

**TOWN OF WISNER**  
Wisner, Louisiana

Report On Audit  
Of  
Basic Financial Statements  
For The Year Ended  
June 30, 2004

**Jimmie Self, CPA**  
***A Professional Accounting Corporation***  
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In accordance with provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The 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.

Release Date 12-22-04

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As of and for the year ended June 30, 2004

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Independent Auditor's Report

To the Honorable Mayor and  
The City Council  
Town of Wisner  
Wisner, Louisiana

I have audited the accompanying financial statements of the governmental activities and the business-type activities, as of and for the year ended June 30, 2004 which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Town of Wisner, Louisiana's management. My responsibility is to express opinions on these financial statements based on my audit.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Wisner, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note I.B.2., the Town has implemented a new financial reporting model as required by the provisions of GASB Statement No. 34, Basic Financial Statements and the Management Discussion and Analysis for State and Local Governments, as of June 30, 2004.

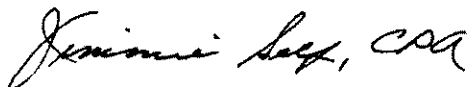
The Management Discussion and Analysis and budgetary comparison information on pages 3 through 8 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and

presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, I have also issued my report dated November 17, 2004, 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. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

My 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 introductory section, individual non-major fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion on them.

My audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information listed in the table of contents under Supplemental information is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Jimmie Self, CPA  
Monroe, Louisiana  
November 17, 2004

Required Supplementary Information  
(Part I)

Management Discussion and Analysis

TOWN OF WISNER  
WISNER, LOUISIANA  
Management Discussion and Analysis  
June 30, 2004

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As management of the Town of Wisner, Louisiana (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2004. The Management Discussion and Analysis ("MD&A") is designed to provide an objective and easy to read analysis of the Town's financial activities based on currently known facts, decisions, and conditions. It is intended to provide readers with a broad overview of Town finances. It is also intended to provide readers with an analysis of short-term and long-term activities of the Town based on information presented in the financial report and fiscal policies that have been adopted by the Town. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Town's financial activity, identify changes in the Town's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify fund issues or concerns.

This will be the first year the Town has presented its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement Number 34. This reporting model will significantly change the presentation of financial data and also the manner in which the data is recorded. Prior year comparative information for this reporting period has been omitted from the MD&A which is allowable for the first year of GASB Statement No. 34 presentation. Beginning next year, our second year of GASB Statement No. 34 implementation, prior year comparative information will be included.

As with other sections of the financial report, the information contained within the MD&A should be considered only a part of the greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplementary Information ("RSI") that is provided in addition to this Management Discussion and Analysis.

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

This discussion and analysis is intended to serve as an introduction to the Town's financial statements. The Town's basic financial statements consist of the following components:

1. Government-Wide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements
4. Other Supplementary Information, which is in addition to the basic financial statements themselves.

#### **1. Government-Wide Financial Statements**

Government-Wide Financial Statements are designed by GASB Statement No. 34 to change the way in which government financial statements are presented. It now provides readers for the first time a concise "entity-wide" Statement of Net Assets and Statement of Activities, seeking to give the user of the financial statements a broad overview of the



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Town's financial position and results of operations in a manner similar to a private-sector business.

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

B. The *Statement of Activities* presents information showing how government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future fiscal periods (e.g., uncollected taxes).

The government-wide financial statements further assist the reader in their evaluation by distinguishing functions of the Town into:

A. *Governmental activities* that are principally supported by taxes and intergovernmental revenues, and

B. *Business-type activities* that are intended to recover all or a significant portion of their costs through user fees and charges.

**Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The Town's assets exceeded its liabilities at the close of the most recent fiscal year by \$873,000. Of that total amount, (\$649,043) are unrestricted net assets. The Town's net assets are comprised of \$780,643 from Governmental Activities and \$1,200,845 from Business-Type Activities as shown on page 10.

By far, the largest portion of the Town's net assets (80 percent) reflects its investment in capital assets (e.g., land, buildings, machinery & equipment, vehicles, etc.), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the city's net assets (11 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance (9 percent) in unrestricted assets may be used to meet the government's ongoing obligations to citizens and creditors.

**TOWN OF WISNER**  
**WISNER, LOUISIANA**  
**Management Discussion and Analysis**  
**June 30, 2004**

At the end of the current fiscal year, the Town is able to report positive balances in both categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

**Governmental Activities**

The Governmental Activities of the city include General Government, Public Safety, Public Works, Community Development, and Miscellaneous Programs. Sales taxes, property taxes, as well as licenses, permits, and fines fund most of these governmental activities.

Here we show the Town's expenditures related to those functions typically associated with governments. In the chart below, General government includes the following departments: Legislative (Town Council), Executive, Financial, Building, and other General Administration. Public Safety encompasses the police and fire protection departments. Public Works is made up of Water, Sewerage, and street departments.

GOVERNMENTAL ACTIVITIES EXPENDITURES	Amount	Percentage
General Government	\$ 238,897	66.46 %
Public Safety	66,802	18.57 %
Public Works	2,795	0.77 %
Paid on Long-Term Debt	51,089	14.20 %
<b>Total Governmental Activities</b>	<b>\$ 359,583</b>	<b>100.00%</b>

General revenues are those available for the city to use to pay for the governmental activities as described above.

GENERAL REVENUES	Amount	Percentage
<b>Taxes:</b>		
Property Taxes	\$ 30,635	8.90 %
Sales and Use Taxes	88,894	25.84 %
Other Taxes	450	0.12 %
Franchise Fees	20,684	6.14 %
Fines	80,715	23.46 %
Investment Earnings	9,546	2.75 %
Miscellaneous	37,456	10.87 %
Operating Grants	75,473	21.92 %
<b>Total General Revenues and Transfers</b>	<b>\$ 343,853</b>	<b>100.00 %</b>

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Sales taxes are the largest revenue source for the Town comprising 25.94 % of total governmental revenue. Sales tax revenues for the year ended June 30, 2004 were in the amount of \$88,894. Fines are the second largest revenue source for the Town comprising 23.54 % of the total governmental revenue. For the year ended June 30, 2004 the total revenue from fines was in the amount of \$80,715.

