)	51,790	-	51,790
<b>Total other financing sources (uses)</b>	<b>51,790</b>	<b>-</b>	<b>51,790</b>
<b>Excess (deficiency) of revenues and expenditures and other uses</b>	<b>27,984</b>	<b>28</b>	<b>28,012</b>
<b>Fund balance - beginning of year</b>	<b>886</b>	<b>22</b>	<b>908</b>
<b>Fund balance - end of year</b>	<b>\$ 28,870</b>	<b>\$ 50</b>	<b>\$ 28,920</b>

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

# **TOWN OF WISNER**

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

***Year Ended June 30, 2017***

---

Net change in fund balances of Governmental Funds	\$ 28,012
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays for the period.	(35,299)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures by governmental funds	<u>6,251</u>
Change in net position of governmental activities	<u>\$ (1,036)</u>

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

# **TOWN OF WISNER**

## **Statement of Net Position**

**Proprietary Funds - Year Ended June 30, 2017**

	<u>Business-Type Activities</u>
	<u>Utility System</u>
<b><u>ASSETS:</u></b>	
Current assets:	
Cash and cash equivalents	\$ 37,974
Receivables (net)	<u>45,751</u>
Total current assets	<u>83,725</u>
Restricted assets:	
Cash and cash equivalents	79,343
Noncurrent assets:	
Non-depreciable capital assets	
Land	13,200
Depreciable capital assets (net)	<u>1,739,656</u>
Total noncurrent assets	<u>1,752,856</u>
Total assets	<u>1,915,924</u>
<b><u>DEFERRED OUTFLOWS:</u></b>	
Pension funding deferrals	<u>26,501</u>
<b><u>LIABILITIES:</u></b>	
Current liabilities:	
Accounts payable	16,650
Accrued interest payable	24,732
Deposits due others	51,640
Current portion of long-term debt	<u>36,972</u>
Total current liabilities	<u>129,994</u>
Noncurrent Liabilities:	
Long-Term Debt	938,636
Net Pension Liability	<u>89,008</u>
Total liabilities	<u>1,157,638</u>
<b><u>DEFERRED INFLOWS:</u></b>	
Pension funding deferrals	<u>7,081</u>
<b><u>NET POSITION</u></b>	
Invested in capital assets, net of related debt	752,515
Restricted for debt service	79,343
Unrestricted	<u>(54,152)</u>
Total net position	<u>\$ 777,706</u>

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

# **TOWN OF WISNER**

## ***Statement of Revenues, Expenditures, and Changes in Fund Net Position Proprietary Funds - Year Ended June 30, 2017***

---

	<u>Business-Type Activities Utility System</u>
<b><u>Operating revenues:</u></b>	
Charges for services	
Water	\$ 186,992
Sewer	123,593
Other	<u>18,826</u>
<b>Total operating revenues</b>	<b><u>329,411</u></b>
<b><u>Operating expenses:</u></b>	
Salaries	61,173
Payroll taxes and benefits	26,178
Repairs, maintenance, chemicals, and supplies	35,939
Utilities	40,138
Insurance	5,029
Permits and Fees	3,236
Office expense	13,241
Fuel	5,963
Depreciation	99,746
Other	<u>26,750</u>
<b>Total operating expenses</b>	<b><u>317,393</u></b>
<b>Operating income (loss)</b>	<b>12,018</b>
<b><u>Non-operating revenues (expenses):</u></b>	
Interest revenue	62
Grant revenue	-
Interest expense	<u>(54,948)</u>
<b>Change in net position before     contributions and transfers</b>	<b>(42,868)</b>
<b><u>Contributions and transfers:</u></b>	
Operating transfers (net)	<u>(51,790)</u>
<b>Change in net position</b>	<b>(94,658)</b>
<b>Total net position - beginning of year</b>	<b><u>872,364</u></b>
<b>Total net position - end of year</b>	<b><u>\$ 777,706</u></b>

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

# **TOWN OF WISNER**

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

### **Proprietary Funds - Year Ended June 30, 2017**

---

#### **Cash flow from operating activities:**

Cash received from customers	\$ 338,410
Cash payments to suppliers of goods and services	(120,103)
Cash payments to employees for service	<u>(85,851)</u>
Net cash provided (used) by operating activities	<u>132,456</u>

#### **Cash flows from non-capital financing activities:**

Operating transfers in (out)	<u>(51,790)</u>
Net cash provided (used) by non-capital financing activities	<u>(51,790)</u>

#### **Cash flows from capital and related financing activities:**

Capital grant proceeds	-
Principle paid on capital debt	(36,972)
Interest paid on capital debt	<u>(52,944)</u>
Net cash provided (used) by capital and related financing activities	<u>(89,916)</u>

#### **Cash flows from investing activities:**

Proceeds from investments	-
Interest and other income	<u>62</u>
Net cash provided (used) by investing activities	<u>62</u>

Net increase (decrease) in cash	(9,188)
Beginning cash balance	<u>126,505</u>
Ending cash balance	117,317
Cash - restricted	<u>79,343</u>
Cash - unrestricted	<u>\$ 37,974</u>

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

# **TOWN OF WISNER**

## ***Statement of Cash Flows (Concluded)*** ***Proprietary Funds - Year Ended June 30, 2017***

---

<b><u>Reconciliation of operating income (loss) to net cash</u></b>	
Operating Income (loss)	\$ 12,017
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	99,746
(Increase) decrease in accounts receivable	7,907
(Decrease) increase in accounts payable	(2,440)
(Decrease) increase in meter deposits	1,092
(Decrease) increase in net pension liability	14,134
<b>Net cash provided (used) by operating activities</b>	<b><u>\$ 132,456</u></b>

There were no operating, investing, or financing activities during the year that did not result in cash receipts or payments.

# **TOWN OF WISNER**

## ***Notes To Financial Statements*** ***June 30, 2017***

---

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

#### ***Organization and Basis of Presentation***

The Town of Wisner (the Town) was incorporated under the provisions of the Lawrason Act and operates under a Mayor-Board of Aldermen form of government. The Town provides various services including public safety (police and fire protection), streets and drainage, recreation, utilities (water and sewerage), and general administrative services.

