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**TOWN OF WISNER  
Wisner, Louisiana**

*Financial Statements And Independent  
Auditor's Report For the Year Ended  
June 30, 1998  
With Supplemental Information Schedules*

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. This report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

JAN 20 1999

Release Date \_\_\_\_\_

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**TOWN OF WISNER, LOUISIANA**  
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**As of and For the Year Ended June 30, 1997**

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**Independent Auditor's Report**

Board of Directors  
Town of Wisner  
Wisner, Louisiana

I have audited the accompanying general purpose financial statements of the Town of Wisner, Louisiana, as of and for the year ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Wisner's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with 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 I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

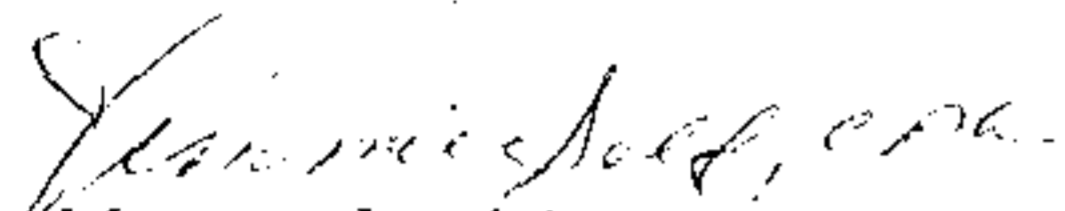
In my opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Wisner, Louisiana, as of June 30, 1998, and the results of its operations and the cash flow of its proprietary fund types and nonexpendable trust fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 15, 1998, on my consideration of the Town of Wisner's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental statements and schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the Town of Wisner. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the general purpose financial

statements of the Town of Wisner. Such information has been subjected to the auditing procedures applied in the audit of the *general purpose financial statements* and, in my opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Jimmie Self, CPA



Monroe, Louisiana

December 15, 1998

TOWN OF WISNER, LOUISIANA  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 BALANCE SHEET  
 JUNE 30, 1998

	GOVERNMENT FUNDS		PROPRIETARY	ACCOUNT GROUP	Total (Memorandum Only)
	General Fund	Special	Enterprise Fund	General Fixed Assets	
		Revenue Funds			
<b>ASSETS AND OTHER DEBITS</b>					
Assets:					
Cash and Cash Equivalents	19,811	61,711	21,734		103,255
Receivables-(net, where applicable, of allowance for doubtful accounts)			23,769		23,769
Ad Valorem Taxes Receivable	546				546
Restricted Assets			544,178		544,178
Land, buildings, and other equipment (net, where applicable of depreciation)			2,000,884	909,587	2,910,471
Other debits			4,086		4,086
<b>Total Assets:</b>	<b>20,357</b>	<b>61,711</b>	<b>2,594,652</b>	<b>909,587</b>	<b>3,586,306</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>					
Liabilities:					
Accounts and Other Payables	7,082		5,600		12,682
Payable from Restricted Assets					
Accrued Interest Payable			29,614		29,614
Customers' Deposits			20,859		20,859
Revenue Bonds Payable			1,001,066		1,001,066
<b>Total Liabilities:</b>	<b>7,082</b>	<b>0</b>	<b>1,057,139</b>	<b>0</b>	<b>1,064,220</b>
Equity and Other Credits:					
Investment in General Fixed Assets			1,440,494	909,587	2,350,081
Retained Earnings:					
Reserved			26,142		26,142
Unreserved ( deficit)			70,877		70,877
Fund Balances:					
Unreserved-undesignated (deficit)	13,275	61,711			74,986
<b>Total Equity &amp; Other Credits:</b>	<b>13,275</b>	<b>61,711</b>	<b>1,537,513</b>	<b>909,587</b>	<b>2,522,086</b>
<b>TOTAL LIABILITY, EQUITY AND OTHER CREDITS</b>	<b>20,357</b>	<b>61,711</b>	<b>2,594,652</b>	<b>909,587</b>	<b>3,586,306</b>

AFT-COMB

The accompanying notes are an integral part of this statement.

