

Town of Wisner  
Wisner, Louisiana

Annual Financial Statements  
With Independent Auditor's Report

As of and For the Year Ended  
June 30, 2012  
With Supplemental Information Schedules

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Town of Wisner  
Wisner, Louisiana

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Wisner, Louisiana

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## INDEPENDENT AUDITOR'S REPORT

Town of Wisner  
Wisner, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Wisner as of June 30, 2012, and for the year then ended, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Wisner's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U. S. generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, and each major fund of the Town of Wisner as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U. S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2012, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis and the budgetary comparison information on pages 6 through 11 and 37 through 39, respectively, are not a required part of the basic financial statements but are supplementary information required by U. S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



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 supplemental information schedule listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Kenneth D. Folden & Co., CPAs*

Jonesboro, Louisiana  
December 4, 2012

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**PART I**

Management's Discussion and Analysis  
As of and For the Year Ended June 30, 2012

The management of the Town of Wisner, Louisiana offers readers of the Town of Wisner, Louisiana's (Town) financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2012. This management discussion and analysis ("MD&A") is designed to provide an objective analysis of the Town's financial activities based on currently known facts, decisions, and conditions. It is intended to provide readers with a broad overview of the Town's finances. It is also intended to provide readers with an analysis of the Town's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the Town. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Town's financial activity, identify changes in the Town's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with additional information presented throughout this report.

### **Overview of the Financial Statements**

This section is intended to serve as an introduction to the Town's financial statements. The Town's basic financial statements consist of the government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information, which is in addition to the basic financial statements.

#### Government-Wide Financial Statements

Government-wide financial statements are designed by GASB Statement No. 34 to change the way in which governmental financial statements are presented. It now provides readers with a concise "entity-wide" Statement of Net Assets and Statement of Activities, which seeks to give the user of the financial statements a broad overview of the Town's financial position and results of operations in a manner similar to private sector businesses.

The statement of net assets presents information on all of the Town's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. The difference between the two is reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or weakening.

The statement of activities presents information which shows how the government's net assets changed during this fiscal year. All changes in net assets are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

Each of these reports is broken down between governmental activities and business-type activities. Governmental activities normally are those activities that are supported by taxes, licenses, permits, fines, and intergovernmental revenues; for example, the Police and Fire Departments. Business-type activities are functions that are intended to support their costs through charges for services or fees; such as the Water and Sewer Department.

## Government-wide Financial Analysis

As noted earlier, net assets may, over time, serve as a useful indicator of a government's financial position. At the close of the most recent fiscal year, the Town's assets exceeded its liabilities by \$1,628,878 (net assets); this represents a decrease of \$58,932 over last fiscal year. Of this total net asset amount, \$134,775 is unrestricted net assets. The Town's net assets are comprised of \$352,239 from governmental activities and \$1,276,639 from business-type activities.

The following is a condensed statement of the Town of Wisner's net assets as of June 30, 2012:

	Governmental Activities	Business Type Activities	Total
<b>Assets</b>			
Current and other assets	\$ 89,820	\$ 495,475	\$ 585,295
Capital assets (net)	326,494	1,999,989	2,326,483
<b>Total Assets</b>	<b>\$ 416,314</b>	<b>\$ 2,495,464</b>	<b>\$ 2,911,778</b>
<b>Liabilities</b>			
Other liabilities	\$ 64,076	\$ 114,226	\$ 178,302
Long-term liabilities	-	1,104,599	1,104,599
<b>Total Liabilities</b>	<b>\$ 64,076</b>	<b>\$ 1,218,825</b>	<b>\$ 1,282,901</b>
<b>Net Assets</b>			
Invested in capital assets, Net	\$ 326,495	\$ 1,030,309	\$ 1,356,804
Restricted	26	137,273	137,299
Unrestricted	25,718	109,057	134,775
<b>Total Net Assets</b>	<b>\$ 352,239</b>	<b>\$ 1,276,639</b>	<b>\$ 1,628,878</b>

By far the largest portion of the Town's net assets (\$1,356,804 or 83%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, etc.) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

Of the remaining balance, \$137,299, or 8%, is restricted for capital outlay and debt service and 8%, or \$134,775, is unrestricted net assets, which may be used to meet the government's on-going obligations to citizens and creditors.

The Town has outstanding debt in the amount of \$1,133,428. Total liabilities of \$1,282,901 are equal to 79% of the total net assets. The Town's governmental activities decreased net assets by \$126,857 from the last fiscal year.

The following is a summary of the statement of activities for the year ended June 30, 2012:

	Governmental Activities	Business-Type Activities	Total
<b>Revenue</b>			
Program revenue	\$ 68,541	\$ 462,819	\$ 531,360
General revenue	168,425	3,111	171,536
Transfers	36,983	(36,983)	-
<b>Total Revenue</b>	<b>273,949</b>	<b>428,947</b>	<b>702,896</b>
<b>Expenses</b>			
General Government	74,068	-	74,068
Public Safety	242,545	-	242,545
Public Works	79,160	361,022	440,182
Culture and Recreation	5,034	-	5,034
<b>Total Expenses</b>	<b>400,807</b>	<b>361,022</b>	<b>761,829</b>
Increase (decrease) in net assets	(126,858)	67,925	(58,933)
Net Assets June 30, 2011	479,096	1,208,714	1,687,810
Net Assets June 30, 2012	\$ 352,238	\$ 1,276,639	\$ 1,628,877

Governmental revenues in the current and prior fiscal year are comprised of the following:

	Year Ended June 30, 2012	Year Ended June 30, 2011
<b>Program Revenues</b>		
Charges for services	\$ 2,872	\$ 2,771
Fines	53,745	65,068
Operating Grants	1,925	85,766
Capital Grants	10,000	14,958
<b>Total Program Revenue</b>	<b>\$ 68,542</b>	<b>\$ 168,563</b>
<b>General Revenues</b>		
Property Taxes	\$ 24,283	\$ 24,996
Sales Taxes	104,419	106,924
Franchise Taxes	19,383	20,396
Licenses and Permits	23,589	17,598
Other Taxes	25,837	25,161
Investment Earnings	41	126
Other General Revenues	5,940	7,369
Loss on abandonment of construction	(35,066)	
<b>Total General Revenues</b>	<b>\$ 168,426</b>	<b>\$ 202,570</b>

**Governmental Activities**

The governmental activities of the Town include General Government, Public Safety, Public Works, and Culture and Recreation. Revenues normally associated with municipal operations are sales tax, property tax, franchise fees, license fees, sanitation fees, permits, fines, and operating and capital grants.

**Business-Type Activities**

The business-type activities of the Town are those that charge a fee to customers for the services provided. The Town has one business-type activity which is accounted for in the enterprise fund. The Town uses the enterprise fund to account for the revenues and expenses related to the provision of water and sewer services.