The accounting and reporting practices of the Town of Wisner, Louisiana conform to generally accepted accounting principles as applicable to governmental units on a consistent basis between periods.

The following is a summary of the more significant accounting policies.

#### ***Financial Reporting Entity***

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

Governmental Accounting Standards Board (GASB) established criteria for determining which component units should be considered part of the Town of Wisner, Louisiana, for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

Based upon the above criteria, the Town of Wisner has no component units for the year ended June 30, 2017.

# **TOWN OF WISNER**

## **Notes To Financial Statements**

**June 30, 2017**

---

### **Basic Financial Statements**

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

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

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

### **Government-Wide Financial Statements**

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

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

### **Fund Financial Statements**

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

#### **Governmental Funds**

**General Fund** – The general fund is the primary operating fund and is used to account for all governmental activities.

#### **Business-Type Funds**

**Utility System** – This fund is used to account for the operations of the Town's Water System and Sewer System. Revenue earned in exchange for providing services is reported as operating income and revenue from other sources is reported as non-operating.

# **TOWN OF WISNER**

## **Notes To Financial Statements June 30, 2017**

---

### **Basis of Accounting and Measurement Focus**

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

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

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

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

### **Non-Exchange Transactions**

Revenue from certain non-exchange transactions cannot be properly measured prior to collection. Furthermore, it is not practical to determine the probability of collection resulting from certain non-exchange transactions such as traffic citations. Consequently, revenue from fines and court cost is not recognized until it is collected.

### **Use of Estimates**

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

### **Restricted Assets**

Restricted assets represent resources that must be expended in a specific manner. Restrictions of this nature are imposed by various contractual obligations including grant agreements and bond covenants. In situations where it is permissible to spend restricted resources, the Town typically depletes the available restricted resources before consuming unrestricted resources.

# **TOWN OF WISNER**

## **Notes To Financial Statements**

**June 30, 2017**

---

### **Budget Practices**

The Mayor prepares an annual budget for the Town's general fund. This budget is submitted to the Town Council Members and an approved budget is adopted before the beginning of each fiscal year. Amended budgets are prepared prior to the conclusion of each fiscal year. The amended budgets are prepared and approved in the same manner as the original budget.

The general fund budget presents revenue and expenditures on a basis which is consistent with generally accepted accounting principles. No annual budget is required for the Town's Utility Fund.

### **Capital Assets**

Infrastructure capital assets consisting of streets, bridges, sidewalks, and drainage systems acquired before July 1, 2003, are excluded from capital assets. Depreciation associated with capital assets is computed using the straight-line method over the estimated useful lives of the assets.

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

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value when received by the Town.

### **Cash and Cash Equivalents and Investments**

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

### **Internal Balances**

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

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

### **Statement of Cash Flows**

For the purpose of reporting cash flows, cash and cash equivalents includes all cash on hand, cash in banks, and certificates of deposit.

# **TOWN OF WISNER**

## **Notes To Financial Statements June 30, 2017**

---

### **Compensated Absences**

The Town does not accumulate any paid vacation, sick pay, or other employee benefit amounts because employees are not allowed to carry over significant amounts.

### **Fund Balance Classification:**

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

### **NOTE 2 - CASH AND CASH EQUIVALENTS**

At June 30, 2017, cash and cash equivalents included the following amounts:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Cash Deposited in Banks	\$ 26,273	\$ 117,317	\$ 143,590
Cash on Hand	450	----	450
Total Cash	26,723	117,317	144,040
Restricted Cash	50	79,343	79,393
Cash and Cash Equivalents	<u>\$ 26,673</u>	<u>\$ 37,974</u>	<u>\$ 64,647</u>

Cash deposited in banks is stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2017, the Town has \$147,583 in deposits (\$153,449 collected bank balance). These deposits are secured from risk by \$250,000 of federal deposit insurance.

Even though the pledged securities are considered Uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the pledging bank has failed to pay deposited funds upon demand.

### **NOTE 3 – TAXES**

#### **Ad Valorem Taxes**

The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Franklin Parish. Property taxes are limited to an assessment for general alimony as permitted by State Law. Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Revenues from ad valorem taxes are recognized as revenue in the year billed by the Town's General Fund.

# **TOWN OF WISNER**

## **Notes To Financial Statements June 30, 2017**

### Sales Taxes

Sales taxes are collected by the Parish of Franklin and remitted to the Town. For the year ended June 30, the Town has levied a 1.0 % sales tax available for general corporate purposes. This sales tax has no expiration.

### **NOTE 4 - RECEIVABLES**

The receivables at June 30, 2017, are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Accounts Receivable</u>			
Utility Customers	\$ ----	\$ 66,835	\$ 66,835
Franchise Fees	4,098	----	4,098
Other	1,608	744	2,352
Total Accounts Receivables	<u>5,706</u>	<u>67,579</u>	<u>73,285</u>
<u>Due From Other Governmental Units</u>			
Sales Taxes	9,512	----	9,512
Insurance Premium Tax	4,642	----	4,642
Department of Transportation	1,345	----	1,345
Other	1,605	----	1,605
Total Due From Other Governments	<u>17,104</u>	<u>----</u>	<u>17,104</u>
Total Receivables	22,810	67,579	90,389
Allowance for Doubtful Accounts	----	(21,828)	(21,828)
Receivables, net of allowance	<u>\$ 22,810</u>	<u>\$ 45,751</u>	<u>\$ 68,561</u>

### **NOTE 5 – CAPITAL ASSETS**

A summary of the property and equipment at June 30, 2017, consists of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
<u>Non Depreciable Capital Assets</u>				
Land	\$ 57,000	\$ ----	\$ ----	\$ 57,000
<u>Capital Assets Being Depreciated</u>				
Buildings and improvements	920,597	5,858	----	926,455
Improvements other than buildings	81,557	----	----	81,557
Vehicles & Equipment	512,872	1,900	(26,871)	487,901
Total	<u>1,515,026</u>	<u>7,758</u>	<u>(26,871)</u>	<u>1,495,913</u>