**Business-Type Activities**

The Business-Type Activities of the Town are those fees to customers that help cover all or most of the cost of the services it provides. The Town water and sewer departments are reported here.

BUSINESS TYPE ACTIVITIES	<u>Operating Revenues</u>
(Water and Sewer Fund)	
Fiscal Year Ended June 30, 2004	\$ 286,095
	<u>Operating Expenses</u>
Fiscal Year Ended June 30, 2004	\$ 274,700

**2. Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like any other state or local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

A. Governmental funds are used to account for most of the Town's basic services as reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. Those funds are reported using modified accrual accounting that measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general governmental operations and basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund

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Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are located on pages 12 and 14.

The Town maintains two individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund. The basic governmental fund financial statements can be found on pages 11 and 13 of this report

*Financial Analysis of Government Funds*

As of the end of the current fiscal year, the Town’s governmental funds reported combined ending fund balances of \$147,169. In the General Fund, the unreserved fund balance is \$136,357.

There are no reserved fund balances.

CHANGES IN FUND BALANCES		
Fund Balance Date	General Fund	Water and Sewer Fund
June 30, 2004	\$ (409,226)	\$ (239,650)

B. Proprietary Funds – Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The town uses enterprise funds to account for its Water and Sewer Department. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Department, which is considered to be major funds of the Town. The basic proprietary fund financial statements can be found on pages “Basic Financial Statements” section of this report.

3. Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential for a full understanding of the data provided in the government-wide and financial statements. The notes to the financial statements can be found immediately following the section entitled “Basic Financial Statements.”

4. Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary

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**Management Discussion and Analysis**  
**June 30, 2004**

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information can be found beginning with a section entitled “Required Supplementary Information – Part I.”

A. Budgetary Comparison Schedule – The Town adopts an annual appropriated budget for its general fund. A budgetary comparison schedule (Schedule 1 in the Required Supplementary Information Part II section) has been provided for these funds to demonstrate compliance with the adopted budget and state laws.

B. Analysis of Significant Budget Variances in the General Fund.

- i. Revenues – \$76,006 favorable
- ii. Expenditures – \$55,583 unfavorable

[The unfavorable budgetary expenditures are due to depreciation in the amount of \$53,278 charged to different categories and not included in the original budget. These depreciation amounts are required by the new GASB 34 implementation. (See Page 3)]

5. Combining Statements for the non-major Governmental Funds – N/A

6. Other Supplementary Schedules are included in this report.

### **Capital Assets and Debt Administration**

#### **1. Capital Assets**

The Town’s investment in capital assets, net of accumulated depreciation, as of June 30, 2004 in its governmental activities is \$730,730 and in business-type activities is \$1,731,808 which totals \$2,462,539 for the Town. This investment in governmental activities assets includes land, buildings and systems, machinery and equipment, parks and landscaping. The investment in assets for business-type activities includes the water and sewer system and treatment plants. Additions to governmental activities assets within the year include landscaping while increases to business-type activities assets include new equipment purchases and creation of the walking trail.

#### **2. Long-Term Debt**

At the end of the current fiscal year the Town had a revenue bond indebtedness of \$925,114 in addition to a certificate of indebtedness of \$79,538 and indebtedness to the Louisiana Public Facilities for \$28,000. This represents a total indebtedness for the Town in the amount of \$1,032,652.

An annual payment of \$4000 is due on the LPFA indebtedness. Due to the late receipt of the payment notice, this amount was paid in August 2004 leaving a balance of \$24,000.

This financial report is designed to provide a general overview of the Town’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Lemar Bullard, Town Clerk, P. O. Drawer 290, Wisner, LA 71378.

## Basic Financial Statements

**TOWN OF WISNER, LOUISIANA**  
**STATEMENT OF NET ASSETS**  
**June 30, 2004**

Exhibit A

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL-(MEMORANDUM ONLY)
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 14,260	\$ 31,238	\$ 45,498
Investments	148,634	61,982	210,616
Receivables, Net	400	17,879	18,279
Restricted Cash and Cash Equivalents	-	181,904	181,904
Restricted Investments	-	168,094	168,094
Capital Assets, Net	730,730	1,731,809	2,462,539
Other debits	-	3,383	3,383
<b>Total Assets:</b>	<b>\$ 894,024</b>	<b>\$ 2,196,289</b>	<b>\$ 3,090,313</b>
<b>Liabilities:</b>			
Accounts and Other Payables	\$ 3,689	\$ 4,126	\$ 7,815
Payable from Restricted Assets:	-	-	-
Customer Deposits	-	35,866	35,866
Accrued Liabilities	1,109	30,339	31,448
Current portion of long-term obligations	11,329	14,345	25,674
Non Current Portion of long-term obligations	96,209	910,768	1,006,977
<b>Total Liabilities:</b>	<b>\$ 112,336</b>	<b>\$ 995,444</b>	<b>\$ 1,107,780</b>
<b>Net Assets:</b>			
Invested in Capital Assets	1,190,036	1,440,495	2,630,531
Unrestricted	(408,348)	(239,650)	(647,998)
<b>Total Net Assets</b>	<b>\$ 781,688</b>	<b>\$ 1,200,845</b>	<b>\$ 1,982,533</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS REPORT

**TOWN OF WISNER, LOUISIANA**  
**Statement of Activities**  
**For the Year ended June 30, 2004**

Exhibit B

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Assets		Total (Memorandum Only)
		Charges for Services		Governmental Activities	Business-type Activities	
<b>Governmental Activities</b>						
General Government	\$ (238,897)	\$ -	\$ (238,897)	\$ -	\$ (238,897)	
Public Safety	(66,802)	-	(66,802)	-	(66,802)	
Public Works	(2,795)	-	(2,795)	-	(2,795)	
Paid on long-term debt	<u>(51,089)</u>	-	<u>(51,089)</u>	-	<u>(51,089)</u>	
<b>Total Governmental Activities</b>	<b>\$ (359,583)</b>	<b>\$ -</b>	<b>\$ (359,583)</b>	<b>\$ -</b>	<b>\$ (359,583)</b>	
<b>Business Type Activities</b>						
Water	<u>(329,900)</u>	<u>286,095</u>		<u>(43,805)</u>	<u>(43,805)</u>	
<b>Total Business Type Activities</b>	<b>\$ (329,900)</b>	<b>\$ 286,095</b>	<b>\$ -</b>	<b>\$ (43,805)</b>	<b>\$ (43,805)</b>	
<b>Total Primary Government</b>	<b>\$ (689,483)</b>	<b>\$ 286,095</b>	<b>\$ (359,583)</b>	<b>\$ (43,805)</b>	<b>\$ (403,388)</b>	