**Fund Financial Statements - Town of Wisner - All Funds**

An analysis of the individual funds of the Town for the year ended June 30, 2012 is outlined below:

	Governmental Fund			Proprietary Fund
	General Fund	Sales Tax Fund	Capital Projects Fund	Water & Sewer
Revenue	\$ 167,614	\$ 104,419	\$ -	\$ 297,722
Expenditures	357,441	1,429	-	297,955
Excess (Deficiency) of Revenues Over Expenditures	(189,827)	102,990	-	-
Operating Income	-	-	-	(233)
Other Financial Sources (Uses)	141,245	(104,262)	-	(36,983)
Non-operating Revenue (Expenses)	-	-	-	105,141
Net Change	(48,582)	(1,272)	-	67,692
Beginning Fund Balance	55,050	20,523	26	1,208,714
Ending Fund Balance	\$ 6,468	\$ 19,251	\$ 26	\$ 1,276,406

**Fund Financial Statements - Governmental Funds**

The fund financial statements provide more detailed information about the Town's most significant funds - not the Town as a whole. Funds are accounting devices that the Town uses to keep track of specific sources of funding and spending for a particular purpose.

The Town currently maintains three individual governmental funds (General Fund, Special Revenue - Sales Tax Fund, and Capital Projects Fund). Each fund is considered a major fund. Information is presented separately for each fund as outlined in the table of contents.



The Town adopts an annual budget for the General Fund and the Special Revenue - Sales Tax Fund. A statement of revenues, expenditures, and changes in fund balance for the General Fund and the Special Revenue - Sales Tax Fund are presented in the Required Supplemental Information (Part II), which compares actual revenues and expenditures to the budget figures.

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

The Town of Wisner's General Fund, Capital Projects Fund, and Special Revenue - Sales Tax Fund reported a combined ending fund balance of \$25,744, which is a decrease of \$49,854 from the prior fiscal year. Of the total fund balance, \$26 is assigned for capital expenditure in accordance with grant agreements and \$19,251 is assigned to the special revenue fund for sales tax. The Town has \$6,467 as unassigned funds in the General Fund

### **Fund Financial Statements - Proprietary Funds**

The Town maintains one proprietary fund. Proprietary funds are used to report the same functions as business-type activities. The Town uses an enterprise fund to account for its Combined Water and Sewer Operations. This enterprise fund reports the same functions presented as business-type activities in the government-wide financial statements.

### **Financial Analysis of the Town's Proprietary Fund**

The Town's proprietary fund shows an increase in total net assets of \$67,926 from the prior fiscal year. The operating loss of the Water and Sewer Department was \$233. The operating loss included depreciation expense (a non-cash expense) in the amount of \$90,693.

In that the financial statements of enterprise funds are presented on the same basis of accounting as in both the government-wide financial statements and the individual funds statements, all comments and analysis made under business-type activities, also apply to these funds.

### **General Fund Budgetary Highlights**

Actual revenues were \$96,581 less than the budgeted amounts for the fiscal year ended June 30, 2012. Actual expenditures exceeded the budgeted expenditures by \$73,791. Other financing sources were more than the budgeted amounts by \$141,245.

### **Capital Asset and Debt Administration**

The total investment in capital assets, net of accumulated depreciation as of June 30, 2012 is \$2,223,011, which is a decrease of \$77,003 from the amount of \$2,300,014 at June 30, 2011.

New major capital assets purchased or constructed in fiscal year 2012 are:

**Governmental activities**

2007 GMC Pick-up truck was donated to the town to be used by the Police Department \$ 10,000

**Proprietary activities:**

Restoration and improvements to water tower \$ 113,950  
 Sewer lift station improvements 8,010  
 2 Kubota zero turn mowers 15,584  
 Chlorination unit & telemetry controls for water system 25,572

**Long-term Debt**

The Town of Wisner used long-term financing in past years to renovate the town hall building, purchase a fire truck, and construct and improve the Water System and the Sewer System.

The following is a summary of debt transactions of the Town for the fiscal year ended 2012:

	General Fund	Water & Sewer Fund	Total
Long-term obligations at Beginning of Year	\$ -	\$ 1,161,905	\$ 1,161,905
Additions	-	-	-
Deductions	-	(28,477)	(28,477)
Long-term obligations at End of Year	<u>\$ -</u>	<u>\$ 1,133,428</u>	<u>\$ 1,133,428</u>

**Current Financial Factors**

Revenues for the upcoming fiscal year are expected to increase by about 10 percent. Budgeted expenditures are 17% less for the upcoming fiscal year than the actual expenditures for the fiscal year ended June 30, 2012. The Town obtained a grant of \$249,670 from the State of Louisiana, Municipalities Infrastructure Program to purchase and install natural gas fueled generators at the water treatment plant and (2) water wells to provide utility services to the residents during future natural disasters. The Town has also obtained funding from the Louisiana Community Development Block Grant Program in the amount of \$483,400 for construction of a new Community Center for the Town of Wisner. The Franklin Parish Police Jury has obtained funding in the amount of \$337,355 that will be used to assist in funding the project.

**Requests for Information**

This financial report is designed to provide a general overview of the Town of Wisner's finances for all with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Clarice Collins, Town Clerk, Post Office Box 290, Wisner, Louisiana, 71378.

# **BASIC FINANCIAL STATEMENTS**

Town of Wisner  
Wisner, Louisiana

Statement of Net Assets  
As of June 30, 2012

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and equivalents	\$ 28,745	\$ 25,227	\$ 53,972
Investments	14,058	72,786	86,844
Accounts Receivable (net of allowance for uncollectibles)	39,154	30,432	69,586
Prepaid expenses	7,837	2,290	10,127
Restricted assets			
Cash and equivalents	26	259,437	259,462
Investments	-	102,820	102,820
Deferred charges (net of amortization)	-	2,483	2,483
Capital assets (net of acc depr)	326,494	1,999,989	2,326,484
<b>TOTAL ASSETS</b>	<u>\$ 416,314</u>	<u>\$ 2,495,464</u>	<u>\$ 2,911,779</u>
<b>LIABILITIES</b>			
Accounts, salaries, and other payables	\$ 64,076	\$ 13,048	\$ 77,124
Current liabilities payable from restricted assets - tenant security deposits	-	45,820	45,820
Accrued interest payable	-	26,529	26,529
Long-term liabilities			
Due within one year	-	28,829	28,829
Due in more than one year	-	1,104,599	1,104,599
<b>TOTAL LIABILITIES</b>	<u>64,076</u>	<u>1,218,825</u>	<u>1,282,901</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	326,494	1,030,310	1,356,804
Restricted for			
Capital outlay	26	1,054	1,079
Renewal and replacement of capital assets	-	136,219	136,219
Unrestricted	25,718	109,057	134,775
<b>TOTAL NET ASSETS</b>	<u>\$ 352,238</u>	<u>\$ 1,276,640</u>	<u>\$ 1,628,878</u>

The accompanying notes are an integral part of these financial statements.