# **TOWN OF WISNER**

## **Notes To Financial Statements June 30, 2017**

Less Accumulated Depreciation	(652,426)	(43,029)	26,871	(668,584)
Total Net of Depreciation	862,600	(35,271)	----	827,329
Total Governmental Activities	\$ 919,600	\$ (35,271)	\$ ----	\$ 884,329
	Beginning Balance	Additions	Deletions	Ending Balance
<b><u>Business-Type Activities</u></b>				
<b><u>Non Depreciable Capital Assets</u></b>				
Land	\$ 13,200	\$ ---	\$ ---	\$ 13,200
<b><u>Capital Assets Being Depreciated</u></b>				
Water Distribution System	3,411,156	----	----	3,411,156
Wastewater System	476,817	----	----	476,817
Vehicles & Equipment	91,374	----	(11,993)	79,381
Total	3,979,347	----	----	3,967,354
Less Accumulated Depreciation	(2,139,945)	(99,746)	11,993	(2,227,698)
Total Net of Depreciation	1,839,402	(99,746)	----	1,739,656
Total Business-Type	\$ 1,852,602	\$ (99,746)	\$ ----	\$ 1,752,856

Depreciation expense reported by various functions is presented as follows:

<b><u>Governmental Activities:</u></b>	
General Government	\$ 2,978
Police Department	8,351
Fire Department	3,634
Streets and Drainage	6,128
Recreation	21,970
Total Depreciation – Governmental Activities	\$ 43,060

### **NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Amounts payable to vendors at June 30, 2017 totaled \$37,263.

### **NOTE 7 – LONG TERM DEBT**

Debt attributable to the Town's business-type activities is summarized as follows:

# **TOWN OF WISNER**

## **Notes To Financial Statements June 30, 2017**

	<b>Business-Type Activities</b>
Water Revenue Bonds	\$ 335,876
Revenue Bonds-1989	416,386
Revenue Bonds-1992	223,346
Total Long-term Debt	975,608
Due Within One Year	(36,972)
Due in More Than One Year	<u>\$ 938,636</u>

Changes in the Town's long-term debt activity for the year ended June 30, 2017, is summarized as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Payments</b>	<b>Ending Balance</b>
<b><u>Business-Type Activities:</u></b>				
Water Revenue Bonds	\$ 340,542	\$ ----	\$ 4,666	\$ 335,876
Revenue Bonds-1989	437,375	----	20,989	416,386
Revenue Bonds-1992	232,659	----	9,313	223,346
Total Business-Type Activities	<u>\$ 1,010,576</u>	<u>\$ ----</u>	<u>\$ 34,968</u>	<u>\$ 975,608</u>

### **Revenue Bonds**

The Town has issued Water Revenue bonds for the purpose of acquiring and constructing extensions and improvements to the waterworks system and to purchase the lines and connected fixtures of a neighboring water system.

\$367,000 Water Revenue Bonds, Series 2008, due in monthly installments of \$1,666, maturing October, 2048, bearing interest at a rate of 4.5%. Revenue generated by the Town's water system has been pledged to secure these bonds. \$ 335,876

The Utility Revenue Bonds constitute special obligations of the Town secured by a lien on and pledge of the net revenues of the utility system.

\$706,000 Utility Revenue Bonds, dated November 1, 1989, due in annual installments of \$47,231, maturing November, 2029, bearing interest at a rate of 6.5%. Revenue generated by the Town's utility system has been pledged to secure these bonds. \$ 416,386

\$350,000 Utility Revenue Bonds, dated February 27, 1992, due in annual installments of \$22,690, maturing February, 2032, bearing interest at a rate of 5.75%. Revenues generated by the Town's utility system has been pledged to secure these bonds. \$ 223,346

# **TOWN OF WISNER**

## ***Notes To Financial Statements*** ***June 30, 2017***

---

### **Annual Requirements to Retire Debt Obligations**

The annual aggregate maturities for the years subsequent to June 30, 2017, are as follows:

### **Business-type Activities**

	<u>Principal Payments</u>	<u>Interest</u>
2018	\$ 36,972	\$ 52,944
2019	39,092	50,823
2020	41,336	48,580
2021	43,709	46,207
2022	46,219	43,697
2023-2027	274,129	175,451
2028-2032	259,617	90,233
2033-2037	51,623	48,347
2038-2042	64,332	35,639
2043-2047	80,170	19,801
2048	38,409	2,694
Total Business-Type	<u>\$ 975,608</u>	<u>\$ 614,416</u>

Total interest charged to expense for the year ended June 30, 2017 is \$54,948 for business type activities.

### **NOTE 8 - RISK MANAGEMENT**

The Town of Wisner 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. These risks of loss are covered by a comprehensive commercial insurance policy and participation in a public entity risk pool that operates as a common insurance program. Claims resulting from these risks have historically not exceeded insurance coverage.

### **NOTE 9- PENSION PLAN**

All full-time Town employees, except police officers, are eligible to be members of a statewide retirement system. These systems are cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. A summary of amounts reported in connection with participation in this plan is summarized as follows:

# **TOWN OF WISNER**

## ***Notes To Financial Statements*** ***June 30, 2017***

---

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Municipal Employees' Retirement System	\$ 101,005	\$ 35,511	\$ 11,647
Portion Applicable to Business Type Activities	<u>89,008</u>	<u>26,501</u>	<u>7,081</u>
Portion Applicable to Government Type Activities	<u>\$ 11,997</u>	<u>\$ 17,081</u>	<u>\$ 4,566</u>

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

*Plan Description.* The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All full-time employees of the municipality are members of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3 percent for each year retirement precedes age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100 percent of final average salary. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

*Funding Policy.* Under Plan B, members are required by state statute to contribute 5.0 percent of their annual covered salary and the Town of Wisner is required to contribute at an actuarially determined rate. The current rate is 9.5% of the annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Wisner are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the plan were equal to the required contributions for the year.

