

TOWN OF WISNER

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021

ROZIER, MCKAY, AND WILLIS
Certified Public Accountants
Alexandria, Louisiana

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November 24, 2021

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, 2021, 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, 2021, 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.

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

-Members-

American Institute of Certified Public Accountants • Society of Louisiana CPAs

- 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 in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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 November 24, 2021, 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, MCKAY & WILLIS
Certified Public Accountants

TOWN OF WISNER

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

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, 2021.

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, 2021

Net Position

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

	<u>June 30, 2021</u>			<u>For the Year Ended June 30, 2020</u>
	<u>Govern- mental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	
<u>Assets:</u>				
Current and Other Assets	\$ 54,503	\$ 147,001	\$ 201,504	\$ 217,934
Capital Assets	735,279	1,826,420	2,561,699	2,720,150
Total Assets	<u>789,782</u>	<u>1,973,421</u>	<u>2,763,203</u>	<u>2,938,084</u>
<u>Deferred Outflows:</u>				
Pension Funding Deferrals	<u>15,398</u>	<u>38,205</u>	<u>53,603</u>	<u>44,039</u>
<u>Liabilities:</u>				
Current and Other Liabilities	23,355	155,441	178,796	129,138
Long-term Liabilities	21,472	968,043	989,515	1,036,527
Total Liabilities	<u>44,827</u>	<u>1,123,484</u>	<u>1,168,311</u>	<u>1,165,665</u>
<u>Deferred Inflows:</u>				
Pension Funding Deferrals	<u>661</u>	<u>1,641</u>	<u>2,302</u>	<u>8,373</u>
<u>Net Position:</u>				
Invested in Capital Assets (Net)	735,279	909,404	1,644,683	1,773,216
Restricted	50	21,439	21,489	41,578
Unrestricted	24,363	(44,342)	(19,979)	(6,709)
Total Net Position	<u>\$ 759,692</u>	<u>\$ 886,501</u>	<u>\$ 1,646,193</u>	<u>\$ 1,808,085</u>

As the presentation appearing above demonstrates, the largest portion of the Town's net position (99.9%) 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.

The Town's net position improved during the year due to prudent use of the Town's resources. The 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.

Changes in Net Position

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

TOWN OF WISNER

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

	<u>For the Year Ended June 30, 2021</u>			
	<u>Gov- ern- men- tal Acti- vities</u>	<u>Busi- ness- Type Acti- vities</u>	<u>Total</u>	<u>For the Year Ended June 30, 2020</u>
Revenues:				
Program Revenue:				
Charges for Services	\$ 155,912	\$ 329,265	\$ 485,177	\$ 528,636
Operating Grants and Contributions	7,688	----	7,688	5,792
Capital Grants and Contributions	----	----	----	51,130
General Revenue:				
Sales Taxes	101,495	----	101,495	21,220
Property Taxes	21,119	----	21,119	75,760
Insurance Premium Taxes	26,683	----	26,683	15,078
Franchise Taxes	15,190	----	15,190	19,799
Occupational Licenses	11,871	----	11,871	12,398
Miscellaneous	13,999	1,522	15,521	12,851
Total Revenue	<u>353,957</u>	<u>330,787</u>	<u>684,744</u>	<u>742,664</u>
Program Expenses:				
General Government	114,113	----	114,113	101,002
Public Safety				
Police Department	171,318	----	171,318	175,595
Fire Department	19,318	----	19,318	8,474
Public Works	95,219	440,011	535,230	499,770
Recreation	6,657	----	6,657	22,605
Total Expenses	<u>406,625</u>	<u>440,011</u>	<u>846,636</u>	<u>807,446</u>
Increase (Decrease) in Net				
Position Before Transfers	(52,668)	(109,224)	(161,892)	(64,782)
Transfers	19,555	(19,555)	----	----
Change in Net Position	<u>(33,113)</u>	<u>(128,779)</u>	<u>(161,892)</u>	<u>(64,782)</u>
Net Position Beginning:	792,805	1,015,280	1,808,085	1,872,867
Net Position Ending	<u>\$ 759,692</u>	<u>\$ 886,501</u>	<u>\$1,646,193</u>	<u>\$ 1,808,085</u>

Governmental activities before transfers experienced a decrease of \$52,668. This decrease resulted due to recording depreciation.