Town of Wisner  
Wisner, Louisiana

Statement of Activities  
For the Year Ended June 30, 2012

EXPENSES	MAJOR FUNDS			Net (Expense) Revenue and Changes in Net Assets		
	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	Governmental Activities	Business-type Activities	Total
<b>Funcations/Programs</b>						
<b>Primary government:</b>						
Governmental activities:						
General government	\$ 74,068	\$ 182	\$ 1,925	\$ -	\$ (71,961)	\$ (71,961)
Public safety	242,546	53,745	-	10,000	(178,801)	(178,801)
Public works	79,160	2,690	-	-	(76,470)	(76,470)
Cultural and recreation	5,033	-	-	-	(5,033)	(5,033)
Total governmental activities	<u>400,806</u>	<u>56,616</u>	<u>1,925</u>	<u>10,000</u>	<u>(332,265)</u>	<u>(332,265)</u>
Business-type activities:						
Water and sewer	<u>361,022</u>	<u>297,722</u>	<u>-</u>	<u>165,097</u>	<u>-</u>	<u>101,797</u>
Total business-type activities	<u>361,022</u>	<u>297,722</u>	<u>-</u>	<u>165,097</u>	<u>-</u>	<u>101,797</u>
Total primary government	<u>\$ 761,828</u>	<u>\$ 354,338</u>	<u>\$ 1,925</u>	<u>\$ 175,097</u>	<u>(332,265)</u>	<u>(230,468)</u>
Taxes:						
Property taxes, levied for general purposes				24,283	-	24,283
Sales taxes				104,419	-	104,419
Franchise taxes				19,383	-	19,383
Other taxes, penalties, interest				25,837	-	25,837
Licenses and permits				23,589	-	23,589
Interest and investment earnings				41	3,111	3,153
Intergovernmental				2,964	-	2,964
Miscellaneous				2,976	-	2,976
Transfers in (out)				36,983	(36,983)	-
Loss on abandonment of construction				(35,066)	-	(35,066)
Total general revenues				<u>205,408</u>	<u>(33,871)</u>	<u>171,537</u>
Change in net assets				(126,857)	67,926	(58,932)
Net assets - Beginning				<u>479,095</u>	<u>1,208,714</u>	<u>1,687,810</u>
Net assets - Ending				<u>\$ 352,238</u>	<u>\$ 1,276,640</u>	<u>\$ 1,628,878</u>

The accompanying notes are an integral part of these financial statements.

Town of Wisner  
Wisner, Louisiana

Balance Sheet - Governmental Funds  
As of June 30, 2012

	MAJOR FUNDS			Total
	GENERAL FUND	SALES TAX FUND	CAPITAL PROJECTS	
<b>ASSETS</b>				
Cash and equivalents	\$ 28,745	\$ -	\$ -	\$ 28,745
Investments	14,058	-	-	14,058
Receivables, net	19,672	19,482	-	39,154
Restricted assets:				
Cash and equivalents	-	-	26	26
Prepaid Items	7,837	-	-	7,837
<b>TOTAL ASSETS</b>	<u>\$ 70,312</u>	<u>\$ 19,482</u>	<u>\$ 26</u>	<u>\$ 89,820</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts, salaries, and other payables	\$ 63,845	\$ 231	\$ -	\$ 64,076
<b>TOTAL LIABILITIES</b>	<u>63,845</u>	<u>231</u>	<u>-</u>	<u>64,076</u>
Fund Balances:				
Assigned:				
Capital projects	-	-	26	26
Special revenue fund	-	19,251	-	19,251
Unassigned	6,467	-	-	6,467
<b>TOTAL FUND BALANCES</b>	<u>6,467</u>	<u>19,251</u>	<u>26</u>	<u>25,744</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 70,312</u>	<u>\$ 19,482</u>	<u>\$ 26</u>	<u>\$ 89,820</u>

The accompanying notes are an integral part of these financial statements.



Town of Wisner  
Wisner, Louisiana

Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Assets  
For the Year Ended June 30, 2012

Amounts reported for the governmental activities in the Statement of Net Assets (Statement A) are different because:

Fund Balances, Total Governmental Funds (Statement C)	\$ 25,744
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the governmental funds	326,494
Notes payable and bonds used in the governmental activities are not payable from current resources and, therefore are not reported in the governmental funds	-
	<hr/>
Net Assets of Governmental Activities (Statement A)	<u>\$ 352,238</u>

The accompanying notes are an integral part of this financial statement.

Town of Wisner  
Wisner, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds  
For the Year Ended June 30, 2012

	MAJOR FUNDS			Total
	GENERAL FUND	SALES TAX FUND	CAPITAL PROJECTS	
<b>REVENUES</b>				
Taxes:				
Ad valorem	\$ 24,283	\$ -	\$ -	\$ 24,283
Sales taxes	-	104,419	-	104,419
Franchise tax	19,383	-	-	19,383
Other taxes	25,837	-	-	25,837
Licenses and permits	23,589	-	-	23,589
Fines, forfeitures, and court costs	53,745	-	-	53,745
Fees, charges, and services	182	-	-	182
Intergovernmental:				
State funds:				
State grants	1,925	-	-	1,925
Fees, charges, and commissions for services	2,690	-	-	2,690
Parish funds:				
Parish fire rebate	2,964	-	-	2,964
Interest earnings	41	-	-	41
Other	12,976	-	-	12,976
Total revenues	<u>\$ 167,614</u>	<u>\$ 104,419</u>	<u>\$ -</u>	<u>\$ 272,033</u>
<b>EXPENDITURES</b>				
Current:				
General government	\$ 67,613	\$ 1,429	\$ -	\$ 69,042
Public safety	203,871	-	-	203,871
Public works	74,688	-	-	74,688
Parks and recreation	1,269	-	-	1,269
Capital outlay	10,000	-	-	10,000
Total expenditures	<u>357,441</u>	<u>1,429</u>	<u>-</u>	<u>358,870</u>
<b>EXCESS (Deficiency) OF REVENUES</b>				
<b>OVER EXPENDITURES</b>	<u>(189,827)</u>	<u>102,990</u>	<u>-</u>	<u>(86,837)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	141,245	-	-	141,245
Operating transfers out	-	(104,262)	-	(104,262)
Total other financing sources (uses)	<u>141,245</u>	<u>(104,262)</u>	<u>-</u>	<u>36,983</u>
<b>NET CHANGES IN FUND BALANCES</b>	(48,583)	(1,272)	-	(49,854)
<b>FUND BALANCES - BEGINNING</b>	<u>55,050</u>	<u>20,523</u>	<u>26</u>	<u>75,598</u>
<b>FUND BALANCES - ENDING</b>	<u><u>6,467</u></u>	<u><u>19,251</u></u>	<u><u>26</u></u>	<u><u>25,744</u></u>

The accompanying notes are an integral part of these financial statements.