# **TOWN OF WISNER**

## **Notes To Financial Statements**

**June 30, 2017**

*Financial Summary* – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available standalone financial report. The financial report includes information about the plan’s assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at mersla.com. The plans net pension liability was determined at June 30, 2016 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 226,092,430
Plan Fiduciary Net Position	143,201,586
Net Pension Liability	<u>82,890,844</u>
Town’s Proportionate Share (Percentage)	0.121853%
Town’s Proportionate Share (Amount)	<u>\$ 101,005</u>

The net pension liability presented above was not affected by any special funding situations. Changes in the Town’s proportionate share of Plan’s net pension liability during the measurement period ending June 30, 2016 are provided as follows:

Beginning Net Pension Liability	\$ 92,403
Employer Contributions	(8,505)
<u>Pension Expense</u>	
Proportionate Share of Plan Pension Expense	18,177
Changes in Proportion	744
Employee Contributions	<u>(3,000)</u>
Changes in Deferred Outflows of Resources	3,404
Changes in Deferred Inflows of Resources	<u>(2,218)</u>
Ending Net Pension Liability	<u>\$ 101,005</u>

There were no changes between June 30, 2016 and the Plan’s measurement date that are expected to have a significant effect on the Town’s proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net</b>
Differences Between Expected and Actual Experience	\$ 828	\$ 1,460	\$ (632)
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	24,758	----	24,758
Changes of Assumptions	5,033	----	5,033
Changes in Proportion	4,892	10,187	(5,295)
Employer Contributions Made After the Measurement Date	<u>8,071</u>	----	<u>8,071</u>
Total Deferrals	43,582	11,647	31,935
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>8,071</u>	----	<u>8,071</u>
Deferrals Subject to Amortization	<u>\$ 35,511</u>	<u>\$ 11,647</u>	<u>\$ 23,864</u>

# **TOWN OF WISNER**

## **Notes To Financial Statements June 30, 2017**

---

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

<u>For the Year Ending:</u>	
June 30, 2017	\$ 9,173
June 30, 2018	4,627
June 30, 2019	6,297
June 30, 20120	<u>3,767</u>
Total	<u>\$ 23,864</u>

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

Valuation Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.5%, net of investment expense
Projected Salary Increases	5.0% (2.875% Inflation, 2.125% Merit)
Mortality Rates	RP-2000 Employee Table for active members (set back 2 years for males and females) RP-2000 Healthy Annuitant Table for healthy annuitants (set forward 2 years for males and 1 year for females) RP-2000 Disabled Lives Mortality Tables for disabled annuitants set back 5 years for males and 3 years for females)
Expected Remaining Service Lives	3 years for Plan A and 4 years for Plan B
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The mortality rate assumption used was verified by combining data from this plan with three other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2016 are summarized in the following table:

# **TOWN OF WISNER**

## **Notes To Financial Statements June 30, 2017**

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Public Equity	50%	2.60%
Public Fixed Income	35%	1.80%
Alternatives	15%	0.08%
Totals	<u>100%</u>	<u>5.20%</u>
Inflation		<u>2.50%</u>
Expected Arithmetic Nominal Return		<u>7.70%</u>

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	<u>1% Decrease 6.50% Discount Rate</u>	<u>Current Discount Rate 7.50%</u>	<u>1% Increase 8.50 % Discount</u>
Net Pension Liability	\$ 130,663	\$ 101,005	\$ 75,701

### **NOTE 10 – RESTRICTIONS AND COMMITMENTS**

Bond covenants require the Town to establish bank accounts which serve as debt service and depreciation reserves. Funds may be disbursed from these accounts only under specific circumstances described by the bond covenants. Amounts on deposit in these accounts are reported as restricted cash. In addition the corresponding amounts of net position are also presented as restricted net position.

### **NOTE 11 – TRANSFERS**

In the ordinary course of business, the Town routinely transfers resources between its funds to cover payroll, related liabilities, and other expenses. A description of the transfers is presented below:

<u>Governmental Funds</u>	<u>Operating Transfers In/(Out)</u>
General Fund	\$ 51,790

# **TOWN OF WISNER**

## ***Notes To Financial Statements June 30, 2017***

---

<b><u>Business Type Funds</u></b>	
Utility System	<u>(51,790)</u>
Total	<u>\$ ----</u>

### **NOTE 12 – CONTINGENCIES**

Existing conditions that may have financial consequences in the future are referred to as contingencies. Contingencies existing at June 30, 2017, are described as follows:

#### **Litigation**

Like most governmental units with extensive and diverse operations, the Town is occasionally named as a defendant in litigation. Based on consultation with Town Attorney, there are no anticipated claims that are expected to exceed available insurance coverage.

#### **Grant Compliance**

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

# **TOWN OF WISNER**

## **General Fund**

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

#### **Budget and Actual**

**Year ended June 30, 2017**

	Budget Amounts		Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Total revenues	\$ 300,000	\$ 300,000	\$ 260,420	\$ (39,580)
<b>Expenditures:</b>				
General government	57,000	79,000	63,506	15,494
Public safety				
Police Department	40,000	112,000	138,327	(26,327)
Fire Department	11,000	11,000	8,803	2,197
Public works	60,000	84,000	66,520	17,480
Recreation	8,000	8,000	7,070	930
Total expenditures	176,000	294,000	284,226	9,774
Excess (deficiency) of revenues over expenditures	124,000	6,000	(23,806)	(29,806)
<b>Other financing sources (uses):</b>				
Operating transfers (net)	-	-	51,790	51,790
Total other financing sources (uses)	-	-	51,790	51,790
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	124,000	6,000	27,984	21,984
Fund balance - beginning of year	39,472	39,472	886	(38,586)
Fund balance - end of year	\$ 163,472	\$ 45,472	\$ 28,870	\$ (16,602)

# **Town of Wisner**

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

---

Retirement System / Measurement Date	Share of Collective Net Pension Liability		Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Pension Plans Fiduciary Net Position as a Percentage of Total Pension Liability
	Percent	Amount		Payroll	Liability
	Municipal Employees' Retirement System				
June 30, 2015	0.15%	71,965	104,251	69.0%	76.9%
June 30, 2016	0.14%	92,403	102,423	90.2%	76.9%
June 30, 2017	0.12%	101,005	72,108	140.1%	63.3%