**General Revenues**

<b>Taxes</b>		
Property taxes	\$	30,635
Sales & Use Taxes		88,894
Franchise Fees		20,684
Other Taxes		450
Fines		80,715
Investment Earnings		9,546
Miscellaneous		37,456
Operating Grants		75,473
<b>Total General Revenues</b>	<b>\$</b>	<b>343,853</b>

Change in Net Assets	(59,535)
Net Assets, beginning of year, originally stated	2,527,366
Prior Period Adjustments	(485,298)
Net Assets, as restated	2,042,068
<b>Net assets - end of year</b>	<b>\$ 1,982,533</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS REPORT



**Fund Financial Statements**

**TOWN OF WISNER, LOUISIANA**  
**BALANCE SHEET**  
**Governmental Funds**  
**June 30, 2004**

Exhibit C

	General Fund	Other Governmental Funds	Total Governmental Funds (Memorandum Only)
<b>Assets:</b>			
Cash	\$ 14,263	\$ -	\$ 14,263
Investments	137,821	10,812	148,633
Receivables-(net, where applicable, of allowance for doubtful accounts)	400	-	400
<b>Total Assets:</b>	<u>\$ 152,484</u>	<u>\$ 10,812</u>	<u>\$ 163,296</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities:</b>			
Accounts and Other Payables	\$ 3,689	\$ -	\$ 3,689
Accrued Liabilities	1,109	-	1,109
Current Portion of Long-term Liabilities	11,329	-	11,329
	16,127	-	16,127
<b>Fund Balances:</b>			
Unreserved-undesignated (deficit)	136,357	10,812	147,169
Total Equity & Other Credits:	136,357	10,812	147,169
<b>TOTAL LIABILITY, EQUITY AND OTHER CREDITS</b>	<u>\$ 152,484</u>	<u>\$ 10,812</u>	<u>\$ 163,296</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS REPORT

**TOWN OF WISNER**  
**Reconciliation of the Balance Sheet**  
**to the Statement of Net Assets**  
**Governmental Funds**  
**For the Year ended June 30, 2004**

Exhibit C-1

Fund Balances - Total Governmental Funds \$ 147,169

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources, therefore are not reported in the governmental funds:

Governmental Capital Assets	1,269,306	1,269,306
Less : Accumulated Depreciation	(538,576)	(538,576)

Long-term Liabilities are not due and payable in the current period and therefore not reported in the governmental funds	(96,209)
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Net Assets of Governmental Activities	<u>\$ 781,690</u>
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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS REPORT

**TOWN OF WISNER**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year ended June 30, 2004**

Exhibit D

	General Fund	Other Governmental Funds	Total Governmental Funds (Memorandum only)
<b>Revenues:</b>			
Property Taxes	\$ 30,635	\$ -	\$ 30,635
Sales Taxes	88,894	-	88,894
Other Taxes	451	-	451
Government Grants	75,473	-	75,473
Franchise Fee	20,684	-	20,684
Fines	80,715	-	80,715
Miscellaneous	36,321	256	36,577
Total Revenues	<u>\$ 333,173</u>	<u>\$ 256</u>	<u>\$ 333,429</u>
<b>Expenditures:</b>			
General Government	\$ 238,897	\$ -	\$ 238,897
Public Safety	66,802	-	66,802
Public Works	2,795	-	2,795
Interest	4,089	-	4,089
Transferred out	-	47,000	47,000
Total Expenditures	<u>\$ 312,583</u>	<u>\$ 47,000</u>	<u>\$ 359,583</u>
Excess (Deficiency) of Revenues over expenditures	20,590	(46,744)	(26,154)
Fund Balance Beginning of Year- Originally stated	44,670	57,556	102,226
Prior Period Adjustment	(485,298)	-	(485,298)
Fund Balance-End of Year	<u>\$ (420,038)</u>	<u>\$ 10,812</u>	<u>\$ (409,226)</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS REPORT

**TOWN OF WISNER**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of**  
**Governmental Funds to the Statement of Activities**  
**For the Year ended June 30, 2004**

Exhibit D-1

Net Change in Fund Balances - Total Governmental Funds \$ (26,154)

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

Due to pronouncement GASB 34, requirements to depreciate capital assets of Governmental funds, resulted in a prior year restatement of fund balance as follows:

Fund Balance @ 06-03-2003	(409,064)
Adjustment due to accumulated depreciation charge	

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation charged exceeded capital outlay in the current period of the governmental funds.

Depreciation Expense	\$ (53,278)	
Capital Outlay	79,270	
Total current year Depreciation and Capital Outlay	<u>\$ 25,992</u>	25,992

Governmental funds expense interest payments on long-term debt when paid. In the statement of activities, the total accrued interest applicable to the current year is expensed.