**TOWN OF WISNER, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 1998**

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Totals Memorandum Only</u>
<b>REVENUES</b>			
<b>Local Sources</b>			
<b>Taxes:</b>			
Ad valorem	26,054.61		26,054.61
Sales and use	1,102.98	77,445.00	78,547.98
Licenses and permits	42,864.12		42,864.12
Fees, charges, and commissions	16,660.61		16,660.61
Fines and forfeitures	31,284.13		31,284.13
Other	23,577.02		23,577.02
Grant	42,085.00		42,085.00
<b>Total Revenues</b>	<u>183,628.47</u>	<u>77,445.00</u>	<u>261,073.47</u>
<b>EXPENDITURES</b>			
General Government	126,211.00	702.00	126,913.00
Public Safety	57,074.00		57,074.00
Public Works	73,540.86	-	73,540.86
	-	-	
<b>Total Expenditures</b>	<u>256,825.86</u>	<u>702.00</u>	<u>257,527.86</u>
<b>Excess (Deficiency) Of Revenues over Expenditures:</b>	<b>(73,197.39)</b>	<b>76,743.00</b>	<b>3,545.61</b>
<b>Other Financing Sources ( Uses)</b>			
Interest Income;(Interest Expense)	845.74	1,670.00	2,515.74
Operating transfers in/out	66,702.57	(66,703.00)	(0.43)
<b>Total Other Financing Sources (Uses)</b>	<u>67,548.31</u>	<u>(65,033.00)</u>	<u>2,515.31</u>
<b>Excess (Deficiency) Of Revenues and Other Source Over Expenditures and Other Uses</b>	<b>(5,649.08)</b>	<b>11,710.00</b>	<b>6,060.92</b>
<b>Fund Balances (deficits) Beginning of year</b>	<u>18,924.11</u>	<u>50,000.00</u>	<u>68,924.11</u>
<b>Fund Balances (deficits) End of year</b>	<u>13,275.03</u>	<u>61,710.00</u>	<u>74,985.03</u>

The accompanying notes are an integral part of this statement.

Budgetvsactual98 2

TOWN OF WISNER, LOUISIANA  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 1998

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES</b>						
Local Sources						
Taxes:						
Ad valorem	20,500.00	26,054.61	5,554.61			
Sales and use		1,102.98		70,000.00	77,445.00	7,445.00
Licenses and permits	52,000.00	42,864.12	(9,135.88)			
Fees, charges, and commissions	14,000.00	16,660.61	2,660.61			
Fines and forfeitures	20,000.00	31,284.13	11,284.13			
Other	28,103.00	23,577.02	(4,525.98)			
Grant	42,085.00	42,085.00	0.00			
<b>Total Revenues</b>	<b>176,688.00</b>	<b>183,628.47</b>	<b>6,940.47</b>	<b>70,000.00</b>	<b>77,445.00</b>	<b>7,445.00</b>
<b>EXPENDITURES</b>						
General Government	96,211.00	126,211.00	30,000.00		702.00	702.00
Public Safety	50,000.00	57,074.00	7,074.00			
Public Works	100,477.00	73,540.86	(26,936.14)			
<b>Total Expenditures</b>	<b>246,688.00</b>	<b>256,825.86</b>	<b>10,137.86</b>	<b>0.00</b>	<b>702.00</b>	<b>702.00</b>
Excess (Deficiency) Of Revenues over Expenditures	(70,000.00)	(73,197.39)	(3,197.39)	70,000.00	76,743.00	6,743.00
<b>OTHER FINANCING SOURCES (USES)</b>						
Interest Income;(Interest Expense)	4,750.00	845.74	3,904.26		1,670.00	1,670.00
Operating transfers in/out	70,000.00	66,702.57	3,297.43	70,000.00	(66,703.00)	3,297.00
<b>Total Other Financing Sources (Uses)</b>	<b>74,750.00</b>	<b>67,548.31</b>	<b>7,201.69</b>	<b>0.00</b>	<b>(65,033.00)</b>	<b>11,710.00</b>
Excess (Deficiency) Of Revenues and Other Sources Over Expenditures and Other Uses	4,750.00	(5,649.08)	(10,399.08)	0.00	11,710.00	11,710.00
Fund Balances (deficits) Beginning of year	18,924.11	18,924.11	0.00	50,000.00	50,000.00	0.00
Fund Balances (deficits) End of year	23,674.11	13,275.03	(10,399.08)	50,000.00	61,710.00	11,710.00

The accompanying notes are an integral part of this statement

BudgVsActual

TOWN OF WISNER, LOUISIANA  
 PROPRIETARY FUND TYPE  
 STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN RETAINED EARNINGS  
 FOR THE YEAR ENDED JUNE 30, 1998

	ENTERPRISE FUND
<b>OPERATING REVENUES</b>	
Charges for services	288,507.27
<b>Total Operating Revenues</b>	<u>288,507.27</u>
<b>OPERATING EXPENSES</b>	
Personal services	68,324.99
Supplies and repairs	27,418.14
Operational	49,658.00
Depreciation	69,574.00
<b>Total Operating Expenses</b>	<u>214,975.13</u>
<b>Operating Income (loss)</b>	73,532.14
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest Revenues	24,144.31
Interest Expense	(58,104.44)
<b>Total Nonoperating Revenue &amp; Expenses</b>	<u>(33,960.13)</u>
<b>NET INCOME (LOSS)</b>	39,572.01
Retained Earnings-7/01/97	<u>57,444.00</u>
Retained Earnings--Reserved	26,142.00
Retained Earnings--Unreserved 6/30/98	<u><u>70,877.00</u></u>