**Notes to Schedule:**

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

# **Town of Wisner**

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

---

Retirement System / Fiscal Year Ending	Statutorily Required Employer Contributions	Contributions Recognized By the Pension Plan	Difference Between Required and Recognized Contributions	Covered Payroll	Contributions Recognized as a Percentage of Covered Payroll
Municipal Employees' Retirement System					
June 30, 2015	9,122	9,122	-	104,251	8.75%
June 30, 2016	8,556	8,962	(406)	102,423	8.75%
June 30, 2017	7,932	8,505	(573)	72,108	11.79%

**Notes to Schedule:**

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

# **Town of Wisner**

## ***Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer Year Ended June 30, 2017***

---

	<u>Agency Head (Mayor)</u>
	<u>Thomas Moore</u>
Compensation	\$ 12,000
Benefits	-
Reimbursements	<u>238</u>
	<u>\$ 12,238</u>

# **Town of Wisner**

## ***Schedule of Compensation Paid to Board Members Year Ended June 30, 2017***

---

<u>Name</u>	<u>Position</u>	<u>Compensation</u>
Thomas Moore	Mayor	\$ 12,000
Jo Caldwell	Council Member	-
Nettie B. Brown	Council Member	1,200
Roger Hilliard	Council Member	1,200
Thomas Lemle	Council Member	1,200
Marc McCarty	Council Member	-
		<u>\$ 15,600</u>

# ROZIER, HARRINGTON & MCKAY

## CERTIFIED PUBLIC ACCOUNTANTS

1407 PETERMAN DRIVE • ALEXANDRIA, LOUISIANA 71301

**JOHN S. ROZIER, IV, CPA, APALLC**  
**MARK S. MCKAY, CPA**  
**LEE W. WILLIS, CPA**  
**RHONDA L. RACHAL, CPA**  
**STEVEN E. KIMBALL, CPA**  
**RICHARD BESSON, CPA**

**MAILING ADDRESS**  
POST OFFICE BOX 12178  
ALEXANDRIA, LOUISIANA 71315-2178  
TELEPHONE (318) 442-1608  
TELECOPIER (318) 487-2027

**M. DALE HARRINGTON, CPA**  
**RETIRED - 2005**

December 20, 2017

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

The Honorable Mayor  
And the Board of Alderman  
Town of Wisner, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wisner, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Wisner's basic financial statements, and have issued our report thereon dated December 20, 2017.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Wisner'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 Town of Wisner's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Wisner'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies (**Finding 2017-1, 2017-3, 2017-5**) in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Wisner's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as **Finding 2017-2 and 2017-4**.

#### **Town of Wisner's Response to Findings**

The Town of Wisner's response to the findings identified in our audit is described in the accompanying managements' corrective action plan described in the table of contents. The response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly we express no opinion on it.

#### **Purpose of this Report**

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



ROZIER, HARRINGTON & MCKAY  
Certified Public Accountants

**Town of Wisner, Louisiana**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2017**

---

**Part I - Summary of Auditor's Results:**

- The Independent Auditor's Report on the financial statements for the Town of Wisner as of June 30, 2017, and for the year then ended expressed an unmodified opinion.
- The results of the audit did disclose instances of noncompliance (Findings 2017-2 and 2017-4) that are considered to be material to the financial statements of the Town of Wisner.
- The results of the audit disclosed two instances of material weaknesses (Findings 2017-1, 2017-3, 2017-5) that are considered to be material to the financial statements of the Town of Wisner.
- The Town was not required to have a Single Audit; therefore, none of the reporting required by OMB Circular A-133 was required.

**Part II - Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:**

**Finding 2017-1 Segregation of Duties:** Due to a high turnover of clerks during the current year, the Town did not have adequate segregation of duties within the administrative offices. This high turnover has resulted in the utility clerk being the only employee in the administrative offices during portions of the current year. A system of internal controls requires a segregation of duties so that no individual handles a transaction from start to finish. This lack of oversight could lead to improperly recording transactions. We recommend that management monitor the assignment of duties to insure as much segregation of duties as possible. Furthermore, we recommend that management advertise for a clerk position so that adequate segregation of duties can be implemented.

**Finding 2017-2 – Bond covenants violation:**

The Town is obligated by agreements with its utility revenue bond holders to charge rates for utility service that are sufficient to fund operations, debt service and transfers out to other funds. Rates in place during the year ended June 30, 2017 were not sufficient to meet these obligations. As a result, the unrestricted net position for the Town's utility fund was a deficit at year end.

**Finding 2017-3 – Utility Clerk Utility Account:**

A print out of the utility clerks account demonstrated that for the month of July 2017 a bill was not generated or paid. In addition, it was determined that for this same month there was a manipulation of the account numbers necessary to identify the proper amounts owed to the Town. We recommend that the Town Council review this matter and take appropriate action.

**Finding 2017-4 – Meter Deposit Policy:**

The Town is not consistently applying the meter deposit policy. Based on a review of meter deposit applications there were 52 applications completed during the current year. However, only \$3,000 was reported in the bank account. Management will allow individuals to transfer service from one residence to another. Also, management may allow individuals to not pay a meter deposit at all. Management must review and adhere to their meter deposit policy to ensure that everyone pays the required deposit.

**Finding 2017-5 – Town Personnel Working for Another Utility System:**

The Mayor asked a Town employee to perform work on a neighboring system during work hours and while the employee was being paid by the Town of Wisner. This employee is a maintenance employee for the Town of Wisner and should not be performing duties for another system. The Town should have an intergovernmental agreement with the other town in order for the Wisner's employees to work on their system.

**Part III - Findings and Questioned Costs for Federal Awards Which Shall Include Audit Findings as Defined by OMB Circular A-133:**

- None

**Town of Wisner, Louisiana  
Management's Corrective Action Plan  
For the Year Ended June 30, 2017**

---

**SECTION I - INTERNAL CONTROL AND COMPLIANCE  
MATERIAL TO THE FINANCIAL STATEMENTS**

**Finding 2017-1 Segregation of Duties:** Due to a high turnover of clerks during the current year, the Town did not have adequate segregation of duties within the administrative offices. This high turnover has resulted in the utility clerk being the only employee in the administrative offices during portions of the current year. A system of internal controls requires a segregation of duties so that no individual handles a transaction from start to finish. This lack of oversight could lead to improperly recording transactions. We recommend that management monitor the assignment of duties to insure as much segregation of duties as possible. Furthermore, we recommend that management advertise for a clerk position so that adequate segregation of duties can be implemented.