Business-type activities before transfers experienced a decrease in net position of \$109,224. This decrease is due to recording depreciation and non-recurring expenses related to issuing revenue bonds.

TOWN OF WISNER

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

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 \$31,148, which represents an increase of \$3,943 in comparison to the previous balance.
- 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

There were no current year additions to capital assets.

Debt Administration

The Town issued new utility revenue bonds and refunded existing USDA debt in order to receive a lower interest rate. Remaining debt activity was limited to the payment of principal and interest on current debt obligations.

Factors Expected to Affect Future Operations

The significant improvements to the water and sewer system will improve the utility system.

TOWN OF WISNER

Statement of Net Position

June 30, 2021

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS:</u>			
Cash and cash equivalents	\$ 34,420	\$ 79,811	\$ 114,231
Receivables (net)	14,286	45,751	60,037
Restricted assets			
Cash and cash equivalents	5,797	21,439	27,236
Capital Assets			
Non depreciable capital assets			
Land	57,000	13,200	70,200
Depreciable capital assets (net)	<u>678,279</u>	<u>1,813,220</u>	<u>2,491,499</u>
Total assets	<u>789,782</u>	<u>1,973,421</u>	<u>2,763,203</u>
<u>DEFERRED OUTFLOWS:</u>			
Pension funding deferrals	<u>15,398</u>	<u>38,205</u>	<u>53,603</u>
<u>LIABILITIES:</u>			
Accounts payable	23,355	25,700	49,055
Deposits due others	-	65,741	65,741
Long-term liabilities			
Notes Payable			
Due within one year	-	64,000	64,000
Due in more than one year	-	853,016	853,016
Net pension liability	<u>21,472</u>	<u>115,027</u>	<u>136,499</u>
Total liabilities	<u>44,827</u>	<u>1,123,484</u>	<u>1,168,311</u>
<u>DEFERRED INFLOWS:</u>			
Pension funding deferrals	<u>661</u>	<u>1,641</u>	<u>2,302</u>
<u>NET POSITION:</u>			
Invested in capital assets, net of related debt	735,279	909,404	1,644,683
Restricted:			
Capital Projects	50	-	50
Debt Service	-	21,439	21,439
Unrestricted	<u>24,363</u>	<u>(44,342)</u>	<u>(19,979)</u>
Total net position	<u>\$ 759,692</u>	<u>\$ 886,501</u>	<u>\$ 1,646,193</u>

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

TOWN OF WISNER

Statement of Activities

Year Ended June 30, 2021

	Expenses	Program Revenues			Net (Expenses) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	
<u>Governmental Activities:</u>					
General government	114,113	\$ -	\$ 7,688	\$ -	\$ (106,425)
Public safety					
Police department	171,318	152,212	-	-	(19,106)
Fire department	19,318	-	-	-	(19,318)
Public works	95,219	-	-	-	(95,219)
Recreation	6,657	3,700	-	-	(2,957)
Total governmental activities	<u>406,625</u>	<u>155,912</u>	<u>7,688</u>	<u>-</u>	<u>(243,025)</u>
<u>Business-Type Activities:</u>					
Water and sewer	440,011	329,265	-	-	(110,746)
Total Business-Type Activities	<u>440,011</u>	<u>329,265</u>	<u>-</u>	<u>-</u>	<u>(110,746)</u>
Total Primary Government	<u>\$ 846,636</u>	<u>\$ 485,177</u>	<u>\$ 7,688</u>	<u>\$ -</u>	<u>\$ (353,771)</u>

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

TOWN OF WISNER

Statement of Activities (Continued)

Year Ended June 30, 2021

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business- Type Activities	Net (Expenses) Revenue
Net (Expense) Revenues (Continued From Previous Page)	\$ (243,025)	\$ (110,746)	\$ (353,771)
<u>General Revenues:</u>			
Taxes:			
Ad Valorem	21,119	-	21,119
Sales Taxes	101,495	-	101,495
Franchise	15,190	-	15,190
Insurance Premium Taxes	26,683	-	26,683
Occupational Licenses	11,871	-	11,871
Miscellaneous	13,999	1,522	15,521
Transfers	19,555	(19,555)	-
Total General Revenues and Transfers	209,912	(18,033)	191,879
Change in Net Position	(33,113)	(128,779)	(161,892)
Net Position Beginning	792,805	1,015,280	1,808,085
Net Position Ending	\$ 759,692	\$ 886,501	\$ 1,646,193