The accompanying notes are an integral part of this statement.

revexppf



TOWN OF WISNER  
 PROPRIETARY FUND TYPE  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 1998

	<u>ENTERPRISE FUND</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Net Income	39,575.00
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	69,574.00
Changes in assets and liabilities:	
(Increase) Decrease in accounts receivable	(2,267.00)
(Increase) Decrease in Other Assets	(101.00)
Increase (Decrease) in accounts payable	8,056.00
Increase (Decrease) accrued interest	(7,072.00)
Increase (decrease in) Deferred Revenues	0.00
Increase (Decrease in) due to customers	<u>1,354.00</u>
Total Adjustments	<u>69,544.00</u>
Net Cash Provided (Used) by Operating Activities	109,119.00
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Capital Expenditur	<u>(22,689.00)</u>
Net Cash Used by Investing Activities	(22,689.00)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Principal payments on long-term debt	<u>(11,793.00)</u>
Net Cash Provided by Financing Activities	<u>(11,793.00)</u>
Net Increase in Cash and Cash Equivalents	74,637.00
Cash and Cash Equivalents at Beginning of Year	<u>491,275.00</u>
Cash and Cash Equivalents at End of Year	<u><u>565,912.00</u></u>

Supplemental disclosures of cash flow information:

Interest Paid        \$58104

Disclosure of accounting policy:

For purposes of the statement of cash flows, the Company considers all highly liquid  
 debt instruments purchased with a maturity of three months or less to be cash  
 equivalents.

cashflow98

The accompanying notes are an integral part of this statement

TOWN OF WISNER  
Notes To The Financial Statements  
As Of And For The Year Ended June 30, 1998

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**Note 1 – Summary of Significant Accounting Policies**

The Town of Wisner, Louisiana, was incorporated in 1932, under the provisions of The Home Rule Charter as provided by State Law Reference L.R.S. 33:1381 - 1390. A copy of the ratified charter is recorded at the Franklin Parish Courthouse, Franklin Parish, Louisiana. The Mayor is the executive officer of the Town, while the Council members are the governing authority of the Town for the purpose of legislation and policy making. The five Council members receive no compensation. The Town provides the following services to its 1,152 residents: public safety (police); highways and streets; gas, water, sewer, and sanitation facilities through the utility fund; culture/recreation; and general administrative services.

The accounting and reporting policies of the municipal conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, Audits of State and Local Governmental Units.

The accompanying financial statements of the Town of Wisner, Louisiana have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**A. 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 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) Statement No. 14 established criteria for determining which component units should be considered part of the Town of Wisner, Louisiana for the 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.

TOWN OF WISNER  
Notes To The Financial Statements  
As Of And For The Year Ended June 30, 1998

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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.

As required by generally accepted accounting principles, these financial statements present the Town of Wisner, Louisiana.

**C. Fund Accounting**

The Town of Wisner uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self - balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the Town of Wisner are classified into two categories : governmental and proprietary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

*Governmental Funds*

Governmental funds account for all or most of the Town of Wisner's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long - term debt. Governmental funds include:

General Fund - the general operating fund of the Town of Wisner and accounts for all financial resources, except those required to be accounted for in other funds.

Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

*Proprietary Funds*

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

TOWN OF WISNER  
Notes To The Financial Statements  
As Of And For The Year Ended June 30, 1998

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Enterprise Funds - account for operations (a) where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user fees; 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.

**D. Basis of Accounting**

**Modified Accrual Basis of Accounting**

The Town uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred.

Major revenue sources susceptible to accrual include: sales and use tax, property taxes, franchise fees, special assessments, intergovernmental revenues and investment income more specifically.

*Revenues*

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied by the Town in September or October and are actually billed on October 1, and are mailed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Town bills and collects its own property taxes using the assessed value determined by the tax assessor of Franklin Parish.

The year ended June 30, 1999, taxes of 5.51 mills were levied on property with assessed valuations totaling 2,542,617 and were deducted as follows:

General corporate purposes	5.51 mills
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Property tax revenues are recognized when they become available. Available includes those property tax receivables elected to be collected within sixty days after year-end. Delinquent taxes are considered fully collectible and therefore an allowance for uncollectible taxes is provided.

Fines, bond forfeiture, and fees are recognized when collected by the Town. Interest income is recorded when it is credited to accounts by the Bank.