**Finding 2017-2 – Bond Covenants Violation:** The Town is obligated by agreements with its utility revenue bond holders to charge rates for utility service that are sufficient to fund operations, debt service and transfers out to other funds. Rates in place during the year ended June 30, 2017 were not sufficient to meet these obligations. As a result, the unrestricted net position for the Town's utility fund was a deficit at year end.

**Finding 2017-3 – Utility Clerk Utility Account:** A print out of the utility clerks account demonstrated that for the month of July 2017 a bill was not generated or paid. In addition, it was determined that for this same month there was a manipulation of the account numbers necessary to identify the proper amounts owed to the Town. We recommend that the Town Council review this matter and take appropriate action.

**Finding 2017-4 – Meter Deposit Policy:** The Town is not consistently applying the meter deposit policy. Based on a review of meter deposit applications there were 52 applications completed during the current year. However, only \$3,000 was reported in the bank account. Management will allow individuals to transfer service from one residence to another. Also, management may allow individuals to not pay a meter deposit at all. Management must review and adhere to their meter deposit policy to

**Response:** We are currently advertising for a Clerk and hope to hire one shortly.

**Response:** The Town intends to study its rate structure and make whatever changes are necessary to make the utility fund financially secure.

**Response:** The Utility Clerk asserts that the bill was lost in the mail, she paid the bill in cash, forgot to write herself a receipt and does not know how the accounts were changed. We are currently reviewing this matter and will take appropriate action.

**Response:** We will review and update our policy on meter deposits and ensure that everyone pays the required deposit.

**Town of Wisner, Louisiana  
Management's Corrective Action Plan  
For the Year Ended June 30, 2017**

<p>ensure that everyone pays the required deposit.</p> <p><b><u>Finding 2017-5 – Town Personnel Working for Another Utility System:</u></b> The Mayor asked a Town employee to perform work on a neighboring system during work hours and while the employee was being paid by the Town of Wisner. This employee is a maintenance employee for the Town of Wisner and should not be performing duties in another entity. The Town should have an intergovernmental agreement with the other entity in order for the Wisner's employees to work on their system.</p>	<p><b><u>Response:</u></b> This happened only two or three times and the practice was ceased. We will no longer request an employee work in another town.</p>
<p><b>SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b></p>	
<p>Finding - N/A – There were no findings in this area.</p>	<p>Response - N/A</p>
<p><b>SECTION III – MANAGEMENT LETTER</b></p>	
<p>Finding - N/A – There were no findings in this area.</p>	<p>Response - N/A</p>

**Town of Wisner, Louisiana  
Schedule of Prior Year Findings  
For the Year Ended June 30, 2017**

**SECTION I - INTERNAL CONTROL AND COMPLIANCE  
MATERIAL TO THE FINANCIAL STATEMENTS**

**Finding 2016-1 Budget Violations:** There were violations of the budget law as follows:

- Actual expenditures exceeded budgeted amounts by greater than 5% allowed by law. Furthermore, the Town did not properly amend the budget when actual revenues and expenditures exceeded budgeted expenditures by greater than 5%.

**Resolved:** We closely monitored our budget during the current year and did not have a violation.

**Finding 2016-2 – Bond Covenants Violation:**

The Town is obligated by agreements with its utility revenue bond holders to charge rates for utility service that are sufficient to fund operations, debt service and transfers out to other funds. Rates in place during the year ended June 30, 2016 were not sufficient to meet these obligations. As a result, the unrestricted net position for the Town’s utility fund was a deficit at year end.

**Unresolved – See Finding 2017-2:**

**SECTION II – INTERNAL CONTROL AND  
COMPLIANCE MATERIAL TO FEDERAL AWARDS**

Finding - N/A – There were no findings in this area.

Response - N/A

**SECTION III – MANAGEMENT LETTER**

Finding - N/A – There were no findings in this area.

Response - N/A

**APPENDIX A**  
**State-Wide Agreed Upon Procedures**



**Rozier Harrington  
& McKay** | CERTIFIED PUBLIC  
ACCOUNTANTS |

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

To the Honorable Mayor and  
Members of the Town Council and  
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Town of Wisner (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated results are presented in the accompanying Schedule of Procedures, Results and Managements' Response.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Rozier, Harrington and McKay  
Certified Public Accountants  
Alexandria, Louisiana  
December 20, 2017

**Post Office Box 12178 • Alexandria, Louisiana 71315-2178**  
**www.CenlaCPAs.com • Voice 318.442.1608 • Fax 318.487.2027**

**Town of Wisner**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response**

<b>Written Policies and Procedures</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>1 Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions:</p> <ul style="list-style-type: none"> <li>• Budgeting</li> <li>• Purchasing</li> <li>• Disbursements</li> <li>• Receipts</li> <li>• Payroll/Personnel</li> <li>• Contracting</li> <li>• Credit Cards</li> <li>• Travel and expense reimbursements</li> <li>• Ethics</li> <li>• Debt</li> </ul>	<p>An analysis of written policies and procedures has resulted in the following conclusions:</p> <ul style="list-style-type: none"> <li>• Details related to the following functions were limited and did not specifically address suggested components.               <ul style="list-style-type: none"> <li>○ Budgeting</li> <li>○ Purchasing</li> <li>○ Disbursements</li> <li>○ Receipts</li> <li>○ Payroll/Personnel</li> <li>○ Contracting</li> <li>○ Credit Cards</li> <li>○ Travel and expense reimbursements</li> <li>○ Ethics</li> <li>○ Debt service</li> </ul> </li> </ul>	<p>Despite the absence of written details, the Town has established policies and procedures that are clearly understood by personnel responsible for execution. In addition, we will consider the need to formally adopt the procedures that are in place and performing as intended.</p>