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

TOWN OF WISNER

Balance Sheet

Governmental Funds - June 30, 2021

	General	Non-Major Fund	Total Governmental Funds
<u>Assets</u>			
Cash and cash equivalents	\$ 34,420	\$ -	\$ 34,420
Receivables (net)	14,286	-	14,286
Restricted assets:			
Cash and cash equivalents	5,747	50	5,797
Total assets	\$ 54,453	\$ 50	\$ 54,503
<u>Liabilities and Fund Equity</u>			
<u>Liabilities:</u>			
Accounts and other payables	23,355	\$ -	\$ 23,355
Unearned Revenues	-	-	-
Total liabilities	23,355	-	23,355
<u>Fund Balance:</u>			
Unassigned	31,098	-	31,098
Assigned	-	50	50
Total fund equity	31,098	50	31,148
Total liabilities and fund equity	\$ 54,453	\$ 50	\$ 54,503

Reconciliation of the Governmental Funds Balance Sheets to the Statement of Net Assets	
Total Fund Balances - Governmental Funds	\$ 31,148
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.	735,279
Liabilities not due and payable in the current period are excluded from the Governmental Fund Balance Sheet	(6,735)
Net Assets of Governmental Activities	<u>\$ 759,692</u>

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, 2021

	General	Non-Major Fund	Total Governmental Funds
<u>Revenues:</u>			
Taxes:			
Ad valorem	\$ 21,119	\$ -	\$ 21,119
Sales tax	101,495	-	101,495
Franchise	15,190	-	15,190
Insurance premium taxes	26,683	-	26,683
Licenses and permits:	11,871	-	11,871
Intergovernmental:	10,897	-	10,897
Bonds and fines	152,212	-	152,212
Rent	3,700	-	3,700
Miscellaneous:	10,791	-	10,791
 Total revenues	353,958	-	353,958
<u>Expenditures:</u>			
General government	111,271	-	111,271
Public safety			
Police Department	168,777	-	168,777
Fire Department	18,792	-	18,792
Public works	68,957	-	68,957
Recreation	1,773	-	1,773
 Total expenditures	369,570	-	369,570
Excess (deficiency) of revenues over expenditures	(15,612)	-	(15,612)
<u>Other financing sources (uses):</u>			
Operating transfers (net)	19,555	-	19,555
 Total other financing sources (uses)	19,555	-	19,555
Excess (deficiency) of revenues and expenditures and other uses	3,943	-	3,943
Fund balance - beginning of year	27,155	50	27,205
Fund balance - end of year	\$ 31,098	\$ 50	\$ 31,148

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, 2021

Net change in fund balances of Governmental Funds	S 3,943
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.	(33,373)
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>(3,683)</u>
Change in net position of governmental activities	<u>S (33,113)</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, 2021

	Business-Type Activities
	<u>Utility System</u>
<u>ASSETS:</u>	
Current assets:	
Cash and cash equivalents	\$ 79,811
Receivables (net)	<u>45,751</u>
Total current assets	<u>125,562</u>
Restricted assets:	
Cash and cash equivalents	21,439
Noncurrent assets:	
Non-depreciable capital assets	
Land	13,200
Depreciable capital assets (net)	<u>1,813,220</u>
Total noncurrent assets	<u>1,826,420</u>
Total assets	<u>1,973,421</u>
<u>DEFERRED OUTFLOWS:</u>	
Pension funding deferrals	<u>38,205</u>
<u>LIABILITIES:</u>	
Current liabilities:	
Accounts payable	25,700
Deposits due others	65,741
Current portion of long-term debt	<u>64,000</u>
Total current liabilities	<u>155,441</u>
Noncurrent Liabilities:	
Long-Term Debt	853,016
Net Pension Liability	<u>115,027</u>
Total liabilities	<u>1,123,484</u>
<u>DEFERRED INFLOWS:</u>	
Pension funding deferrals	<u>1,641</u>
<u>NET POSITION</u>	
Invested in capital assets, net of related debt	909,404
Restricted for debt service	21,439
Unrestricted	<u>(44,342)</u>
Total net position	<u>\$ 886,501</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, 2021