TOWN OF WISNER  
Notes To The Financial Statements  
As Of And For The Year Ended June 30, 1998

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*Expenditures*

Salaries are recorded as expenditures when earned by employees.

Purchases of various operating supplies, etc. are recorded as expenditures when the related fund liability is incurred.

Principal and interest on general long - term debt and installment purchase payments are recognized when due.

*Proprietary Fund Types*

Proprietary funds use the economic resources measurement focus. The accounting objectives are determination of net income, financial position, and cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its balance sheet. Proprietary fund equity is segregated into contributed capital and retained earnings.

**Accrual Basis of Accounting**

The accrual basis of accounting is used in proprietary fund types. The accrual basis of accounting recognizes revenues when earned. Expenses are recorded when incurred.

**E. Budgets**

The Town of Wisner (Mayor and Council) uses the following budget practices:

- (1) Prior to June 30, the town Clerk submits to the Mayor and Council Members a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year. The budget is submitted in summary form. In addition, more detailed line item budgets are included for administrative control. The level of control for the detailed budgets is at the department head/function level.
- (2) Public hearings are conducted to obtain taxpayer comment.
- (3) During the month of July the budget is legally enacted through passage of an ordinance.
- (4) Formal budgetary integration is employed as a management control device during the year for the General Fund, and Special Revenue Funds.
- (5) Budgets for the General, and Special Revenue Funds are adopted on the GAAP basis.
- (6) Appropriations lapse at the end of each fiscal year.

TOWN OF WISNER  
Notes To The Financial Statements  
As Of And For The Year Ended June 30, 1998

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- (7) The Mayor and Council Members authorize supplemental appropriations during the year. Supplemental appropriations were made during the fiscal year.

**F. Encumbrances**

Encumbrance accounting is not used.

**G. Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest - bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Town of Wisner may deposit funds in demand deposits, interest - bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Town of Wisner may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

**II. Restricted Assets**

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

**I. Fixed Assets**

Fixed Assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. All fixed assets are valued at cost.

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by proprietary fund operations is charged as an expense against operations. No depreciation has been provided for general fixed assets. Depreciation is computed using the straight - line method, and the following estimated useful lives:

<u>Water Utility</u>	
Wells	20 years
Storage tanks	40 years
Purification plant	33 years
Lines and meters	40 years

TOWN OF WISNER  
Notes To The Financial Statements  
As Of And For The Year Ended June 30, 1998

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Sewerage Utility

Pump stations	40 years
Lines	40 years
Autos and trucks	5 years
Other equipment	10 years

**J. Long - Term Obligations**

Long - term obligations expected to be financed from governmental funds are reported in the general long - term obligations account group. Expenditures for principal and interest payments for long - term obligations are recognized in the governmental funds when due. Long - term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

**K. Compensated Absences**

Town employees are entitled to ten days of compensated absences. However, compensated absences do not vest or accumulate and are recorded as expenditures when they are paid.

**L. Fund Equity**

*Contributed Capital*

Contributed capital is recorded in the Enterprise Fund for capital grants restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation on that portion of the assets acquired or constructed from such resources.

*Reserves*

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

*Designated Fund Balances*

Designated fund balances represent tentative plans for future use of financial resources.

**M. Total Columns on Combined Statements**

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, result of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

TOWN OF WISNER  
Notes To The Financial Statements  
As Of And For The Year Ended June 30, 1998

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**N. Operating Transfers**

Funds from cash accounts were used for street repairs, etc.

<u>Funds /Accounts</u>	<u>To</u>	<u>From</u>
General Fund	66,703	
Sales Tax Fund:		66,703
	<u>66,703</u>	<u>66,703</u>

**NOTE 2 - CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits, interest - bearing demand deposits, and money market accounts. Under state law, the Town may deposit funds in demand deposits, interest - bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks, having principal offices in Louisiana.

At June 30, 1998, the Town had cash totaling 647,434 as follows:

Petty Cash	131
Demand Deposits	103,256
Certificates	105,329
Restricted Assets (Cash)	<u>438,718</u>
Total	<u>647,434</u>

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 bank. The market value of the pledged securities plus the federal deposit insurance or the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These securities are held in the name of the pledged bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 1998, are secured as follows:

Bank Balances	<u>554,122</u>
Federal Deposit Insurance	100,000
Pledge Securities	<u>500,000</u>
Total	<u>600,000</u>

- Cash Mgt Accts – 93,195.29
- Collateralized by various US Govt. securities

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 impose a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.



TOWN OF WISNER  
Notes To The Financial Statements  
As Of And For The Year Ended June 30, 1998

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**NOTE 3 - FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Balance 6/30/97	Additions	Balance 6/30/98
Land	57,000	-	57,000
Building	105,605	-	105,605
Improvements (street)	527,964	53,665	581,629
Equipment	165,353	-	165,353
	<u>855,922</u>	<u>53,665</u>	<u>909,587</u>

Below is a summary of proprietary fund type property, land and equipment at June 30, 1998.