**Town of Wisner**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response**

<b>Board (or Finance Committee)</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>2 Obtain and review the board/committee minutes for the fiscal period, and:</p> <p>a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation</p> <p>b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis)</p> <p style="padding-left: 20px;">➤ If budgets are adopted that increase an existing deficit, is there a formal written plan to eliminate deficit spending and do the minutes indicate periodic monitoring of the plan?</p> <p>c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.</p>	<p>The Town Council meet monthly with a quorum.</p> <p>The Town Council reviewed and approved financial statements as part of the monthly activity report that they received. Further details are provided as follows:</p> <ul style="list-style-type: none"> <li>• The financial statements did not include budget comparisons.</li> <li>• Budgets adopted and by the governing board did not include deficits.</li> </ul> <p>Monthly reports included a list of accounts payable.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p>We will begin reviewing budget to actual financial statements as part of our monthly meetings.</p> <p><i>The results did not include findings or criticisms.</i></p>

**Town of Wisner**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response**

<b>Bank Reconciliations</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>3 Obtain a listing of client bank accounts from management</p>	<p>The Town Clerk provided a list of bank accounts.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>4 Using the listing provided by management, select a minimum of five (5) bank accounts and report whether:</p> <p>a) Bank reconciliations have been prepared;</p> <p>b) Bank reconciliations include evidence that a member of management or a board member has reviewed each bank reconciliation</p> <p>c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.</p>	<p>All bank accounts were reconciled monthly.</p> <p>There is no documentation that a member of management or a board member reviewed each bank reconciliation.</p> <p>The General Fund is the only account that had reconciling items outstanding more than 6 months. There is no documentation reflecting that management has researched these reconciling items.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p>We will have a board member review reach bank reconciliation.</p> <p>We will review each of the reconciling items and take appropriate action.</p>

**Town of Wisner**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response**

<b>Collections</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>5 Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.</p> <p>6 Using the listing provided by management, select a minimum of five (5) cash collection locations, obtain written documentation and report whether:</p> <p>a) Each person responsible for collecting cash is:</p> <ul style="list-style-type: none"> <li>• bonded,</li> <li>• not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account</li> <li>• not required to share the same cash register or drawer with another employee.</li> </ul> <p>b) The entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.</p>	<p>All collection activity is conducted at Town Hall, 9530 Natchez Street, Wisner, LA</p> <ul style="list-style-type: none"> <li>• Coverage for employee theft with a loss limit is maintained.</li> <li>• A single employee is responsible for collecting, preparing deposits and recording certain transactions.</li> <li>• There is only one cash drawer used by the clerk which is accessible by other employees.</li> </ul> <p>A formal process exists but it is conducted by an employee that participates in other aspects of collections.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p>The size of the staff limits opportunities for segregation of duties. Risk is mitigated because most collections are in the form of check. Transactions involving currency that is susceptible to misappropriation are limited. In addition, cash collections are subject to verification by comparison to computerized subsidiary records.</p> <p>The absence of segregation is mitigated by the factors described above.</p>

**Town of Wisner**

**Statewide Agreed-Upon Procedures**

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

<b>Collections</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:</p> <ul style="list-style-type: none"> <li>• Report whether the deposits were made within one day of collection.</li> <li>• Verify that daily cash collections are completely supported by documentation</li> </ul> <p>7 Obtain existing written documentation and report whether the entity has a process specifically defined to determine completeness of all collections by a person who is not responsible for collections.</p>	<ul style="list-style-type: none"> <li>• One deposit was made five days after collections. All other deposits were made daily.</li> <li>• Collections are completely supported by documentation.</li> </ul> <p>The process utilizes receipts and accounts receivable records to determine that collections are complete. Although the process is functional, the procedures have not been formally documented are committed to written form.</p>	<p>We will ensure that all deposits are made daily.</p> <p>Despite the absence of written details, the The Town has established policies and procedures that are clearly understood by personnel responsible for execution. In addition, we will consider the need to formally adopt the procedures that are in place and performing as intended.</p>

**Town of Wisner**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response**

<b>Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>8 Obtain a listing of entity disbursements from management</p> <p>9 Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:</p> <p>a) Purchases were initiated using a requisition/purchase order system.</p> <p>b) Purchase orders were approved by a person who did not initiate the purchase.</p> <p>c) Payments for purchases were not processed without</p> <ul style="list-style-type: none"> <li>• An approved requisition and/or purchase order</li> <li>• A receiving report showing receipt of goods purchased,</li> <li>• An approved invoice.</li> </ul>	<p>Management provided access to the general ledger system that reports all disbursement activity.</p> <p>There is a purchase order system in place. However, this system is not consistently applied and a purchase order is not requested or completed for each purchase.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p>We will begin enforcing our purchase order policy. Furthermore, invoices are reviewed for approval and receipt considerations before disbursements are made. Furthermore, we will strengthen our controls to ensure that all invoices are maintained.</p>

**Town of Wisner**

**Statewide Agreed-Upon Procedures**

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

<b>Disbursements— General (excluding credit card/debit card/fuel card/P-Card purchases or payments)</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
10 Using entity documentation report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.	There are no formal restrictions associated with adding vendors.	The absence of a formal vendor approval process is mitigated as follows: <ul style="list-style-type: none"> <li>• Checks compensating vendors require the Mayor or a Council Member's signature. These individuals reviews documentation before signing. In addition, the Mayor and Council has no other involvement in transactions involving disbursements.</li> <li>• As part of each monthly meeting, the Town Council reviews and approves disbursement activity for the preceding month.</li> </ul>
11 Using entity documentation report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.	The Mayor has signatory authority on all bank accounts and is typically involved in initiating purchases.	The absence of segregation of duties is mitigated by the Town Council reviewing and approving disbursement activity at the monthly meetings.
12 Inquire of management and observe whether the supply of unused checks or blank check stock is maintained in a locked location, with access restricted to those persons that do not have signatory authority.	The unused supply of checks is maintained in file cabinets that are accessible to everyone.	We will ensure that the unused supply of checks is maintained in a locked filing cabinet.
13 If a signature stamp or signature machine is used, inquire of the signer whether his or her signature and any signed checks is maintained under his or her control or is used only with the knowledge and consent of the signer.	There are no signature stamps.	<b><i>The results did not include findings or criticisms.</i></b>