Town of Wisner  
Wisner, Louisiana

Reconciliation of the Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances  
to the Statement of Activities  
For the Year Ended June 30, 2012

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds (Statement E)	\$ (49,855)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital assets	10,000
Construction in Progress abandoned	(35,066)
Less: Current year depreciation expense	<u>(51,937)</u>
TOTAL	(77,003)

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Change in accrued interest on debt	-
Current year loan and bonds repayments	<u>-</u>

Change in Net Assets of Governmental Activities (Statement B)	<u><u>\$ (126,858)</u></u>
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Town of Wisner  
Wisner, Louisiana

Statement of Net Assets - Proprietary Fund  
As of June 30, 2012

	Enterprise Funds
<b>ASSETS</b>	
Current Assets:	
Cash and equivalents	\$ 25,227
Investments	72,786
Receivables (net of allowances for uncollectibles)	30,432
Prepaid expenses	2,290
Total Current Assets	130,735
Noncurrent Assets:	
Restricted Assets:	
Cash and cash equivalents	259,437
Investments	102,820
Deferred charges (net of amortization)	2,483
Capital Assets:	
Land	13,200
Buildings and equipment (net of accum. depr.)	1,986,789
Total Non-Current Assets	2,364,729
TOTAL ASSETS	2,495,464
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	\$ 13,048
Accrued interest payable	26,529
Current portion of long-term debt	28,829
Total Current Liabilities	68,406
Current Liabilities payable from restricted assets:	
Meter deposits	45,820
Long-term Liabilities:	
Revenue bonds and notes payable	1,104,599
Total Long-term Liabilities	1,104,599
TOTAL LIABILITIES	1,218,825
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	1,030,310
Restricted	137,273
Unrestricted	109,057
TOTAL NET ASSETS	\$ 1,276,640

The accompanying notes are an integral part of these financial statements.

Town of Wisner  
Wisner, Louisiana

Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Fund  
For the Year Ended June 30, 2012

	Enterprise Funds
<b>OPERATING REVENUES</b>	
Charges for services	
Water sales	\$ 194,122
Sewer charges	84,951
Other services	<u>18,649</u>
<b>TOTAL OPERATING REVENUES</b>	<u>297,722</u>
<b>OPERATING EXPENDITURES</b>	
Personal services (salaries, benefits, insurance)	95,222
Bad debts	236
Contracted services - garbage collection	4,505
Dues, fees, and testing	9,463
Office supplies and expense	7,231
Materials, supplies, repairs, fuel	63,486
Professional fees	8,613
Telephone and utilities	16,977
Travel and education	1,530
Depreciation	<u>90,693</u>
<b>TOTAL OPERATING EXPENDITURES</b>	<u>297,955</u>
Operating income (loss)	<u>(233)</u>
<b>NON-OPERATING REVENUES (EXPENDITURES)</b>	
Interest earnings	3,111
Federal grant	125,097
State grant	40,000
Interest expense and fiscal charges	(62,967)
Amortization of bond discount	<u>(100)</u>
<b>TOTAL NON-OPERATING REVENUES (EXPENDITURES)</b>	<u>105,141</u>
Income (loss) before contributions and transfers	104,908
Transfers in (out)	<u>(36,983)</u>
<b>CHANGE IN NET ASSETS</b>	67,926
<b>TOTAL NET ASSETS - BEGINNING</b>	<u>1,208,714</u>
<b>TOTAL NET ASSETS - ENDING</b>	<u>\$ 1,276,640</u>

The accompanying notes are an integral part of these financial statements.

Town of Wisner  
Wisner, Louisiana

Statement of Cash Flows - Proprietary Fund  
For the Year Ended June 30, 2012

	<b>Enterprise Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 295,377
Cash payments to suppliers for goods and services	(146,378)
Cash payments to employees for services	<u>(62,959)</u>
Net cash provided by (used for) operating activities	<u>86,040</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING</b>	
Transfers from (to) other funds	<u>(36,983)</u>
Net cash provided by noncapital financing activities	<u>(36,983)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of capital assets	(194,166)
Proceeds from investment	42,639
Principal paid on capital debt	(28,478)
Interest paid on capital debt	(63,610)
Grants received to purchase assets	<u>165,097</u>
Net cash used for capital and related financing activities	<u>(78,517)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received on temporary investments	3,137
Interest reinvested	<u>(16)</u>
Net cash provided by (used for) investing activities	<u>3,121</u>
Net increase (decrease) in cash and cash equivalents	(26,339)
<b>CASH AND CASH EQUIVALENTS - BEGINNING</b>	<u>311,003</u>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u><u>\$ 284,664</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET PROVIDED BY OPERATION ACTIVITIES</b>	
Operating income (loss)	\$ (233)
Adjustments	
Depreciation	90,693
Net changes in assets and liabilities:	
Accounts receivable	2,109
Prepaid items	64
Customer deposits	(4,218)
Accounts payable	<u>(2,375)</u>
Net cash provided by (used for) operating activities	<u><u>86,039</u></u>

The accompanying notes are an integral part of these financial statements.



**NOTES TO THE  
FINANCIAL STATEMENTS**

Notes to the Financial Statements  
As of and For the Year Ended June 30, 2012

## **INTRODUCTION**

The Town of Wisner, Louisiana was incorporated in 1930 as a village under the provisions of the Lawrason Act. In 1959, by proclamation of the Governor of the state of Louisiana, the Village of Wisner was reclassified as a town and became the Town of Wisner, Louisiana. The Town has a current population of approximately 1,128 residents. The Town operates under the Mayor-Council form of government. The Town Council consists of the mayor and five council members who are elected. The Town is located in southern Franklin Parish.

The Town employs a town clerk, chief of police, maintenance superintendent, water and sewer clerk, water and sewer superintendent, and approximately five other full and part-time employees.

The Town provides the following services to its residents: public safety (police and fire), highways and streets, culture and recreation, and general administrative services through the general fund; and water, sewer and sanitation facilities through the enterprise fund.

The accounting policies of the Town of Wisner conform to generally accepted accounting principles as applicable to governments. The Town applies all relevant Governmental Accounting Standards Board (GASB) pronouncements, including GASB 34. The proprietary fund unit applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

## **SCOPE OF THE REPORTING ENTITY**

This report contains all of the funds of the Town of Wisner, Louisiana. There are no significant additional organizations, functions, or activities over which the Town has manifestations of oversight and accountability, or for which the scope of public service or special financial arrangements may require them to be included in this report as per NCGA Statement 1 and GASB 14.

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

## **B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town of Wisner reports the following major governmental funds:

**General Fund** - The General Fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. The Town has the following special revenue fund:

**Sales Tax Fund** - To account for the proceeds of sales taxes received and the expenditures of those funds in accordance with the law. This fund is considered by management to be a major governmental fund.

**Capital Projects Funds** - Capital Project Funds are used to account for the financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds. The Town currently is engaged in a project to construct improvements for a community center which is funded by a Local Community Development Block Grant. The capital projects fund is used to account for this project. The project is ongoing, but there is no activity during the current audit period.

The Town reports the following major proprietary funds:

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town has the following enterprise fund:

Water and Sewer Enterprise Fund - To account for the operations of the water and sewer facilities owned by the Town. This fund is considered by management to be a major proprietary fund.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their statement of net assets. Their reported fund equity (net total assets) is segregated into Investment in Capital Assets, Net of Related Debt, Restricted Net Assets, and Unrestricted Net Assets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Enterprise Fund are charges for water and sewer services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

**C. Deposits and Investments**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law allows the Town to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Investments for the Town are reported at fair value.

**D. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are reported net of an allowance for uncollectibles. The Town's management considers past history of collections and current economic conditions in evaluating and establishing an allowance for uncollectible accounts.