	Business-Type Activities
	<u>Utility System</u>
<u>Operating revenues:</u>	
Charges for services	
Water	S 179,312
Sewer	121,417
Other	<u>28,536</u>
Total operating revenues	<u>329,265</u>
<u>Operating expenses:</u>	
Salaries	90,504
Payroll taxes and benefits	38,717
Repairs, maintenance, chemicals, and supplies	74,073
Utilities	31,502
Insurance	13,509
Office expense	6,501
Fuel	9,071
Depreciation	125,078
Debt Issue Costs	19,772
Other	<u>16,490</u>
Total operating expenses	<u>425,217</u>
Operating income (loss)	(95,952)
<u>Non-operating revenues (expenses):</u>	
Interest revenue	1,522
Interest expense	<u>(14,794)</u>
Change in net position before contributions and transfers	(109,224)
<u>Contributions and transfers:</u>	
Operating transfers (net)	(19,555)
Grant revenue	<u>-</u>
Change in net position	(128,779)
Total net position - beginning of year	<u>1,015,280</u>
Total net position - end of year	<u>S 886,501</u>

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, 2021

Cash flow from operating activities:

Cash received from customers	\$ 331,762
Cash payments to suppliers of goods and services	(180,491)
Cash payments to employees for service	<u>(90,504)</u>
Net cash provided (used) by operating activities	<u>60,767</u>

Cash flows from non-capital financing activities:

Operating transfers in (out)	<u>(19,555)</u>
Net cash provided (used) by non-capital financing activities	<u>(19,555)</u>

Cash flows from capital and related financing activities:

Debt proceeds	540,000
Principle paid on capital debt	(551,192)
Interest paid on capital debt	<u>(33,520)</u>
Net cash provided (used) by capital and related financing activities	<u>(44,712)</u>

Cash flows from investing activities:

Interest and other income	<u>1,522</u>
Net cash provided (used) by investing activities	<u>1,522</u>

Net increase (decrease) in cash	(1,978)
Beginning cash balance	<u>103,228</u>
Ending cash balance	101,250
Cash - restricted	<u>21,439</u>
Cash - unrestricted	<u>\$ 79,811</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, 2021***

Reconciliation of operating income (loss) to net cash

Operating Income (loss)	\$ (95,952)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	125,078
(Increase) decrease in accounts receivable	-
(Decrease) increase in accounts payable	20,282
(Decrease) increase in meter deposits	2,497
(Decrease) increase in net pension liability	<u>8,862</u>
Net cash provided (used) by operating activities	<u>\$ 60,767</u>

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, 2021

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, 2020.

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:

TOWN OF WISNER

Notes To Financial Statements

June 30, 2021

- 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.

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:

TOWN OF WISNER

Notes To Financial Statements

June 30, 2021

<u>Financial Statement Presentation</u>	<u>Basis of Accounting</u>	<u>Measurement Focus</u>
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.

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.

TOWN OF WISNER

Notes To Financial Statements

June 30, 2021

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.

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.

TOWN OF WISNER

Notes To Financial Statements June 30, 2021

NOTE 2 - CASH AND CASH EQUIVALENTS

At June 30, 2021, cash and cash equivalents included the following amounts:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash Deposits	\$ 38,107	\$ 101,250	\$ 139,357
Cash on Hand	2,110	----	2,110
Total Cash	40,217	101,250	141,467
Restricted Cash	5,797	21,439	27,236
Cash and Cash Equivalents	<u>\$ 34,420</u>	<u>\$ 79,811</u>	<u>\$ 114,231</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. At June 30, 2021, the Town has collected bank balance of \$157,301. These deposits are secured from risk by \$250,000 of federal deposit insurance.

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. The revenues of the 7.14 mill property tax are secured by a limited tax bond. The property tax shall be used for any debt service that cannot be covered by the revenues of the utility system.