Land	13,200
Water/sewer treatment system	2,622,021
Vehicles and equipment	<u>40,234</u>
Total	<u>2,675,455</u>
Less accumulated depreciation	<u>674,571</u>
Net	<u><u>2,000,884</u></u>

**NOTE 4 - RECEIVABLES**

The receivables of at June 30, 1997 are as follows:

General Fund – Ad Valorem Tax	546
Class of Receivable: Sewer/Water receivable	<u>23,769</u>
	<u>24,315</u>

These are net of allowance for Bad Debts.

**NOTE 5 - CHANGES IN GENERAL LONG TERM OBLIGATIONS**

The following is a summary of bond transactions for the year ended June 30, 1998

	Revenue	Total
Bonds payable at July 1, 1997	<u>1,012,858</u>	<u>1,012,858</u>
New bonds issued	0.00	0.00
Bonds retired	<u>11,793</u>	<u>11,793</u>
Bonds payable at June 30, 1998	<u>1,001,066</u>	<u>1,001,066</u>

All Town of Wisner bonds outstanding at June 30, 1998, in the amount of 1,001,066 are general obligation bonds (or other as indicated) with maturities from 1997 to 2001, and interest rates from 4.0 to 6.0 percent. Bond principal and interest payable in the next fiscal year is 47,231.

TOWN OF WISNER  
Notes To The Financial Statements  
As Of And For The Year Ended June 30, 1998

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All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish (or other as indicated). At June 30, 1998, The Town of Wisner has accumulated 544,178 in the restricted funds for future debt requirements. There are a number of limitations and restrictions contained in the various bond indentures. The Town is in compliance with all significant limitations and restrictions.

Bonds payable at June 30, 1998, are comprised of the following individual issues:

\$706,000 utility revenue bonds, dated 11/1/89, payable in 40 consecutive annual payments of \$47,231, including interest at 6%, secured by revenue of the utility system.	\$662,547
\$350,000 utility revenue bonds, dated 2/27/92, payable in 40 consecutive annual payments of \$22,691, including interest at 5.75%, secured by revenue of the utility system.	\$338,519
Total Revenue Bonds:	\$1,001,066
Total Bonds Payable:	\$1,001,066

The annual requirements to amortize all debt outstanding as of June 30, 1997, including interest payments of 79,732 follows:

Annual Requirements To Amortize Long - Term Debt

Year ending June 30,	General Obligation	Revenue	Total
1999	-	69,922	69,922
2000	-	69,922	69,922
2001	-	69,922	69,922
2002	-	69,922	69,922
2003	-	69,922	69,922
Thereafter	-	2,041,111	2,041,111
	Total	<u>2,390,721</u>	<u>2,390,721</u>

**NOTE 6 - ONE PERCENT SALES AND USE TAX**

The revenue derived from sales tax is not dedicated to any specific purpose.

**NOTE 7 - RESTRICTION ON USE OF UTILITIES REVENUES**

Funds provided by utilities revenue is to be used in the following manner before they are available for other lawful purposes:

TOWN OF WISNER  
Notes To The Financial Statements  
As Of And For The Year Ended June 30, 1998

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1. Operating expense of utility system
2. Revenue bond debt service funds
3. Revenue bonds reserve funds
4. Revenue bond depreciation and contingencies funds

**NOTE 8 - PENSION PLANS**

*Municipal Employees' Retirement System*

Substantially all employees of the Town of Wisner are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana, and Municipal Police Employees Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Municipal Employees Retirement System of Louisiana (System) Plan Description--  
The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. [All 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 or 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 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 the 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 A, members are required by state statute to contribute 9.25 percent 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 percent of annual covered payroll.] [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

TOWN OF WISNER  
Notes To The Financial Statements  
As Of And For The Year Ended June 30, 1998

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determined rate. The current rate is 3.75 percent of annual covered payroll. [Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge ) 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 of Wisner contributions to the System under Plan A for the years ending December 31, 1996, 1995, and 1994, were \$0.00, \$0.00, and \$0.00, respectively, equal to the required contributions to the system under Plan B for the years ending December 31, 1998, 1997, and 1996, were \$3,821; \$3,556; and \$2,913, respectively, equal to the required contributions for each year.] (If the required contributions and the actual amount contributed do not equal, disclose the required contribution in dollars and the percentage of that amount contributed for the current year and each of the two preceding years.)