Property taxes are levied on a calendar year basis on the assessed value of the real and business personal property located within the Town of Wisner and become due on January 1 of each year. The authorized and levied ad valorem tax for the current period was:

General corporate purposes - 6.77 mills on an assessed value of \$3,604,218

The Town of Wisner, Louisiana currently has an authorized sales tax of 1% for all taxable sales and use of goods and services within the Town of Wisner, Louisiana. The sales tax is collected for the Town by the Franklin Sales and Use Tax Department. The tax is to be used for the general operations of the Town of Wisner, Louisiana as approved by the mayor and town council.

**E. Inventories and Prepaid Items**

Inventory items (materials and supplies) are considered to be insignificant and are reported as expenditures when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**F. Restricted Assets and Reserves**

The Water and Sewer Revenue Bonds issued in 1989, 1992, and 2008 were secured by and payable solely from the income and revenues derived or to be derived from the operation of the water and sewer system after provision has been made for the payment of the reasonable and necessary expenses of operating and maintaining the system.

The bond agreement requires the Town to maintain certain cash accounts (sinking fund and depreciation and contingency fund) and sets forth the balances that must be maintained in these restricted accounts. In addition to the reserve funds indicated above, the Town is required to maintain a separate account in reserve in which all meter deposits are to be held by the Town.

Certificates of indebtedness issued in 2000 which were used for the purchase of a fire truck were accompanied by conditions which call for the establishment of a reserve fund in which monthly deposits are to be made until the amount of one annual payment is accumulated in the account.

**G. Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$500 or more for capitalizing capital assets used in the governmental funds. The Town of Wisner has elected not to report major general infrastructure assets retroactively.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Lives
Land improvements	20-30 years
Buildings and building improvements	7-40 years
Furniture and fixtures	5-12 years
Vehicles	5-15 years
Equipment	5-20 years
Water & sewer system facilities	40 years

**H. Compensated Absences**

The Town has the following policy relating to vacation and sick leave:

Employees with one year of service earn five days of vacation leave per year. Employees with two to twenty years of service earn ten days vacation leave per year. After completing twenty years of service, employees are eligible for one extra day per year through the twenty-fifth year of service. The maximum annual vacation leave is fifteen days for an employee who has completed twenty-five years of service. Employees with less than one year of service receive no paid leave.

Each regular, full-time employee is granted ten sick days per year. Unused sick leave can be carried forward to the following year up to a maximum accumulation of fifteen days. There is no provision for compensation for sick days not used.

The cost of leave privileges, in accordance with GASB Statement No. 16, is recognized as a current expenditure when leave is actually taken, and is not accrued as a liability.



## **I. Long-Term Obligations**

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## **J. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation as non-spendable. Restricted fund balances are legally restricted by outside parties, purposes stipulated by constitution, or through enabling legislation for use for a specific purpose. Committed fund balances include amounts that can only be used for a specific purpose determined by a formal action of the government's highest level of decision-making authority. Assigned fund balances are intended to be used by the Village for a specific purpose but do not meet the criteria for restricted or committed classification. Unassigned fund balances are the residual classification for the Town's General Fund and include all spendable amounts not designated as restricted, committed, or assigned.

## **K. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the municipality, which are either unusual in nature or infrequent in occurrence.

## **L. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**BUDGET INFORMATION** - The Town uses the following budget practices:

- a) Prior to June 30 of each year, the Town Clerk submits to the town council a proposed operating budget for the upcoming fiscal year. The operating budget includes proposed expenditures and the proposed revenues to finance them. The level of control for the detailed budgets is at the department head/function level.
- b) Public hearings are conducted to obtain taxpayer comments.
- c) The budget for the year ended June 30, 2012 was officially adopted by the Town Council on May 13, 2010 and amended on May 12, 2011.

- d) Budgets were prepared for the General Fund and the Special Revenue Sales Tax Fund in accordance with Generally Accepted Accounting Principles on the basis of accounting utilized for those funds respectively.
- e) Appropriations lapse at the end of each fiscal year.

**3. CASH AND CASH EQUIVALENTS**

At June 30, 2012 the Town had cash and cash equivalents (book balances) totaling \$313,435 as follows:

Demand deposits	\$ 66,799
Certificate of deposit	203,836
Interest-bearing demand deposits	42,700
Petty cash	100
Total	\$ 313,435

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) 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, 2012, the Town had \$319,728 in deposits (collected bank balances). These deposits are secured from risk by \$184,510 of federal deposit insurance. The remaining \$135,218 is secured by the pledge of securities owned by the fiscal agent bank.

**4. INVESTMENTS**

Investments are categorized into these three categories of credit risk:

- a) Insured or registered, or securities held by the town or its agent in the Town's name
- b) Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Town's name
- c) Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the Town's name

Investments held at June 30, 2012 consist of \$50,982 in Louisiana Asset Management Pool and \$138,682 in certificates of deposits at financial institutions which are secured as follows:

Type of Investment	Category			Fair Value	Cost	Carrying Amount
	1	2	3			
Certificates of deposit	\$138,682	\$ -	\$ -	\$ 138,682	\$ 138,682	\$ 138,682
Louisiana Asset Management Pool	50,982	-	-	50,982	50,982	50,982
Total	\$189,664	\$ -	\$ -	\$ 189,664	\$ 189,664	\$ 189,664

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA Revised Statute 33:2955. LAMP investment guidelines and historical information are available on its website [www.lamppool.com](http://www.lamppool.com) <<http://www.lamppool.com>> or can be obtained by telephone at (504) 525-LAMP.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2A7-like investment pools as they relate to GASB Statement No. 40: Credit Risk: LAMP is rated AAA by Standard & Poor's; Custodial Credit



Risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in the pool are not categorized in the three risk categories provided by GASB because the investment is in a pool of funds and therefore not evidenced by securities that exist in physical or book entry form; Concentration of credit risk: Pooled investments are excluded from the 5% disclosure requirement; Interest Rate Risk: 2a7-like investment pools are excluded from this disclosure requirement; Foreign currency risk: Not applicable to 2a7-like pools.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the Treasurer of the State of Louisiana and its board of directors. LAMP is not registered with the SEC as an investment company.

**5. RECEIVABLES**

The receivables at June 30, 2012 consist of the following:

Class of Receivable	General Fund	Special Revenue Funds	Proprietary Enterprise Funds	Total
Grants	\$ -	\$ -	\$ -	\$ -
Taxes:				
Sales and use	-	19,482	-	19,482
Other	6,275	-	-	6,275
Other	13,397	-	6,935	20,332
Accounts	-	-	34,384	34,384
Allowance for uncollectible accounts	-	-	(10,887)	(10,887)
<b>Total</b>	<b>\$ 19,672</b>	<b>\$ 19,482</b>	<b>\$ 30,432</b>	<b>\$ 69,586</b>

Based on prior payment experience, aging of accounts, and current economic conditions, the allowance for uncollectible accounts in the water and sewer enterprise fund has been established at 32% of outstanding receivables.