Prior Year accrued interest	1,106
Current Year Accrued Interest	(1,106)

Change in Net Assets of Governmental Activities \$ (409,226)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT

**TOWN OF WISNER, LOUISIANA**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2004**

Exhibit E

	<u>Business-Type Activities</u> <u>Enterprise Funds</u>
<b>Assets</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 31,240
Accounts Receivable, Net	17,879
Investments	61,982
Total Current Assets	<u>111,101</u>
Non-Current Assets:	
Restricted Assets:	
Cash and Cash Equivalents:	
Downtown Revitalization	900
Utility Bond Fund	217,476
Cash Savings Account	87,922
Water Revenue Deposit Fund	43,697
Other	3,383
Total Restricted Assets	<u>353,378</u>
Capital Assets:	
Property, Plant, and Equipment, at cost	2,849,261
Less Accumulated Depreciation	(1,130,653)
Land	13,200
Total Capital Assets	<u>1,731,808</u>
Total Non-Current Assets	<u>2,085,186</u>
Total Assets	<u>\$ 2,196,287</u>
Liabilities and Net Assets:	
Current Liabilities (Payable from Current Assets)	
Accounts Payable	\$ 4,125
Total Current Liabilities (Payable from Current Assets)	<u>4,125</u>
Current Liabilities (Payable from Restricted Assets):	
Customer Deposits	35,866
Accrued Bond Interest	30,339
Bonds Payable	14,345
Total Current Liabilities (Payable from Restricted Assets)	<u>80,550</u>
Long-Term Liabilities:	
Bonds Payable	910,768
Total Long-Term Liabilities	<u>910,768</u>
Total Liabilities	<u>995,443</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	1,440,494
Unrestricted	(239,650)
Total Net Assets	<u>1,200,844</u>
Total Liabilities and Net Assets	<u>\$ 2,196,287</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS REPORT

**TOWN OF WISNER, LOUISIANA**  
**Statement of Revenues, Expenses,**  
**and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended June 30, 2004**

Exhibit F

	Business-Type Activities Enterprise Funds
Operating Revenues:	
Charges for Services	\$ 236,775
Connection Fees	2,320
Transferred in:	47,000
Total Operating Revenues	<u>\$ 286,095</u>
Operating Expenses:	
Animal Control Expense	\$ 65
Bank Charges	307
Salaries	55,768
Payroll Taxes/Employee Benefits	4,266
Workman Comp Insurance	1,814
Retirement Expense	2,720
Truck Expense	5,165
Maintenance and Repairs	3,118
Salt Chemicals & Supplies	27,731
Office Supplies and Postage	6,926
Misc Office Expense	687
Insurance Expense	7,745
EPA Sewer Testing Expense	3,497
Utilities	34,047
Audit Fee	3,184
Legal and Professiona	4,416
Misc Expense	1,759
Dues and Subscriptions	145
NSFC	857
Employees Hosp & Life Ins	18,529
Depreciation	80,441
Garbage	4,648
Sales Tax on Water	6,867
Total Operating Expense	<u>274,700</u>
Net Operating Income(Loss)	11,395
Non-Operating Revenues(Expenses)	
Interest Income	9,546
Interest Expense	(55,200)
Total Non-Operating Revenues (Expenses)	<u>(45,654)</u>
Change in Net Assets	(34,259)
Net Assets-Beginning of Year	1,235,103
Net Assets-End of Year	<u><u>\$ 1,200,844</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS REPORT

**TOWN OF WISNER, LOUISIANA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2004**

Exhibit G

	Business-Type Activities Enterprise Funds <u>Water and Sewer Fund</u>
<b>Cash Flows from Operating Activities:</b>	
Receipts from Customers	\$ 236,775
Payments to Suppliers	(137,784)
Payments to Employees	(55,768)
Transfers In	47,000
Other receipts	2,320
Net Cash Provided by Operating Activities	<u>92,543</u>
<b>Cash from Noncapital Financing Activities</b>	
Net Cash Provided by Noncapital Activities from Investment in LAMP	6,429
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Purchase of Equipment	(10,519)
Principal paid on Revenue Bonds	(14,244)
Interest paid on Revenue Bonds	(55,200)
Net Cash Used by Capital and Related Financing Activities	<u>(73,534)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	19,009
Cash - Beginning of Year	194,133
Cash - End of Year	<u>\$ 213,142</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>	
Operating Income, (Loss)	\$ 11,395
<b>Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by Operating Activities</b>	
Depreciation	80,441
Increase (Decrease) in Accounts Receivable	960
Increase (Decrease) in Allowance for Bad Debts	(51)
Increase (Decrease) in Accounts Payable	(678)
Increase(Decrease) in Accrued Interest	476
	<u>\$ 92,543</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS REPORT



Notes to Financial Statements

TOWN OF WISNER  
WISNER, LOUISIANA  
Notes to the Financial Statements  
June 30, 2004

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**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**I.A. INTRODUCTION**

The accounting and reporting framework and the more significant accounting principles and practices of the Town of Wisner are discussed in subsequent sections of this Note. The remainder of the Notes is organized to provide explanations, including required disclosures of the Town's financial activities for the fiscal year ended June 30, 2004.

**I.B. FINANCIAL REPORTING ENTITY**

The Town of Wisner, Louisiana, was incorporated in 1932, and is currently 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, Winnsboro, LA. 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 municipality conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Statutes 24:517 and to the industry audit guide, Audits of State and Local Governmental Units.

**I.B.1. Basis of Presentation**

The accompanying financial statements of the Town of Wisner 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.

**I.B.2. Reporting Entity**

As the municipal governing authority, for reporting purposes, the Town of Wisner, Louisiana is considered a separate financial 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.

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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.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent of 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.

The fiscal year ended 6/30/2004 will mark the first year the Town of Wisner will be presenting its annual financial audit in compliance with the Governmental Accounting Standards Board Statement Number 34. GASB 34 establishes new requirements and a new reporting model for the annual financial reports of state and local governments. The Statement was developed to make annual financial reports easier to understand and to be more useful to the people who use governmental financial information to make decisions.

### **I.B.3. Government-Wide and Fund Financial Statements**

#### *Government-wide Financial Statements*

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the Town as a whole excluding fiduciary activities such as employee pension plans. The primary government and component units are presented separately within the financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and Town general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

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The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the Town's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

*Fund Financial Statements*

Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

**I.B.4. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The financial statements of the Town are prepared in accordance with generally accepted accounting principles (GAAP). The Town's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The Town's reporting entity does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally include the reclassification or elimination of internal activity (between or within funds). However, internal eliminations do not include utility services provided to Town's departments. Reimbursements are reported as reductions to expenses. Proprietary and fiduciary fund statements and financial statements of the Town's component units also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Pension trust funds recognize employer and participant contributions in the period in which contributions are due and the Town has made a formal commitment to provide the

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contributions. Retirement benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Governmental fund financial statements reports use the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Town considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include sales and use taxes, property taxes, franchise taxes (fees), intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

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

#### **I.B.5. Fund Types and Major Funds**

##### *Governmental Funds*

The Town reports the following major governmental funds:

*General Fund* – reports as the primary fund of the Town. This fund is used to account for all financial resources not reported in other funds.