**Town of Wisner**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response**

<b>Credit Cards/Debit Cards/Fuel Cards/P-Cards</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>14 Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards).</p> <p>15 Select the monthly statement or combined statement with the largest dollar activity for each card and:</p> <p style="padding-left: 20px;">a) Is there evidence that the monthly statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.</p> <p style="padding-left: 20px;">b) Report whether finance charges and/or late fees were assessed on the selected statements</p> <p>16 Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).</p> <p style="padding-left: 20px;">a) Obtain supporting documentation for all transactions for each of the 10 cards selected by:</p> <ul style="list-style-type: none"> <li>• An original itemized receipt</li> <li>• Documentation of the business/public purpose</li> <li>• Other documentation that may be required by written policy</li> </ul>	<p>The Town does not have any credit cards.</p>	<p><i>The results did not include findings or criticisms.</i></p>

**Town of Wisner**

**Statewide Agreed-Upon Procedures**

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

---

<b>Credit Cards/Debit Cards/Fuel Cards/P-Cards</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
b) Compare the transaction's detail to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law  c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution		

**Town of Wisner**

**Statewide Agreed-Up Procedures**

**Schedule of Procedures, Results and Managements' Response**

<b>Travel and Expense Reimbursement</b>		
<b>Agreed-Up Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
17 Obtain from management a listing of all travel and related expense reimbursements, by person.	The list was supplied by the Town Clerk.	<i>The results did not include findings or criticisms.</i>
18 Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration and report any amounts that exceed GSA rates.	A formal policy has not been adopted.	Mileage is reimbursed at standard rates established by the Internal Revenue Service. The State of Louisiana's travel police services as guide for remaining travel cost.
19 Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:  a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.	Payments did not exceed GSA maximums.	<i>The results did not include findings or criticisms.</i>

**Town of Wisner**

**Statewide Agreed-Upon Procedures**

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

<b>Travel and Expense Reimbursement</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>b) Report whether each expense is supported by:</p> <ul style="list-style-type: none"> <li>• An original itemized receipt that identifies precisely what was purchased.</li> <li>• Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).</li> <li>• Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)</li> </ul> <p>c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.</p> <p>d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.</p>	<p>Transactions were supported by receipts. There were receipts to three fast food entities that were not itemized identifying precisely what was purchased.</p> <p>None of the reimbursement received represented a loan, pledge, or donation of funds, credit, property, or things of value</p> <p>On reimbursement was to the Mayor and the Mayor signs all checks.</p>	<p>We will ensure that all receipts are itemized and demonstrate a business purpose in the future.</p> <p><i>The results did not include findings or criticisms.</i></p> <p>We will have an individual other than the recipient of the reimbursement sign the check in the future.</p>

**Town of Wisner**

**Statewide Agreed-Upon Procedures**

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

<b>Contracts</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>20 Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments.</p> <p>21 Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:</p> <p>a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.</p> <p>b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:</p> <ul style="list-style-type: none"><li>• If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements.</li><li>• If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.</li></ul> <p>c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an</p>	<p>We obtained a list of contract vendors from the general ledger and inquired of management as to whether there were any contracts for the vendors. Management has asserted that there were no contracts on file for any of the vendors paid.</p>	<p>We will review our vendors and obtain contracts for services as necessary.</p>

**Town of Wisner**

**Statewide Agreed-Upon Procedures**

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

---

<b>Contracts</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
amendment.  d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.  e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).		

**Town of Wisner**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response**

<b>Payroll and Personnel</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>22 Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:</p> <p>a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.</p> <p>b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.</p>	<p>A listing of employees was obtained from management and verified through Quickbooks.</p> <p>Compensation has not been subject to employment contracts. Based on a review of the personnel files, there is no formal documentation of the payrates for employees documented.</p> <p>See above</p>	<p><i>The results did not include findings or criticisms.</i></p> <p>We will formally document payrates for all employees in there employee files.</p> <p>See above</p>
<p>23 Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:</p>		

**Town of Wisner**

**Statewide Agreed-Upon Procedures**

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

<b>Payroll and Personnel</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)</p>	<p>There was one instance in which an elected official did not have attendance and leave records.</p>	<p>We will ensure that all employees have attendance and leave records in the future.</p>
<p>b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.</p>	<p>There were no supervisor's signatures on the attendance and leave records.</p>	<p>We will have the supervisor sign all attendance and leave records each pay period.</p>
<p>c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.</p>	<p>Leave taken as reported on time sheets was deducted from the employees leave balance maintained on their leave worksheet.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>24 Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.</p>	<p>There were no termination benefits paid to terminated employees during the current year.</p>	<p><i>The results did not include findings or criticisms.</i></p>

**Town of Wisner**

**Statewide Agreed-Upon Procedures**

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

---

<b>Payroll and Personnel</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
25 Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.	Payroll taxes and retirement contributions were remitted timely. In addition, reporting forms were submitted as required.	<b><i>The results did not include findings or criticisms.</i></b>

**Town of Wisner**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response**

---

<b>Ethics</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
26 Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.	For the five employees selected none of them had ethics compliance documentation on file.	We will require all employees to obtain ethics training each year.

# **Town of Wisner**

## **Statewide Agreed-Upon Procedures**

### **Schedule of Procedures, Results and Managements' Response**

<b>Debt Service</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
27 If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.	Not applicable, there is no debt issued or outstanding.	<i>The results did not include findings or criticisms.</i>
28 If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.	The debt service payments were made as required. The debt reserves were not maintained as required by the debt covenants.	Due to cash flow issues we have only been able to pay the debt payments as they come due. We have not had the extra money to fully fund the reserve accounts as required.
29 If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.	Not applicable, there is no debt issued or outstanding.	<i>The results did not include findings or criticisms.</i>
30 Not Used	Not Applicable	Not Applicable

<b>Other</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
31 Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.	The Utility Clerk's detail of her utility account showed on month in which a bill was not produced and not paid.	The Clerk asserts that she does not know how this happened. The Clerk says that the bill was lost in the mail and when it was found she paid cash and forgot to write out a receipt.
32 Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at <a href="http://www.la.gov/hotline">www.la.gov/hotline</a> ) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.	The notice was posted on December 13, 2017.	<b><i>The results did not include findings or criticisms.</i></b>
33 If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.	No exceptions were identified.	<b><i>The results did not include findings or criticisms.</i></b>