**6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

A summary of the interfund transfers for the year ended June 30, 2012 are as follows:

	General Fund	Sales Tax Fund	Capital Projects Fund	Water & Sewer Fund	Total
Transfers In:	\$ 141,245	\$ -	\$ -	\$ -	\$ 141,245
Transfers Out:	\$ -	\$ (104,262)	\$ -	\$ (36,983)	\$ (141,245)

## 7. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2012, for the primary government is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 57,000	\$ -	\$ -	\$ 57,000
Construction in progress	35,066	-	35,066	-
Total capital assets, not being depreciated	92,066	-	35,066	57,000
Capital assets being depreciated				
Buildings and improvements	192,387	-	-	192,387
Improvements other than buildings	81,557	-	-	81,557
Machinery and equipment	191,625	-	-	191,625
Vehicles	284,358	10,000	-	294,358
Total capital assets being depreciated	749,927	10,000	-	759,927
Less accumulated depreciation for:				
Buildings	101,516	3,890	-	105,406
Improvements other than buildings	28,936	3,838	-	32,774
Machinery and equipment	92,928	17,180	-	110,108
Vehicles	215,115	27,029	-	242,144
Total accumulated depreciation	438,495	51,937	-	490,432
Total capital assets being depreciated, net	311,432	(41,937)	-	269,495
Total capital assets, net – Governmental activities	\$ 403,498	\$ (41,937)	\$ 35,066	\$ 326,495
<b>Business-type activities:</b>				
Capital assets, not being depreciated				
Land	\$ 13,200	\$ -	\$ -	\$ 13,200
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	13,200	-	-	13,200
Capital assets being depreciated				
Improvements other than buildings	3,456,667	178,582	-	3,635,249
Machinery & equipment	55,348	15,584	-	70,932
Vehicles	34,718	-	-	34,718
Total capital assets being depreciated	3,546,733	194,166	-	3,740,899
Less accumulated depreciation for:				
Improvements other than buildings	1,602,326	83,389	-	1,685,715
Machinery and equipment	40,930	2,759	-	43,689
Vehicles	20,161	4,545	-	24,706
Total accumulated depreciation	1,663,417	90,693	-	1,754,110
Total business-type assets being depreciated, net	1,883,316	103,473	-	1,986,789
Total capital assets, net – Business-type activities	\$1,896,516	\$ 103,473	\$ -	\$1,999,989

Depreciation expense of \$49,990 for the year ended June 30, 2012, was charged to the following governmental functions:

General Government	\$ 5,026
Public Safety	38,674
Public Works	4,472
Culture and Recreation	3,765
Total	<u>\$ 51,937</u>

**8. IMPAIRMENT LOSS**

General expenses include an impairment loss of \$35,066 due to the abandonment of construction in progress for the Community Center.

**9. ACCOUNTS, SALARIES, AND OTHER PAYABLES**

The payables at June 30, 2012 consist of the following:

	General Fund	Special Revenue Funds	Proprietary Enterprise Funds	Total
Salaries	\$ 4,616	\$ -	\$ 1,069	\$ 5,685
Payroll liabilities	27,709	-	621	28,330
Accounts	31,520	231	11,358	43,109
Other	-	-	-	-
Total	<u>\$ 63,845</u>	<u>\$ 231</u>	<u>\$ 13,048</u>	<u>\$ 77,124</u>

**10. SHORT-TERM DEBT**

The Town of Wisner had no short-term debt activities during the year ended June 30, 2012 and there was no short-term debt outstanding at the end of the fiscal year.

**11. LEASES**

The Town of Wisner had no lease activity for the year ended June 30, 2012 and had no leases outstanding at the end of the fiscal year.

**12. LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligation transactions for the year ended June 30, 2012:

	Bonded Debt	Other Debt	Total
Long-term obligations, June 30, 2011	\$ 1,159,202	\$ 2,703	\$ 1,161,905
Additions	-	-	-
Deletions	(26,541)	(1,936)	(28,477)
Long-term obligations, June 30, 2012	<u>\$ 1,132,661</u>	<u>\$ 767</u>	<u>\$ 1,133,428</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2012:

	Bonded Debt	Other Debt	Total
Current portion	\$ 28,062	\$ 767	\$ 28,829
Long-term portion	1,104,599	-	1,104,599
Long-term obligations, June 30, 2011	\$ 1,132,661	\$ 767	\$ 1,133,428

All municipal bonds outstanding at June 30, 2012, for \$1,132,661 are utility revenue and general obligation bonds with maturities from 2010 to 2048 and interest rates from 4.5% to 6%. Bond principal and interest payable in the next fiscal year are \$28,062 and \$61,854, respectively. The individual issues are as follows:

	Original Issue	Interest Rate	Final Payment Due	Interest to Maturity	Principal Outstanding
Utility Revenue Bond	11/1/1989	6.00%	11/1/2029	\$ 336,354	\$ 510,105
Utility Revenue Bond	2/27/1992	5.75%	2/27/2032	187,136	265,113
Utility Revenue Bond	11/6/2008	4.50%	10/6/2048	369,082	357,443

All principal and interest requirements of the utility revenue bonds are funded with the revenues provided by the operations of the Water and Sewer Enterprise Fund. The public and community facilities bonds are funded by general revenues of the General Fund. At June 30, 2012, the Town has accumulated \$161,264 in restricted funds for future debt requirements. The bonds are due as follows:

Year Ending, June 30	Principal Payments	Interest Payments	Total
2013	28,062	61,854	89,916
2014	29,672	60,244	89,916
2015	31,373	58,543	89,916
2016	33,174	56,742	89,916
2017	35,078	54,838	89,916
2018-2020	117,790	151,958	269,748
2021-2025	246,028	203,552	449,580
2026-2030	321,801	124,073	445,874
2031-2035	89,448	54,344	143,792
2036-2040	61,459	38,512	99,971
2041-2045	76,935	23,037	99,972
2046-2050	61,838	4,875	66,713
Total	\$ 1,132,658	\$ 892,572	\$ 2,025,230

In accordance with R.S. 39:562, the municipality is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At June 30, 2012, the statutory limit is \$1,261,476, and outstanding bonded debt totals \$1,132,661.

In addition to the bonded indebtedness, the Town entered into a contract with John Deere Credit to finance the purchase of a tractor with a mower at a cost of \$8,495. The obligation was incurred on October 8, 2007, bears interest at the rate of 13.9%, and is payable in sixty monthly payments of \$197.38 beginning November 10, 2007. The obligation is secured by the tractor and mower and matures on October 10, 2012.

### 13. RETIREMENT SYSTEMS

One employee of the Town of Wisner is a member of the Municipal Employees Retirement System of Louisiana. The system is a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a board of trustees. Pertinent information relative to the plan follows:

*Plan Description.* The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. The Town's covered employee is a member 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% 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% 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% 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 (504) 925-4810.

*Funding Policy.* Under Plan B, members are required by state statute to contribute 5.0% of their annual covered salary and the Town of Wisner is required to contribute at an actuarially determined rate. The current rate is 6.75% of annual covered payroll. Contributions to the System also include one-fourth of 1% (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 R.S. 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 of Wisner's contributions to the System under Plan B for the years ending June 30, 2012, 2011, and 2010, were \$5,157, \$4,075, and \$1,175, respectively, equal to the required contributions for each year. The contributions for the year ended June 30, 2012 were \$642 in excess of the required contributions.

The Town withholds Social Security and Medicare taxes from the wages and salaries of all employees and is obligated for the matching employer contribution for the taxes.