B. Municipal Police Employees Retirement System of Louisiana (System)

*Plan Description.* All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final average salary for each year of creditable service. Final-average salary is the employee's average salary over 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 previously and receive the benefit accrued to their date of termination. The system also provides death and disability benefits. Benefits are established 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 Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (504) 929-7411.

*Funding Policy.* Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town of Wisner is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. 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 of Wisner contributions to the System for the years ending December 31, 1998, 1997, and 1996, were \$3,245; \$3,684; and \$2,957, respectively, equal to the required contributions for each year. (If the required contributions and the actual amount contributed do not

TOWN OF WISNER  
Notes To The Financial Statements  
As Of And For The Year Ended June 30, 1998

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equal, disclose the required contribution in dollars and the percentage of that amount contributed for the current year and each of the two preceding years.)

**NOTE 9 - ACCOUNTS, SALARIES, AND OTHER PAYABLES**

Accounts, salaries, and other payables of \$12,682 are as follows:

	General Fund	Proprietary Fund	Total
Withholdings	1,280	961	2,241
Accounts	5,802	4,639	10,441
Total	<u>7,082</u>	<u>5,600</u>	<u>12,682</u>

**NOTE 10 - INTERFUND TRANSACTIONS**

During the course of normal operations, the Town has numerous transactions between funds including expenditures and transfers of resources primarily to provide services. The governmental funds financial statements generally reflect such transactions as transfers.

**NOTE 11 - CONTINGENCY**

The Town of Wisner, Louisiana, received funds from a government grant, which is subject to audit by the federal or state government. The ultimate determination of amounts received under these programs is generally based upon allowable costs reported to and audited by the government. Until such audits have been completed and final settlements reached, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

**NOTE 12 – YEAR 2000 CONSIDERATION**

The Town could be adversely affected if its computer systems and other date-sensitive equipment do not properly process from and after January 1, 2000. The Town is currently taking steps designed to address the year 2000 issue. However, there are no assurances that these steps will be sufficient to avoid all adverse effects.

**NOTE 13 - SUBSEQUENT EVENTS**

There were no subsequent events noted which would affect the financial statements.

**NOTE 14 – ON BEHALF OF PAYMENTS FOR FRINGE BENEFITS**

Employer pension plan contributions:

Municipal Retirement	2,865
Police	<u>3,246</u>
	<u>6,111</u>

Town of Wisner  
 Schedule of Federal Financial Assistance  
 For the Year Ended June 30, 1998

Federal Grantor / Pass - Through Grant or / Program Title	CFDA Number	Expenditures 06-30-98
Office of Community Development - LCDBG - (413,308)	14.219	\$ 32,084.73

See Note 1 for significant accounting policies

Major Programs

U.S. Department of Agriculture  
 Farmer's Home Administration  
 Loan Program -

\* Water and Waste Disposal Systems For  
 Rural Communities

10.418      \$ 0.00

\* Loans outstanding at June 30, 1998 with  
 Farmers Home Administration were in the  
 Amount of 1,001,066

Town of Wisner  
Schedule of Compensation  
Paid Board Members  
June 30, 1998

Term: July 1, 1997 to June 30, 1998

Mayor: Cary M. Check

Council Members:

Ernest Kiper III  
Gary R. Arnold  
Allyn Jean Lockett  
Perry A. Williams  
Wiley F. McClary

Police Chief: Ronnie Jennings

Volunteer Fire Chief: Jack Jenkins

Others:

Joe S. Graves, Town Clerk  
John B. Knight Jr., Attorney

No compensation was paid to Council Members.

**Jimmie Self, CPA**  
***A Professional Accounting Corporation***  
**2908 Cameron Street, Suite C**  
**Monroe, Louisiana 71201**  
**Phone (318) 323-4656 Fax (318) 388-0724**

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Report On Compliance And On Internal Control Over Financial  
Reporting Based On An Audit Of Financial Statements Performed  
In Accordance With *Government Auditing Standards*.

Board of Directors  
Town of Wisner  
Wisner, Louisiana

I have audited the general purpose financial statements of Town of Wisner as of and for the year ended June 30, 1998, and have issued my report thereon dated December 15, 1998. I conducted my audit in accordance with 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.

Compliance

As part of obtaining reasonable assurance about whether Town of Wisner's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 my audit and, accordingly, I do not express such an opinion. The result of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

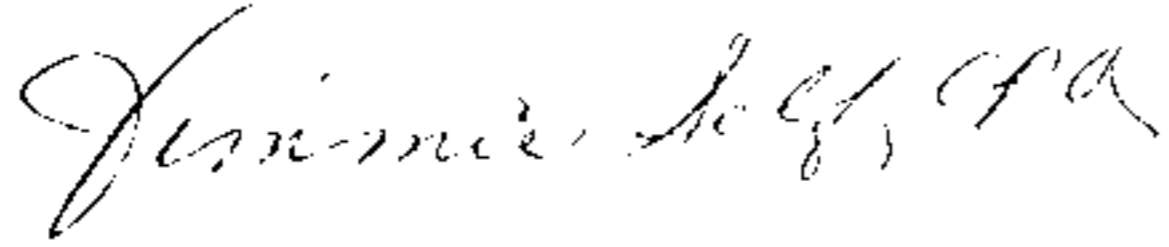
Internal Control Over Financial Reporting

In planning and performing my audit, I considered Town of Wisner's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and do not provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.