*Proprietary Fund* – The Town reports the following enterprise funds:

*Water Utilities Fund* – accounts for the operating activities of the Town's water utilities and sewer services. This is not a major fund.

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**I.C. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY**

**I.C.1. Cash and Investments**

The Town maintains and controls cash and investments, some of which are restricted. Legal restrictions and the Town's policies governing deposits and investments are discussed in Notes III.A.1. and III.A.2.

The Town's reporting entity considers highly liquid investments (included restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

Investments are reported at fair value that is determined using selected bases. Short-term investments are reported at cost that approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Managed funds related to the retirement systems not listed on an established market are reported at estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities. Cash deposits are reported at carrying amount that reasonably estimates fair value. The composition of pension trust investments, additional cash and investment information, and fair values are presented in Note III.A.1.

**I.C.2. Investment Income**

Investment income, which includes changes in the fair value of investments, is administered by both funds as shown in Note III.A.2.

**I.C.3. Capital Assets**

Capital Outlays are recorded as expenditures of the General Special Revenue and Capital Projects Funds and as assets in the government-wide financial statements to the extent the town's capitalization threshold is met. In accordance with GASB Statement No. 34, infrastructure has not been capitalized due to an existing exception for local governments with annual revenues of less than \$10 million.

Depreciation is recorded on general fixed assets on a government-wide basis. Capital outlays for Proprietary Funds are recorded as fixed assets and depreciated over their estimated useful lives on a straight-line basis and government-wide basis. All fixed assets are valued at their estimated fair market value on the date donated.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related

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accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

**I.C.4. Long-Term Debt**

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.

**I.C.5. 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 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.

**I.D. REVENUES, EXPENDITURES, AND EXPENSES**

**I.D.1. Property Taxes**

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 and the year billed. Sales taxes collected are also on the accrual basis.

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, 2004 taxes of 5.87 mills were levied on property with assessed valuations totaling \$2,632,899 and were deducted as follows:

General corporate purposes 5.87 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 the Bank credits it to the accounts.

**I.D.2. 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.

**I.D.3. 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.

**NOTE II. BUDGETARY INFORMATION**

**II.A.1. Budget Policy and Practice**

The Town Clerk submits an annual budget to the Town council in accordance with the Town Charter and the Wisner Municipal Budget Act. The budget is presented to the Council for review, and public hearings are held to address priorities and the allocation of resources. In June, the Town Council adopts the annual fiscal year budgets for Town operating funds. Once approved, the Town Council may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

**II.A.2. Basis Of Budgeting**

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class as follows: personal services, other services and charges, supplies, capital outlay, transfers, and debt service. Budget revisions at this level are subject to final review by the Town Council.

The budgets for the operating funds and proprietary fund operations are prepared on



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accrual basis. Revenues are budgeted in the year receipt is expected; and expenditures, the year that the applicable purchase orders are expected to be issued. Public hearings are held to obtain public taxpayer comments.

**NOTE III. DETAILED NOTES ON FUNDS**

**III.A. ASSETS**

**III.A.1. 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.

At June 30, 2004, the Town had cash totaling \$606,112 as follows:

Demand Deposits	\$ 45,498
Restricted Cash and Investments	560,614
Total	\$ 606,112

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.

Cash and investments are secured as follows:

Bank Balances	\$ 395,092
Federal Deposit Insurance	100,000
Pledge Securities (Book Value)	545,000
Pledge Securities have a Market Value of	\$ 538,187

The Town's bank accounts are sufficiently collateralized. The LAMP accounts totaling \$210,615.81 are not included in the bank collateral.

**III.A.2. Investments**

Investments are limited by Louisiana Revised Statute (R. S.) 33:2955 and the Town's investment policy. If the original maturities are 90 days or less, they are classified as cash equivalents.

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- (1) The fair market value is based on quoted market prices.
- (2) All investments are reported at original cost and both are disclosed in the notes.

### **III.A.3. Receivables**

Receivables include amounts due from customers primarily for utility services.

The receivables of \$19,027 at June 30, 2004 are as follows:

Class of Receivable: Sewer/Water receivable net \$17,885

These are net of allowance for Bad Debts, which are charged at 6%.

### **III.A.4. Restricted Assets**

*Certain proprietary fund assets are restricted for construction funded through long-term debt. Net assets restricted for debt service include the excess of assets over certain liabilities restricted for the debt service on revenue bonds. Restricted assets are also reported in various funds for case deposited in bank accounts legally restricted for specified uses such as the payment of debt service and fiscal fees on long-term debt or mortgage loans, and certificates of deposit (CD) issued in the Town or trust name and deposited with the Town Treasurer in lieu of project retainages. Proceeds of restricted CD's on deposit with the Town Treasurer are payable as liabilities payable from restricted assets. See Note I.B.4., paragraph 7 describing the priority for use of restricted and unrestricted assets.*

### **III.A.5. Capital Assets**

Capital outlays are recorded as expenditures of the General Special Revenue and Capital Projects Funds and as assets in the government-wide financial statements to the extent the town's capitalization threshold is met. In accordance with GASB Statement No. 34, infrastructure has not been capitalized due to an existing exception for local governments with annual revenues of less than \$10 million.

Depreciation is recorded on general fixed assets on a government-wide basis. Capital outlays for Proprietary Funds are recorded as fixed assets and depreciated over their estimated useful lives on a straight-line basis and government-wide basis. All fixed assets are valued at historical or estimated historical cost if actual cost was not available. Donated fixed assets are valued at their estimated fair market value on the date donated.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

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The following is a summary of the changes in capital assets for the fiscal year ended June 30, 2004.