### 14. OTHER POST-EMPLOYMENT BENEFITS

The Town of Wisner does not provide any post-retirement health insurance benefits, life insurance benefits, or employee termination benefits for its employees.

**15. RESTRICTED NET ASSETS**

The Town of Wisner had restricted net assets at June 30, 2012 as follows:

	<u>General Fund</u>	<u>Enterprise Fund</u>
Restricted Assets – Cash and Investments		
Community Facility Bond requirements	\$ -	\$ -
Restricted to be spent in accordance with contracts	26	1,054
Customer Deposits	-	27,826
Water and Sewer Revenue Bond requirements	-	297,483
Total Restricted Cash and Investments	<u>26</u>	<u>326,363</u>
Less Liabilities payable from restricted assets:		
Customer Deposits	-	27,826
Bonds	-	161,264
Contracts Payable-Water Improvements	-	-
	<u>-</u>	<u>189,090</u>
Restricted Net Assets	<u>\$ 26</u>	<u>\$ 137,273</u>

**16. RELATED PARTY TRANSACTIONS**

The Town of Wisner had no related party transactions for the year ended June 30, 2012.

**17. RISK MANAGEMENT**

The Town of Wisner is exposed to a variety of risks that may result in losses. These risks include possible loss from acts of God, injury to employees, property damage, or breach of contract. The Town manages these potential losses through purchasing insurance from several commercial insurance companies. The level of coverage has remained constant. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. The Town is not a member of a risk pool.

**18. LITIGATION AND CONTINGENCIES**

The Town of Wisner is not involved in any litigation.

**19. SUBSEQUENT EVENTS**

Management of the Town of Wisner has evaluated subsequent events through the date that the financial statements were available to be issued, December 4, 2012, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**PART II**

Town of Wisner  
Wisner, Louisiana

Budgetary Comparison Schedule - General Fund  
For the Year Ended June 30, 2012

	Original Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>			
Taxes:			
Ad valorem	\$ 25,000	\$ 24,283	\$ (717)
Franchise tax	20,000	19,383	(617)
Other taxes	27,000	25,837	(1,163)
Licenses and permits	25,120	23,589	(1,531)
Fines, forfeitures, and court costs	65,000	53,745	(11,255)
Fees, charges, and services	200	182	(19)
Intergovernmental:			
State funds:			
State grants	81,715	1,925	(79,790)
Fees, charges, and commissions for services	2,690	2,690	-
Parish funds:			
Parish fire rebate	3,000	2,964	(36)
Interest earnings	100	41	(59)
Other	14,370	12,976	(1,394)
Total revenues	<u>\$ 264,195</u>	<u>\$ 167,614</u>	<u>\$ (96,581)</u>
<b>EXPENDITURES</b>			
Current:			
General government	\$ 85,200	\$ 67,613	\$ 17,587
Public safety	157,950	203,871	(45,921)
Public works	40,500	74,688	(34,188)
Parks and recreation	-	1,269	(1,269)
Capital outlay	-	10,000	(10,000)
Total expenditures	<u>283,650</u>	<u>357,441</u>	<u>(73,791)</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>			
	<u>(19,455)</u>	<u>(189,827)</u>	<u>(170,372)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	-	141,245	141,245
Total other financing sources (uses)	<u>-</u>	<u>141,245</u>	<u>141,245</u>
<b>NET CHANGES IN FUND BALANCES</b>			
	(19,455)	(48,583)	(29,127)
<b>FUND BALANCES - BEGINNING</b>			
	<u>55,050</u>	<u>55,050</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>			
	<u>35,595</u>	<u>6,467</u>	<u>(29,127)</u>

The accompanying notes are an integral part of these financial statements.



Town of Wisner  
Wisner, Louisiana

Budgetary Comparison Schedule - Sales Tax Fund  
For the Year Ended June 30, 2012

	Original and Final Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>			
Taxes:			
Sales taxes	87,500	104,419	16,919
Total revenues	<u>\$ 87,500</u>	<u>\$ 104,419</u>	<u>\$ 16,919</u>
<b>EXPENDITURES</b>			
Current:			
General government	\$ 800	\$ 1,429	\$ (629)
Total expenditures	<u>800</u>	<u>1,429</u>	<u>(629)</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>			
	<u>86,700</u>	<u>102,990</u>	<u>16,290</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers out	-	(104,262)	(104,262)
Total other financing sources (uses)	<u>-</u>	<u>(104,262)</u>	<u>(104,262)</u>
<b>NET CHANGES IN FUND BALANCES</b>	86,700	(1,272)	(87,972)
<b>FUND BALANCES - BEGINNING</b>	<u>20,523</u>	<u>20,523</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u><u>107,223</u></u>	<u><u>19,251</u></u>	<u><u>(87,972)</u></u>

The accompanying notes are an integral part of these financial statements.

Notes to the Budgetary Comparison Schedule  
For the Year Ended June 30, 2012

**NOTE 1 - BUDGETARY POLICIES**

A proposed budget for the general fund of the Town of Wisner is prepared on the modified accrual basis of accounting. The budget is legally adopted by the Town of Wisner and then amended during the year, as necessary. The budget is established and controlled at the object level of expenditures. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. The Town of Wisner authorizes all amendments to the budget. There were no amendments made to the original budget.

Formal budgetary integration is employed as a management control device during the year.

# Kenneth D. Folden & Co.

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## **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***

Town of Wisner  
Wisner, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Town of Wisner, as of and for the year ended June 30, 2012, which collectively comprise the Town of Wisner's basic financial statements and have issued our report thereon dated December 4, 2012. 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.

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

In planning and performing our audit, we considered the Town of Wisner's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Wisner's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting (Items 2012-1 and 2012-2). A significant deficiency is a deficiency, or 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.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Wisner's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2012-3.

The Town of Wisner's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Town of Wisner's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the members of the Town Council of the Town of Wisner, management of the Town of Wisner, the Louisiana Legislative Auditor, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Kenneth D. Falden & Co., CPAs*

Jonesboro, Louisiana  
December 4, 2012

# **SUPPLEMENTAL INFORMATION**

Town of Wisner  
Wisner, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2012

We have audited the basic financial statements of the Town of Wisner as of and for the year ended June 30, 2012, and have issued our report thereon dated December 4, 2012. 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 Governmental Auditing Standards, issued by the Comptroller General of the United States, and the provisions of OMB Circular A-133. Our audit of the financial statements as of June 30, 2012 resulted in an unqualified opinion.

**SECTION 1. SUMMARY OF AUDITOR'S REPORT**

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses  Yes  No      Significant Deficiencies  Yes  No

Current Year

**2012-1-Inadequate System to Ensure Payment of Payroll Taxes Timely and Correctly**

Criteria: Management is responsible for establishing internal control policies and procedures that provide for proper accounting, reasonable assurance that assets are safeguarded against loss resulting from unauthorized use, and that transactions are executed in accordance with management's authorization.

Condition: During the audit of the Town of Wisner, it was discovered that payroll taxes collected by the Town due to federal and state governmental agencies were not remitted to the agencies in a timely manner. The Town Clerk is responsible for accounting for and remitting the payments and forms to the correct agency on behalf of the employees of the Town of Wisner in a timely manner. Inquiries to the Town Clerk and the Mayor were made as to the reason for the delinquency in the tax payments.