Sales Taxes

Sales taxes are collected by the Parish of Franklin and remitted to the Town. For the year ended June 30, 2021 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, 2021, are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Accounts Receivable</u>			
Utility Customers	\$ ----	\$ 67,579	\$ 67,579
Franchise Fees	4,770	----	4,770
Total Accounts Receivables	<u>4,770</u>	<u>67,579</u>	<u>72,349</u>
<u>Due From Other Governmental Units</u>			
Sales Taxes	8,388	----	8,388
Fire Insurance Rebate	1,128	----	1,128
Total Due From Other Governments	<u>9,516</u>	<u>---</u>	<u>9,516</u>

TOWN OF WISNER

Notes To Financial Statements

June 30, 2021

Total Receivables	14,286	67,579	81,865
Allowance for Doubtful Accounts	----	(21,828)	(21,828)
Receivables, net of allowance	<u>\$ 14,286</u>	<u>\$ 45,751</u>	<u>\$ 60,037</u>

NOTE 5 – CAPITAL ASSETS

A summary of the property and equipment at June 30, 2021, 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	<u>\$ 57,000</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 57,000</u>
<u>Capital Assets Being Depreciated</u>				
Buildings and improvements	926,455	----	----	926,455
Improvements other than buildings	81,557	----	----	81,557
Vehicles & Equipment	497,057	----	----	497,057
Total	<u>1,505,069</u>	<u>----</u>	<u>----</u>	<u>1,505,069</u>
Less Accumulated Depreciation	<u>(793,417)</u>	<u>(33,373)</u>	<u>----</u>	<u>(826,790)</u>
Total Net of Depreciation	<u>711,652</u>	<u>(33,373)</u>	<u>----</u>	<u>678,279</u>
Total Governmental Activities	<u>\$ 768,652</u>	<u>\$ (33,373)</u>	<u>\$ ----</u>	<u>\$ 735,279</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Business-Type Activities</u>				
<u>Non Depreciable Capital Assets</u>				
Land	<u>\$ 13,200</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 13,200</u>
Total Non-Depreciable Capital Assets	<u>13,200</u>	<u>----</u>	<u>----</u>	<u>13,200</u>
<u>Capital Assets Being Depreciated</u>				
Water Distribution System	3,453,006	----	----	3,453,006
Wastewater System	960,870	----	----	960,870
Vehicles & Equipment	79,381	----	----	79,381
Total	<u>4,493,257</u>	<u>----</u>	<u>----</u>	<u>4,493,257</u>
Less Accumulated Depreciation	<u>(2,554,959)</u>	<u>(125,078)</u>	<u>----</u>	<u>(2,680,037)</u>
Total Net of Depreciation	<u>1,938,298</u>	<u>(125,078)</u>	<u>----</u>	<u>1,813,220</u>
Total Business-Type	<u>\$ 1,951,498</u>	<u>\$ (125,078)</u>	<u>\$ ---</u>	<u>\$ 1,826,420</u>

TOWN OF WISNER

Notes To Financial Statements

June 30, 2021

Depreciation expense reported by various functions is presented as follows:

<u>Governmental Activities:</u>	
General Government	\$ 2,842
Police Department	2,541
Fire Department	526
Streets and Drainage	4,884
Recreation	22,580
Total Depreciation – Governmental Activities	<u>\$ 33,373</u>

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Amounts payable to vendors at June 30, 2021 totaled \$23,355 and \$25,700 for governmental activities and business-type activities respectively.

NOTE 7 – LONG TERM DEBT

Long-term liabilities attributable to the acquisition of the Town's utility system and the operation of the utility system are reported as an obligation of the Town's business-type enterprise funds. During the current year, the Town refinanced a portion of the bonds owed to the USDA. Therefore, the 1989 and 1992 revenue bonds were paid off with new revenue bonds at a lower interest rate. The Town's long-term liabilities are summarized as follows:

	<u>Business-Type Activities</u>
Water Revenue Bonds	\$ 315,016
Revenue Bonds	540,000
Limited Tax Bonds-2020	62,000
Total Long-term Debt	917,016
Due Within One Year	(64,000)
Due in More Than One Year	<u>\$ 853,016</u>

Changes in the Town's long-term debt activity for the year ended June 30, 2021, is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>
<u>Business-Type Activities:</u>				
Limited Tax Bonds	\$ 70,000	\$ ----	\$ (8,000)	\$ 62,000
Revenue Bonds	858,208	540,000	(543,192)	855,016
Total Business-Type Activities	<u>\$ 928,208</u>	<u>\$ 540,000</u>	<u>\$ (551,192)</u>	<u>\$ 917,016</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.