This report is intended for the information of the management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Jimmie Self, CPA

A handwritten signature in cursive script that reads "Jimmie Self, CPA".

Monroe, Louisiana  
December 15, 1998

**Jimmie Self, CPA**  
***A Professional Accounting Corporation***  
**2908 Cameron Street, Suite C**  
**Monroe, Louisiana 71201**  
**Phone (318) 323-4656 Fax (318) 388-0724**

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Report on Compliance With Requirements Applicable To Each Major  
Program And Internal Control Over Compliance In Accordance  
With OMB Circular A-133

Board of Directors  
Town of Wisner  
Wisner, Louisiana

Compliance

I have audited the compliance of Town of Wisner with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1998. Town of Wisner's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Town of Wisner's management. My responsibility is to express an opinion on Town of Wisner's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Town of Wisner's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Town of Wisner's compliance with those requirements.

In my opinion, Town of Wisner complied, in all respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1998.

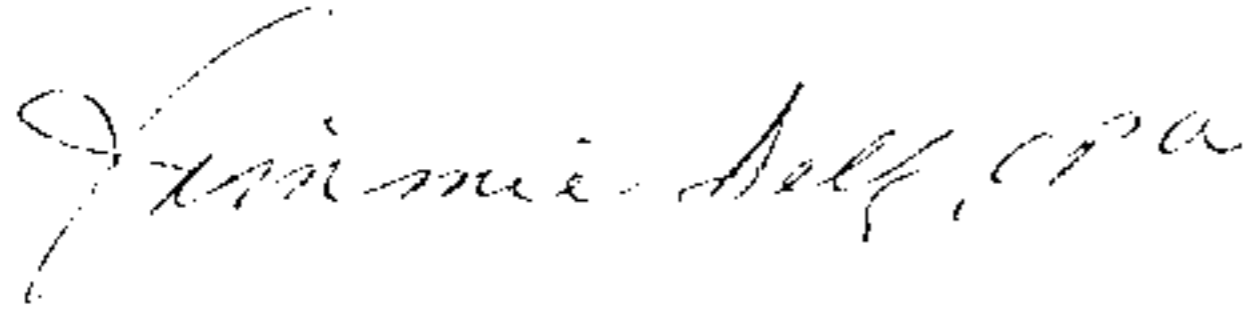
Internal Control Over Compliance

The management of Town of Wisner is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered Town of Wisner's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a

condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information of management and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.



Jimmie Self, CPA  
December 15, 1998

**Jimmie Self, CPA**  
**A Professional Accounting Corporation**  
**2908 Cameron Street, Suite C**  
**Monroe, Louisiana 71201**  
**Phone (318) 323-4656 Fax (318) 388-0724**

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Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 1998

I have audited the financial statements of Town of Wisner as of and for the year ended June 30, 1998, and have issued my report dated December 15, 1998. I conducted my audit in accordance with generally accepted auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. [and the provisions of OMB Circular A-133.] My audit of the financial statements as of June 30, 1998 resulted in an unqualified opinion (qualified, adverse, disclaimer).

Section I Summary of Auditor's Reports

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

Internal Control

Material Weaknesses  yes  no Reportable Conditions  yes  no

Compliance

Compliance material to Financial Statements  yes  no

b. Federal Awards

Internal Control

Material Weaknesses  yes  no Reportable Conditions  yes  no

Type of Opinion On Compliance Unqualified  Qualified   
For Major Programs Disclaimer  Adverse

Are their findings required to be reported in accordance with Circular A-133, Section 510(a)?  yes  no

c. Identification of major Programs:

CFDA Number (s) 10.418 Name of Federal Program (or Cluster) U S Department of Agriculture - FHA Loan Program

Dollar threshold used to distinguish between Type A and Type B Programs:

\$ 3% of total federal awards - 100 M or less - \$300,000

Is the auditee a "low-risk", as defined by OMB Circular A-133?  yes  no

## Section II Financial Statement Findings

1997-1 (DESCRIPTIVE CAPTION) This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of Government Auditing Standards. Auditors should refer to those paragraphs, as well as the reports content section of Chapter 7 of Government Auditing Standards for additional guidance on preparing this section of the schedule. If there are no findings, state that no matters were reported.