Cause: There is not an adequate system to ensure that payroll taxes due are paid timely and correctly.

Effect: As a fiduciary agent for the employees of the Town of Wisner, payments to governmental agencies must be made timely and accurately. If payments are not made timely and correctly, the Town will be held responsible for payments and any penalties and interest associated with late payment of the taxes.

Recommendation: The system should be modified to ensure payroll taxes are paid timely and correctly.

Management Response: The Town of Wisner will modify the system to ensure that payroll taxes are paid timely and correctly. Management has indicated that payroll taxes due have been paid and are current.

## **2012-2-Inadequate System to Ensure Compliance with Local Government Budget Law**

Criteria: Management is responsible for establishing internal control policies and procedures that provide for compliance with applicable state laws including the Local Government Budget Law.

Condition: During the audit of the Town of Wisner, the actual revenues and actual expenditures varied more than five percent from the adopted budget. An amendment to the budget was not made causing the Town to be noncompliant with the state law.

Cause: There is not an adequate system to ensure that the budget is amended properly.

Effect: By not having an adequate system in place, the Town is in violation of the budget law, and the Town of Wisner would be susceptible to making poor business decisions.

Recommendation: The system should be modified to ensure that the Town follows the law regarding budgets for Local Governments.

Management Response: The Town of Wisner will modify the system to ensure that the Town follows the law regarding budgets for Local Governments.

### Prior Year

## **2011-1-Inadequate System to Maintain Data Backup of Accounting and Financial Data**

Criteria: Management is responsible for establishing internal control policies and procedures that provide for proper accounting, reasonable assurance that assets are safeguarded against loss resulting from unauthorized use, and that transactions are executed in accordance with management's authorization.

Condition: During the audit period, the computer used by the Town Clerk in performing accounting and financial reporting tasks failed, and the data held on the computer was unable to be retrieved. A backup of the data was not available. The data used to complete the accounting and financial tasks had to be recreated through paper documents by the contract accountant employed by the Town of Wisner.

Cause: There was not an adequate system or process in place in assuring a data backup was available to be used.

Effect: Without an adequate system in place to maintain a data backup, the Town will incur substantial costs associated with data loss and recreation of financial information.

Recommendation: Our recommendation is that the system will be modified to assure maintenance of a backup of the data contained on the computers used by the Town of Wisner.

Management Response: The Town has modified the system to assure maintenance of a backup of the data contained on the computers used by the Town of Wisner. Discussion with management indicates that the Town is maintaining a backup of accounting and financial data.



### **2011-2-Inadequate System to Ensure Payment of Payroll Taxes Timely and Correctly**

Criteria: Management is responsible for establishing internal control policies and procedures that provide for proper accounting, reasonable assurance that assets are safeguarded against loss resulting from unauthorized use, and that transactions are executed in accordance with management's authorization.

Condition: During the audit of the Town of Wisner, it was discovered that payroll taxes collected by the Town due to federal and state governmental agencies were not remitted to the agencies in a timely manner. The Town Clerk is responsible for accounting for and remitting the payments and forms to the correct agency on behalf of the employees of the Town of Wisner in a timely manner. Inquiries to the Town Clerk and the Mayor were made as to the reason for the delinquency in the tax payments.

Cause: There is not an adequate system to ensure that payroll taxes due are paid timely and correctly.

Effect: As a fiduciary agent for the employees of the Town of Wisner, payments to governmental agencies must be made timely and accurately. If payments are not made timely and correctly, the Town will be held responsible for payments and any penalties and interest associated with late payment of the taxes.

Recommendation: The system should be modified to ensure payroll taxes are paid timely and correctly.

Management Response: The Town of Wisner will modify the system to ensure that payroll taxes are paid timely and correctly. This finding is ongoing for the current year. Please see Finding 2012-1.

### Compliance

Compliance Material to Financial Statements  Yes  No

### Current Year

#### **2012-3-Compliance with Local Government Budget Law**

Criteria: Louisiana state statute (RS 39:1311) requires that the budget be properly amended if actual revenues are less than budgeted revenues by five percent or more or if actual expenditures exceed budgeted expenditures by five percent or more.

Condition: For the year ended June 30, 2012, in the General Fund, the actual revenues were less than the budgeted revenues by 37%, and the actual expenditures exceeded the budgeted expenditures by 26%. The actual expenditures for the Sales Tax Fund exceeded the budgeted expenditures by 79%. The budgets for these funds were not amended.

Effect: The Town of Wisner is in violation of the Local Government Budget Act.

Recommendation: The Town of Wisner should modify procedures to ensure that the annual budget is properly amended when necessary.

Management Response: The Town of Wisner will adopt procedures to ensure that the annual budget is amended as required by state law.



Prior Year

**2011-3-Compliance with Local Government Budget Law**

Criteria: Louisiana state statute (RS 39:1311) requires that the budget be properly amended if actual expenditures are more than budgeted expenditures by five percent or more.

Condition: For the year ended June 30, 2012, the actual expenditures of the General Fund exceeded the budgeted expenditures by 15%, and the budget was not properly amended.

Effect: The Town of Wisner is in violation of the Local Government Budget Act.

Recommendation: The Town of Wisner should modify procedures to ensure that the annual budget is properly amended when necessary.

Management Response: The Town of Wisner will adopt procedures to ensure that the annual budget is amended as required by state law. This finding is ongoing for the current year. Please see Finding 2012-3.

**2011-4-Untimely Filing of Report**

Criteria: Louisiana state statute (RS 24:513) requires that the audit report and audited financial statements be completed within six months of the close of the fiscal year.

Condition: Due to the inadequate system for maintaining a data backup of the accounting and financial data, the contract accountant was required to recreate the information needed to complete audit for the Town. The process of recreating the financial information took a substantial amount of time, and because of the extra time needed, the Town of Wisner did not have annual financial statements filed within six months of the close of the year as required by Louisiana state statute.

Effect: The Town of Wisner is in violation of Louisiana state statute.

Recommendation: The Town of Wisner should revise procedures to ensure future filings be submitted as required by state statute.

Management Response: Management has revised procedures to ensure future filings be submitted timely, according to state statute. This finding has been resolved.

**B. Findings - Financial Statements Audit**

Current Year

No findings.

Prior Year

No findings.

Town of Wisner  
Wisner, LouisianaSchedule of Compensation Paid Councilpersons  
For the Year Ended June 30, 2012

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Allyn Jean Lockett	Mayor	\$ 900
Roger Hilliard	Council Member	600
Nettie Brown	Council Member	600
Thomas Lemle	Council Member	600
Marc McCarty	Council Member	-
Thomas Moore	Council Member	600
Total		<u>\$ 3,300</u>

Town of Wisner  
Wisner, LouisianaSchedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor's Program Title	Federal CFDA Number*	Through Grantor's Number	Federal Expenditures
United States Department of Agriculture			
Office of Rural Development			
Water and Waste Disposal Systems for Rural Communities	10.76		\$ 35,500