GOVERNMENTAL ACTIVITIES	Balance 6/30/2003	Increases	Decreases	Balance 6/30/2004
Capital Assets Not Depreciated:				
Land and Land Improvements	\$ 57,000	\$ 0	\$ 0	\$ 57,000
Total Capital Assets not being Depreciated	57,000			57,000
Other Capital Assets:				
Buildings	98,605	0	0	98,605
Improvements	625,753	0	0	625,753
Vehicles	191,415	0	0	191,415
Machinery and Equipment	217,263	0	0	217,263
Landscaping	0	79,270	0	79,270
Total Other Capital Assets	<u>\$1,133,036</u>	<u>\$79,270</u>	<u>\$ 0</u>	<u>\$ 1,212,306</u>
Less Accumulated Depreciation:				
Buildings	\$ 50,455	\$ 2,528	\$ 0	\$ 52,983
Improvements	140,700	16,038	0	156,738
Vehicles	102,471	25,412	0	127,883
Machinery and Equipment	191,672	7,312	0	198,984
Landscaping	0	1,988	0	1,988
Total Accumulated Depreciation	<u>485,298</u>	<u>53,278</u>	<u>0</u>	<u>538,576</u>
Other Capital Assets, Net	<u>647,738</u>	<u>25,992</u>	<u>0</u>	<u>673,730</u>
Total	<u>\$ 704,738</u>	<u>\$ 25,992</u>	<u>\$ 0</u>	<u>\$ 730,730</u>

Governmental activities capital assets of accumulated depreciation at June 30, 2004 are comprised of the following:

General Capital Assets, Net	\$765,064
Total	\$765,064

Current Depreciation of General Fund Assets was allocated as follows:

Administrative Expense	\$41,160
Public Safety	11,373
Public Works	745
Total Accumulated Depreciation	<u>\$53,278</u>

**NOTE:** The amount listed above as "Total Accumulated Depreciation - \$53,278" was not included in the budget FYE June 30, 2004. This resulted in a 21% budget variance in expenditures. (See Page 45 – "Management Recommendations")

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Depreciation was charged to governmental functions as follows:

General Government (buildings)	\$ 209,722
Public Safety (vehicles)	127,883
Public Works (machinery)	198,984
Culture and Recreation	2,868
Total	\$ 539,457

*(Differences in totals are due to rounding up or rounding down of figures.)*

BUSINESS-TYPE ACTIVITIES	Balance 6/30/2003	Increases	Decreases	Balance 6/30/2004
Assets Not Depreciated:				
Land	\$ 13,200	\$ 0	\$ 0	\$ 13,200
Water/Sewer System	2,727,895	0	0	2,727,895
Equipment	111,315	10,518	0	121,833
Totals	\$ 2,852,410	\$ 10,518	\$ 0	\$ 2,862,928
Less Accumulated Depreciation:				
Land	\$ 0	\$ 0	\$ 0	\$ 0
Water/Sewer System	1,035,764	68,077	0	1,103,841
Equipment	14,915	12,364	0	27,279
Total Accumulated Depreciation	\$ 1,050,679	\$ 80,441	\$ 0	\$ 1,131,120
Net Assets	\$ 1,801,731	\$(69,923)	\$ 0	\$ 1,731,808

*(Differences in totals are due to rounding up or rounding down of figures.)*

Water Utility	Projected Useful Lives
Wells	20 years
Storage tanks	40 years
Purification plant	33 years
Lines and meters	40 years
Sewerage Utility	Projected Useful Lives
Pump stations	40 years
Lines	40 years
Autos and trucks	5 years
Other equipment	10 years

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**III.B. LIABILITIES**

**III.B.1. 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.

Bonds payable at July 1, 2003	\$ 1,058,327
La Public Facilities	28,000
Bonds Principal Pd. And Int. Pd	25,674
Bonds payable at June 30, 2004	\$ 1,032,652
(See Note I.B.4.)	

All Town of Wisner bonds outstanding at June 20, 2004 in the amount of \$1,032,652 are general obligation bonds (or other as indicated) with maturities from 1997 to 2029, and interest rates from 4.0 to 6.0 percent. Bond principal and interest payable in the next fiscal year are \$73,922.

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, 2004 The Town of Wisner has accumulated \$181,904 in the debt 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, 2004 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, included interest at 6 %, secured by revenue of the utility system.	\$ 613,298
\$ 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.	311,816
Total Revenue Bonds:	\$ 925,114
Certificate of Indebtedness-GF	79,538
Louisiana Public Facilities	28,000
Total Bonds Payable:	\$ 1,032,652

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June 30, 2004

The annual requirements to amortize all debt outstanding as of June 30, 2004, included interest payments of \$73,922 follows:

Annual Requirements to Amortize Long-Term Debt			
Year Ending June 30, 2004	General Obligation	Revenue	Total
2005		\$ 73,922	\$ 73,922
2006	-	73,922	73,922
2007	-	73,922	73,922
2008	-	73,922	73,922
2009	-	73,922	73,922
Thereafter	-	1,597,579	1,597,579
Total		\$ 1,967,189	\$ 1,967,189

Certificate No. R-1		
Year (Dec. 1)	Principal Payment	Interest Rate
2003	7,000	4.5 %
2004	7,000	4.5 %
2005	16,000	4.5 %
2006	17,000	4.5 %
2007	17,000	4.5 %
2008	18,000	4.5 %
2009	19,000	4.5 %

Certificate No. R-2		
Year (Dec. 1)	Principal Payment	Interest Rate
2003	8,000	0.00 %
2004	8,000	0.00 %

**NOTE IV. OTHER**

**IV.A.1. One Percent Sales and Use Tax**

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

**IV.A.2. Restrictions 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:

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

TOWN OF WISNER  
WISNER, LOUISIANA  
Notes to the Financial Statements  
June 30, 2004

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**IV.A.3. 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 multiple-employer (cost-sharing), public employee retirement systems (PERS), controlled and administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Municipal Employees Retirement System of Louisiana (System)—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 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 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 by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504)925-4810.