TOWN OF WISNER

Notes To Financial Statements

June 30, 2021

\$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. \$ 315,016

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.

\$540,000 Utility Revenue Bonds, dated June 1, 2021, due in annual installments ranging from \$20,000 to \$70,000 maturing June, 2031, bearing interest at a rate of 2.26%. Revenues generated by the Town's utility system has been pledged to secure these bonds. \$ 540,000

Limited Tax Issue Bonds

The Town has issued Limited Tax Issue Bonds for the purpose of improvements to the waterworks and waste water system.

\$70,000 Limited Tax Bonds, dated April 1, 2020, due in annual installments from \$8,000 to \$11,000 maturing April 2027, bearing an interest rate of 3.45%. The Town intends to utilize revenues of the combined utility system to make required payments subject to the restrictions detailed in Note 3. \$ 62,000

Annual Requirements to Retire Debt Obligations

The annual aggregate maturities for the years subsequent to June 30, 2021, are as follows:

	Principal Payments	Interest
2022	\$ 69,815	\$ 28,536
2023	76,076	26,716
2024	81,350	24,844
2025	82,635	22,846
2026	82,934	20,704
2027-2031	290,641	73,926
2032-2036	49,400	50,570
2037-2041	61,562	38,409
2042-2046	76,717	23,254
2047-2051	45,886	5,213
Total Business-Type	<u>\$ 917,016</u>	<u>\$ 315,018</u>

TOWN OF WISNER

Notes To Financial Statements

June 30, 2021

Total interest charged to expense for the year ended June 30, 2021 is \$28,221 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:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Municipal Employees' Retirement System	\$ 136,499	\$ 53,603	\$ 2,302
Portion Applicable to Business Type Activities	<u>115,027</u>	<u>38,205</u>	<u>1,641</u>
Portion Applicable to Government Type Activities	<u>\$ 21,472</u>	<u>\$ 15,398</u>	<u>\$ 661</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

TOWN OF WISNER

Notes To Financial Statements

June 30, 2021

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 14.0% 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.

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, 2020 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 268,596,718
Plan Fiduciary Net Position	177,974,097
Net Pension Liability	<u>90,622,621</u>
Town's Proportionate Share (Percentage)	0.150624%
Town's Proportionate Share (Amount)	<u>\$ 136,499</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, 2020 are provided as follows:

Beginning Net Pension Liability	\$ 108,319
Employer Contributions	(16,530)
<u>Pension Expense</u>	
Proportionate Share of Plan Pension Expense	24,764
Changes in Proportion	9,255
Employee Contributions	<u>(4,189)</u>
Changes in Deferred Outflows of Resources	8,808
Changes in Deferred Inflows of Resources	<u>6,072</u>
Ending Net Pension Liability	<u>\$ 136,499</u>

There were no changes between June 30, 2020 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:

TOWN OF WISNER

Notes To Financial Statements

June 30, 2021

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences Between Expected and Actual Experience	\$ ----	\$ 2,302	\$ (2,302)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	14,819	----	14,819
Changes of Assumptions	4,231	----	4,231
Changes in Proportion	16,498	----	16,498
Employer Contributions Made After the Measurement Date	18,055	----	18,055
Total Deferrals	<u>53,603</u>	<u>2,302</u>	<u>51,301</u>
Deferrals That Will be Recorded as a Reduction in Net Pension			
Liability in the Subsequent Reporting Period	18,055	----	18,055
Deferrals Subject to Amortization	<u>\$ 35,548</u>	<u>\$ 2,302</u>	<u>\$ 33,246</u>

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, 2021	\$ 16,522
June 30, 2022	11,182
June 30, 2023	3,376
June 30, 2024	<u>2,166</u>
Total	<u>\$ 33,246</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, 2020
Actuarial Cost Method	Entry Age Normal Cost
Investment Rate of Return	6.95%, net of investment expense, including inflation
Projected Salary Increases	4.5% more than 4 years of service 6.4% 1-4 years of service
Inflation rate	2.5%
Mortality Rates	Annuitant and beneficiary mortality - PubG-2010(B) Healthy Retiree Table, set equal to 120% for males and females, each adjusted using respective male and female MP2018 scales Employee Mortality - PubG-2010(B) Employee Table, set equal to 120% for males and females, each adjusted using respective male and female MP2018 scales Disabled lives mortality - PubG-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale
Expected Remaining Service Lives	3 years