The Findings should include a reference number, as indicated above.. It is suggested that the reference number include, at least parenthetical, the first year the finding was included in the report. Also, the findings should include a descriptive caption. The finding number and descriptive caption will enable identification of the finding throughout the report and in future reports. Audit findings which relate to both the financial statements and federal awards should be reported in both Section II and Section III. However, the reporting in one section may be in summary form, with reference to a detailed reporting in the other section – the reference number and caption facilitate this approach. For example, a material weakness in internal control that effects an entity as a whole, including its federal awards, would generally be reported in detail in this section. Section III would then include the reference to the finding through the identification number and descriptive caption.

Each finding should fully describe the : criteria or specific requirement, condition found, effect, cause, questioned costs, and recommendations.

It is suggested that management be required to complete a management Corrective Action Plan. As an alternative, the auditor may include management's response in the finding. However, the response must detail the specific actions taken by management or those specific actions intended to be taken by management.

## Section III Federal Award Findings and Questioned Costs

1997-1 (DESCRIPTIVE CAPTION) This section identifies the audit findings to be reported by Circular A-133, Section .510(a)(c.g., reportable conditions, material weaknesses, and instances of noncompliance., including questioned costs). Where practical, findings should be organized by federal agency or pass-through entity.

Identify each finding with a reference number and descriptive caption. If there are no findings, state that no matters were reported. Audit findings which relate to both the financial statements and federal awards should be reported in both Section II and Section III. However, the reporting in one section may be in summary with reference by number and caption to the other section. Each finding should fully describe the : criteria requirement, condition found, effect, cause, questioned costs, and recommendations.

It is suggested that management be required to complete a Management Corrective Section Plan. As an alternative, the auditor may include management's response in the finding. However, the response must detail the specific actions taken by management or those specific actions intended to be taken by management.

**SCHEDULE OF PRIOR YEAR FINDINGS**  
For the Year Ended June 30, 1998

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

1996-1 (Descriptive Caption) A brief summary of recommendation  0	Resolved, Partially Resolved, Management Disagreement, Unresolved and referenced to Current year findings.
1996-2 (Descriptive Caption) A brief summary of the recommendation.  0	Resolved, Partially Resolved, Management Disagreement, Unresolved and referenced to Current year findings.

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

1996-3 (Descriptive Caption) A brief summary of the recommendation.  0	Resolved, Partially Resolved, Management Disagreement, Unresolved and referenced to Current year findings. (This narrative should include whether or not a management Decision has been issued by a federal or pass-through agency.)
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**SECTION III MANAGEMENT LETTER**

(Descriptive Caption) A brief summary of the recommendation.  0	Resolved, Partially Resolved, Management Disagreement, Unresolved and referenced to Current year findings.
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If no findings have been reported under a specific section, the schedule should so state.

**MANAGEMENT'S CORRECTIVE ACTION PLAN**  
For the Year Ended June 30, 1998

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

<p>1997-1 (Descriptive Caption) A brief summary of the recommendation.</p> <p style="text-align: right;">0</p>	<p>Management should clearly state the actions taken to date, or their intended actions. The actions should be listed in detail. Those responsible should be identified and completion dates for each step should be listed. Should management suggest an alternative remedy, that resolution should be listed in detail and it should be stated whether or not the auditor agrees with the alternative solution. Management should state whether the federal grantor or pass-through entity has been contacted concerning resolution of the matter.</p>
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**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO  
FEDERAL AWARDS**

<p>1997-2 (Descriptive Caption) A brief summary of the recommendation.</p> <p style="text-align: right;">0</p>	<p>Management should clearly state the actions taken to date, or their intended actions. The actions should be listed in detail. Those responsible should be identified and completion dates for each step should be listed. Should management suggest an alternative remedy, that resolution should be listed in detail and it should be stated whether or not the auditor agrees with the alternative solution. Management should state whether the federal grantor or pass-through entity has been contracted concerning resolution of the matter.</p>
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**SECTION III MANAGEMENT LETTER**

<p>1997-2 (Descriptive Caption) A brief summary of the recommendation.</p> <p style="text-align: right;">0</p>	<p>Management should clearly state the actions taken to date, or their intended actions. The actions should be listed in detail. Those responsible should be identified and completion dates for each step should be listed. Should management suggest an alternative remedy, that resolution should be listed in detail and it should be stated whether or not the auditor agrees with the alternative solution. Management should state whether the federal grantor or pass-through entity has been contacted concerning resolution of the matter.</p>
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Note - If all findings are reflected on a Schedule of Questioned Cost and Findings, this schedule can be organized and referenced to that schedule.