*Funding Policy.* Under Plan 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 payroll. Under Plan B, members are required by state statute to contribute 5.0 percent

TOWN OF WISNER  
WISNER, LOUISIANA  
Notes to the Financial Statements  
June 30, 2004

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of their annual covered salary and the Town of Wisner is required to contribute at an actuarially determined rate. The current rate is 6.25 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 June 30, 2004, 2003, and 2002, were \$0.00, \$0.00, and \$0.00 respectively, equal to the required contributions to the system under Plan B for the years ending June 30, 2004, 2003, and 2002, that were \$4,560, \$3,654 and \$3,094, respectively, equal to the required contributions for each year. (If the required contributions and the actual amount contributed do not equal, disclose the required contributions in dollars and the percentage of that amount contributed for the current year and each of the 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 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 requirement of plan members and the Town of Wisner is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the



TOWN OF WISNER  
WISNER, LOUISIANA  
Notes to the Financial Statements  
June 30, 2004

Town of Wisner are established and may be amended by state statute. As provided by Louisiana 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 June 30, 2004, 2003, and 2002 were 3,338, 3,505 and 3,172 respectively, equal to the required contributions for each year.

**IV.A.4. Accounts, Salaries, and Other Payables**

Accounts, salaries, and other payables of \$7,815 are as follows:

	General Fund	Prop Fund	Total
Withholdings	\$ 3,559	\$ 3,042	\$ 6,601
Other Payables	130	1,084	1,214
Total	\$3,689	\$ 4,126	\$ 7,815

**IV.A.5. Inter-fund 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.

**IV.A.6. 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.

**IV.A.7. Subsequent Events**

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

**IV.A.8. On-Behalf-Of Payment for Fringe Benefits**

Employer pension plan contributions:  
     Municipal Retirement           \$4,560

TOWN OF WISNER  
WISNER, LOUISIANA  
Notes to the Financial Statements  
June 30, 2004

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**IV.A.9. Subsequent Payment of Notes Payable**

The balance due the Louisiana Public Facilities Authority account of \$28,000 shows the annual payment of \$4,000 was made 2 months late. This occurred due to the late receipt of the payment notice. It was paid in August 2004.

**IV.A.10. Prior Period Adjustments**

The prior period adjustment of (\$485,298) in the General Fund is the result of the GASB 34 pronouncement that required depreciation of general fixed assets. This prior period adjustment resulted in a negative fund balance of (\$409,323) in the General Fund.

**Required Supplementary Information**  
**(Part II)**

**TOWN OF WISNER**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Budget (GAAP Basis) and Actual**  
**General Fund**  
**For the Year ended June 30, 2004**

Schedule 1

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
<b>Revenues:</b>				
Property Taxes	\$ 17,000	\$ 15,500	\$ 30,635	\$ 15,135
Sales Taxes	100,000	82,000	88,894	6,894
Insurance Rebate	3,900	2,300	451	(1,849)
Licenses & Permits	30,000	25,000	75,473	50,473
Franchise Fee	18,500	20,000	20,684	684
Fines	70,000	110,000	80,715	(29,285)
Miscellaneous	1,250	2,200	36,321	34,121
Total Revenues	<u>\$ 240,650</u>	<u>\$ 257,000</u>	<u>\$ 333,173</u>	<u>\$ 76,173</u>
<b>Expenditures:</b>				
General Government	\$ 86,000	\$ 123,000	\$ 238,897	\$ (115,897)
Public Safety	115,650	129,000	66,802	62,198
Public Works	39,000	5,000	2,795	2,205
Transferred out	-	-	4,089	(4,089)
Total Expenditures	<u>\$ 240,650</u>	<u>\$ 257,000</u>	<u>\$ 312,583</u>	<u>\$ (55,583)</u>
Excess (Deficiency) of Revenues over expenditures	-	-	20,590	20,590
Fund Balance Beginning of Year- Originally Stated	-	-	44,670	44,670
Prior Period Adjustment	-	-	(485,298)	(485,298)
Fund Balance-End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (440,628)</u>	<u>\$ (420,038)</u>

See Auditor's Report

**TOWN OF WISNER, LOUISIANA**  
**BALANCE SHEET**  
**Non-Major Governmental Funds-**  
**Special Revenue Funds**  
**June 30, 2004**

Schedule 2

	<u>Special Revenue Funds</u>	<u>Total Governmental Special Revenue Funds</u>
<b>ASSETS</b>		
Investments	10,812	10,812
Total Assets:	<u>\$ 10,812</u>	<u>\$ 10,812</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities	<u>\$ -</u>	<u>\$ -</u>
Fund Balances:		
Unreserved-undesignated (deficit)	10,812	10,812
Total Equity & Other Credits:	<u>10,812</u>	<u>10,812</u>
<b>TOTAL LIABILITY, EQUITY AND OTHER CREDITS</b>	<u><b>\$ 10,812</b></u>	<u><b>\$ 10,812</b></u>

See Auditor's Report

**TOWN OF WISNER**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year ended June 30, 2004**

Schedule 3

	Special Revenue Funds	Total Special Revenue Funds
	<u>          </u>	<u>          </u>
Revenues:		
Miscellaneous	\$ 256	\$ 256
Total Revenues	<u>256</u>	<u>256</u>
Expenditures:		
Transferred out	<u>47,000</u>	<u>47,000</u>
Total Expenditures	47,000	47,000
Excess (Deficiency) of Revenues over expenditures	(46,744)	(46,744)
Fund Balance Beginning of Year-	57,556	57,556
Fund Balance-End of Year	<u>\$ 10,812</u>	<u>\$ 10,812</u>

See Auditor's Report

**TOWN OF WISNER  
Schedule of Federal Financial Assistance  
For the Year Ended June 30, 2004**

Schedule 4

Major Programs

U.S. Department of Agriculture

Farmer's Home Administration

Loan Program -

\* Water and Waste Disposal Systems For  
Rural Communities

10.418

\$ 55,577

\* Loans outstanding at June 30, 2004 with  
Farmers Home Administration were in the  
Amount of \$925,114 - Major

Note A-Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Town of Wisner and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirement of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See Auditor's Report