TOWN OF WISNER

Notes To Financial Statements

June 30, 2021

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, 2013 through June 30, 2018. 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Public Equity	53%	2.33%
Public Fixed Income	38%	1.67%
Alternatives	9%	0.40%
Totals	100%	4.40%
Inflation		2.60%
Expected Arithmetic Nominal Return		7.00%

The discount rate used to measure the total pension liability was 6.95%. 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 5.95% Discount Rate</u>	<u>Current Discount Rate 6.95%</u>	<u>1% Increase 7.95% Discount</u>
Net Pension Liability	\$ 181,705	\$ 136,499	\$ 98,248

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.

TOWN OF WISNER

Notes To Financial Statements

June 30, 2021

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>Operating Transfers In/(Out)</u>
<u>Governmental Funds</u>	
General Fund	\$ (19,555)
<u>Business Type Funds</u>	
Utility System	<u>19,555</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, 2021, 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, 2021

	Budget Amounts		Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Total revenues	\$ 305,439	\$ 262,733	\$ 353,958	\$ 91,225
Expenditures:				
General government	33,632	35,153	111,271	(76,118)
Public safety				
Police Department	245,029	173,413	168,777	4,636
Fire Department	2,000	15,268	18,792	(3,524)
Public works	10,000	10,688	68,957	(58,269)
Recreation	2,000	4,333	1,773	2,560
Total expenditures	292,661	238,855	369,570	(130,715)
Excess (deficiency) of revenues over expenditures	12,778	23,878	(15,612)	(39,490)
Other financing sources (uses):				
Operating transfers (net)	-	-	19,555	19,555
Total other financing sources (uses)	-	-	19,555	19,555
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	12,778	23,878	3,943	(19,935)
Fund balance - beginning of year	27,155	27,155	27,155	-
Fund balance - end of year	\$ 39,933	\$ 51,033	\$ 31,098	\$ (19,935)

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, 2016	0.12%	101,005	72,108	140.1%	63.34%
June 30, 2017	0.10%	84,470	81,788	103.3%	63.49%
June 30, 2018	0.10%	94,868	94,647	100.2%	65.60%
June 30, 2019	0.12%	108,319	116,799	92.7%	66.14%
June 30, 2020	0.15%	136,499	103,916	131.4%	66.26%

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, 2016	7,932	8,505	(573)	72,108	11.79%
June 30, 2017	10,837	7,993	2,844	81,788	9.77%
June 30, 2018	13,251	11,078	2,173	94,647	11.70%
June 30, 2019	15,772	13,247	2,525	116,799	11.34%
June 30, 2020	14,563	16,530	(1,967)	103,916	15.91%

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, 2021

	<u>Agency Head (Mayor) Marc McCarty</u>
Compensation	\$ 1,800
Benefits	-
Reimbursements	-
	<u>\$ 1,800</u>

Town of Wisner

Schedule of Compensation Paid to Board Members

Year Ended June 30, 2021

<u>Name</u>	<u>Position</u>	<u>Compensation</u>
Marc McCarty	Mayor	\$ 1,800
Jo Caldwell	Council Member	1,200
Nettie B. Brown	Council Member	1,100
Roger Hilliard	Council Member	1,100
Debra Lemle	Council Member	300
Thomas Lemle	Council Member	800
Elliot Britt	Council Member	1,200
		<u>\$ 7,500</u>

Town of Wisner

**Justice System Funding Schedule - Collecting / Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session -
Cash Basis Presentation
For the Year Ended June 30, 2021**

	First Six Month Period Ended December 31, 2020	Second Six Month Period Ended June 30, 2021
Beginning Balance of Amounts Collected	\$ -	\$ -
Add: Collections		
Criminal Criminal/Costs/Fees	29,948	122,264
Subtotal Collections	29,948	122,264
Less: Disbursements to Governments & Nonprofits		
CMIS Collections	261	309
DHH- TH/SCI T.F.	1,115	1,270
Louisiana Commission On Law Enforcement	519	606
Louisiana Supreme Court	162	155
Less: Amounts Retained by the Town		
Self Disbursed Court Cost	27,891	119,924
Subtotal Disbursements / Retainage	27,891	119,924
Ending Balance of Amounts Collected but not Disbursed	\$ -	\$ -



November 24, 2021

**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, 2021, 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 November 24, 2021.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

-Members-

American Institute of Certified Public Accountants • Society of Louisiana CPAs

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 as item 2021-001 and 2021-002.