**Compensation Paid Elected Officials**



TOWN OF WISNER  
P. O. DRAWER 290  
WISNER, LOUISIANA

Schedule 5

Schedule of Compensation Paid Elected Officials

<u>Name and Address</u>	<u>Position</u>	<u>Salary</u>
Cary M. Cheek P. O. Box 238 Wisner, LA 71378 318/724-7218	Mayor	\$0.00
Allyn Jean Lockett P. O. Box 57 Wisner, LA 71378 318/724-6604	Council Member	\$0.00
Elizabeth Johnson P. O. Box 156 Wisner, LA 71378 318/724-6477	Council Member	\$0.00
Nettie Brown P. O. Box 53 Wisner, LA 71378 318/724-6255	Council Member	\$0.00
Jesse Young P. O. Box 86 Wisner, LA 71378 318/724-7333	Council Member	\$0.00
William G. Watkins P. O. Box 316 Wisner, LA 71378	Council Member	\$0.00

Other Independent Auditor's Reports  
and  
Findings and Recommendations

Jimmie Self, CPA  
A Professional Accounting Corporation  
2908 Cameron St, Suite C  
Monroe, LA 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*

To The Honorable Mayor  
And the City Council  
Town of Wisner, Louisiana

I have audited the financial statements of the governmental activities, the business-type activities, and each major fund, of the Town of Wisner, Louisiana as of and for the year ended June 30, 2004, which collectively comprise the Town of Wisner, Louisiana's basic financial statements and have issued my report thereon dated November 17, 2004. I have conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Compliance

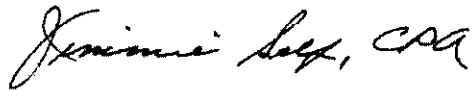
As part of obtaining reasonable assurance about whether Town of Wisner, Louisiana's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material 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 results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, I noted certain immaterial instances of noncompliance that I have reported to management of Town of Wisner, Louisiana in a separate letter dated November 17, 2004.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Town of Wisner, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinions on the financial statements and not to 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 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 considered to be material weaknesses. However, I noted other matters involving the internal control over financial reporting that I have reported to management of Town of Wisner, Louisiana, in a separate letter dated November 17, 2004.

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

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

Jimmie Self, CPA  
Monroe, Louisiana  
November 17, 2004

**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

To the Honorable Mayor  
And the City Council  
Town of 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, 2004. 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 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; 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.

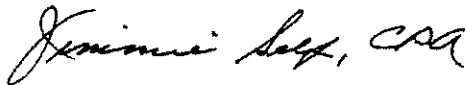
In my opinion, Town of Wisner complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

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  
Monroe, Louisiana  
November 17, 2004

**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, 2004

I have audited the financial statements of Town of Wisner as of and for the year ended June 30, 2004, and have issued my report dated November 17, 2004. 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, 2004 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   X  no Reportable Conditions   yes   X  no

Compliance

Compliance material to Financial Statements   yes   X  no

b. Federal Awards

Internal Control

Material Weaknesses   yes   X  no Reportable Conditions   yes   X  no

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

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

c. Identification of major Programs:

10.418 Loans outstanding at June 30, 2004 with  
Farmers Home Administration were in the amount of \$925,113.60.

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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#### MANAGEMENT RECOMMENDATIONS

To the Mayor and Council Members  
Town of Wisner  
Wisner, Louisiana

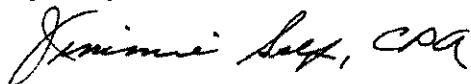
During my audit, the following came to my attention. The actual expenditures for the year ended June 30, 2004 exceeded the budgeted expenditures by \$55,583. This amount exceeds the final budgeted amount by 21%. The Louisiana budgeting statute calls for a variance of no more than 5%.

The variance was due to the omission by the town's management of the Capital Assets depreciation required in the implementation of the new GASB standard No. 34 which is being complied with by the Town of Wisner for the first time this year. (See MD&A page 3, paragraph 2.) In the past, Capital assets were carried on the books at the cost of acquisition and were not depreciated, and therefore were not included as a yearly budgetary expenditure. The variance between budgeted and actual amounts of total expenditures would have been \$2305 with the exclusion of the Capital Assets depreciation. This would have been well within the 5% limit. The amount of \$2305 was increased by \$53,278 as an expenditure for depreciation. (The depreciation shown for the General Fund is only for Capital Assets (or general fixed assets.) As a Phase 3 government with annual revenues of less than \$10 million, the Town is not required to show infrastructure depreciation in its annual report.)

The Town's management is only now learning the requirements for compliance with the new GASB 34 standards. Management is newly informed that future budgets must include the yearly amounts for depreciation of Capital Assets as an expenditure. It is my recommendation to management that you review your current budget for the year to be ended June 30, 2005 and that you amend your budgeted expenditures a proper amount for depreciation of Capital assets for this year.

[See MD&A page 8, item B. "Analysis of Significant Budget Variances in the General Fund. Also, please see the budgetary comparison schedule on page 35 entitled "Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Schedule 1. Note the fourth column, "Variances", "Total Expenditures." which shows the budgetary variance of (\$55,583).]

Respectfully submitted,



Jimmie Self, CPA  
Monroe, Louisiana  
November 17, 2004



**TOWN OF WISNER**  
**P. O. Box 290**  
**Wisner, LA 71378**

December 9, 2004

Steve J. Theriot, CPA  
Louisiana Legislative Auditor  
P. O. 94397, 1600 N. Third Street  
Baton Rouge, La 70804

Subject: Management's Plan of Corrective Action for the year ended June 30, 2004

In receiving the letter of Management Recommendations from Jimmie Self, CPA, APAC pursuant to the completion of the annual financial audit, the management of the Town of Wisner has been advised of the need to make changes in budgeting procedures for the purpose of future compliance with GASB Statement 34. We understand that the corrective action needed shall be in two areas.

(1) We shall amend the currently used budget for the year, which ends June 30, 2005 so that the omission of depreciation from the budget will not be repeated in the present budgeting procedure and the upcoming annual financial audit to be completed FYE June 30, 2005.

(2) In the future, we shall include annual depreciation of capital assets as a line item in budgeting expenditures for the year. We will work with our accountant and Mayor and Council Members in determining the annual depreciation on fixed governmental assets and including these amounts in the yearly budget.

Respectfully submitted,



Lemar Bullard  
Town Clerk