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 Management's Corrective Action Plan. The Town of Wisner's response is 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, MCKAY & WILLIS
Certified Public Accountants

Town of Wisner, Louisiana

Schedule of Findings

For the Year Ended June 30, 2021

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, 2021, and for the year then ended expressed an unmodified opinion.
- Noncompliance material to the financial statements was reported, see Part II for details.
- The results of the audit disclosed did not disclose any instances of material weaknesses that are considered to be material to the financial statements of the Town of Wisner.

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

2021-001: Budget Violation

- Criteria: Louisiana Revised Statutes prohibit municipalities expenditures and other uses from being more than 5% of budgeted amounts.
- Condition: In the current year, unfavorable variances of expenditures exceeded 5%.
- Cause: The Town didn't make sufficient amendments to the budget once the Town realized that unfavorable variances exceeded 5% of budgeted amounts.
- Effect: The Town was not in compliance with the Louisiana Government Budget Act.
- Recommendation: The Town should implement policies and procedures to ensure that the budget is amended whenever variances exceed amounts allowed by the Louisiana Government Budget Act.

2021-002: Non Compliance with Bond Covenants

- Criteria: In exchange for fees, the Town provides residents with utility service including water and sewage disposal.
- Condition: Operation of the utility system has not produced sufficient income to recover the costs of operations and service debt incurred to construct the utility system.
- Cause: We increased rates in the latter portion of the current year. In addition, due to the age of the utility system, repair and maintenance costs have been significant.
- Effect: Without an adequate rate structure, the Town is not in compliance with debt covenants.
- Recommendation: In order to provide income necessary to sustain operations and repay creditors, we suggest altering the Town's utility rate structure to provide additional revenue needed to meet the utility system's obligations.

**Town of Wisner, Louisiana
Management's Corrective Action Plan
For the Year Ended June 30, 2021**

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

<p><u>2021-001: Budget Violation</u> The Town's General Fund expenditures exceeded budgeted appropriations by more than the variances allowed by law. This variance occurred due to management failing to properly budget salaries, related expenses, and other various operating expenditures. Management should review the budget to actual expenditures each month and amend the budget when actual expenditures exceed budgeted expenditures by more than 5%. This will allow management to closely monitor the Town's expenditures and reduce the risk of purchases that were not properly authorized.</p> <p><u>2021-002: Non Compliance with Bond Covenants</u> In exchange for fees, the Town provides residents with utility service including water and sewage disposal. Operation of the utility system has not produced sufficient income to recover the costs of operations and service debt incurred to construct the utility system.</p>	<p><u>2021-001: Response</u> We will closely monitor the Town's budget and amend as necessary.</p> <p><u>2021-002: Response</u> There has been substantial improvement in our utility revenues. We have cut costs and will continue to review the possibility of a utility rate increase.</p>
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**SECTION II – INTERNAL CONTROL AND
COMPLIANCE MATERIAL TO FEDERAL AWARDS**

Finding - N/A – There were no findings in this area.	Response - N/A
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SECTION III – MANAGEMENT LETTER

Finding - N/A – There were no findings in this area.	Response - N/A
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**Town of Wisner, Louisiana
 Schedule of Prior Year Findings
 For the Year Ended June 30, 2021**

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
<p><u>2020-001: Non Compliance with Bond Covenants</u> In exchange for fees, the Town provides residents with utility services including water and sewage disposal. Operation of the utility system has not produced sufficient income to recover the costs of operations and service debt incurred to construct the utility system.</p>	<p><u>Unresolved: See Finding 2021-002</u></p>
SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
<p>Finding - N/A – There were no findings in this area.</p>	<p>Response - N/A</p>
SECTION III – MANAGEMENT LETTER	
<p>Finding - N/A – There were no findings in this area.</p>	<p>Response - N/A</p>