

**TOWN OF WISNER**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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

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December 30, 2020

Independent Auditors' Report

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wisner, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wisner, as of June 30, 2020, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

**Required Supplementary Information**

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

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

-Members-

American Institute of Certified Public Accountants • Society of Louisiana CPAs

***Town of Wisner***  
***December 30, 2020***

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- Schedule of Employer Contributions

Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Supplemental Information*

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

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

The other supplementary information is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standard**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2020, on our consideration of the Town of Wisner's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Wisner's internal control over financial reporting and compliance.



ROZIER, McKAY & WILLIS  
Certified Public Accountants

# **TOWN OF WISNER**

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

**June 30, 2020**

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This section of the Town of Wisner's annual financial report presents our discussion and analysis of the Town's financial performance during the fiscal year ended June 30, 2020.

### **Overview of Financial Statements**

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

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

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

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

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

#### **Fund Financial Statements**

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

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

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

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

# **TOWN OF WISNER**

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

**June 30, 2020**

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### Net Position

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

	<u>June 30, 2020</u>			<b>For the Year Ended June 30, 2019</b>
	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	
<b><u>Assets:</u></b>				
Current and Other Assets	\$ 68,955	\$ 148,979	\$ 217,934	\$ 202,975
Capital Assets	768,652	1,951,498	2,720,150	2,770,780
Total Assets	<u>837,607</u>	<u>2,100,477</u>	<u>2,938,084</u>	<u>2,973,755</u>
<b><u>Deferred Outflows:</u></b>				
Pension Funding Deferrals	<u>12,749</u>	<u>31,290</u>	<u>44,039</u>	<u>38,892</u>
<b><u>Liabilities:</u></b>				
Current and Other Liabilities	41,750	87,388	129,138	132,068
Long-term Liabilities	13,377	1,023,150	1,036,527	994,412
Total Liabilities	<u>55,127</u>	<u>1,110,538</u>	<u>1,165,665</u>	<u>1,126,480</u>
<b><u>Deferred Inflows:</u></b>				
Pension Funding Deferrals	<u>2,424</u>	<u>5,949</u>	<u>8,373</u>	<u>13,300</u>
<b><u>Net Position:</u></b>				
Invested in Capital Assets (Net)	768,652	1,004,564	1,773,216	1,851,244
Restricted	50	41,528	41,578	53,089
Unrestricted	24,103	(30,812)	(6,709)	(31,466)
Total Net Position	<u>\$ 792,805</u>	<u>\$1,015,280</u>	<u>\$ 1,808,085</u>	<u>\$ 1,872,867</u>

As the presentation appearing above demonstrates, the largest portion of the Town's net position (98.0%) is invested in capital assets. Net position invested in capital assets consist of land, buildings, equipment, and infrastructure less any debt used to acquire the assets. The Town uses these capital assets to provide services to its citizens; consequently, these amounts are not available for future spending.

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

The Town's net position improved during the year due to prudent use of the Town's resources. The liabilities associated with providing retirement benefits have eliminated the Town's remaining net position. Despite the absence of net position, the Town has sufficient resources to meet these obligations for the foreseeable future.

### Changes in Net Position

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

# **TOWN OF WISNER**

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

**June 30, 2020**

	<u>For the Year Ended June 30, 2020</u>			
	<u>Govern- mental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	<u>For the Year Ended June 30, 2019</u>
<b>Revenues:</b>				
<b>Program Revenue:</b>				
Charges for Services	\$ 199,726	\$ 328,910	\$ 528,636	\$ 484,742
Operating Grants and Contributions	5,792	----	5,792	4,314
Capital Grants and Contributions	----	51,130	51,130	374,375
<b>General Revenue:</b>				
Sales Taxes	21,220	----	21,220	83,368
Property Taxes	75,760	----	75,760	21,618
Insurance Premium Taxes	15,078	----	15,078	23,041
Franchise Taxes	19,799	----	19,799	14,705
Occupational Licenses	12,398	----	12,398	12,978
Miscellaneous	12,814	37	12,851	13,926
Total Revenue	<u>362,587</u>	<u>380,077</u>	<u>742,664</u>	<u>1,033,067</u>
<b>Program Expenses:</b>				
General Government	101,002	----	101,002	83,119
<b>Public Safety</b>				
Police Department	175,595	----	175,595	140,899
Fire Department	8,474	----	8,474	8,941
Public Works	70,139	429,631	499,770	512,107
Recreation	22,605	----	22,605	30,098
Total Expenses	<u>377,815</u>	<u>429,631</u>	<u>807,446</u>	<u>775,164</u>
<b>Increase (Decrease) in Net</b>				
Position Before Transfers	(15,228)	(49,554)	(64,782)	257,903
Transfers	(17,394)	17,394	----	----
Change in Net Position	<u>(32,622)</u>	<u>(32,160)</u>	<u>(64,782)</u>	<u>257,903</u>
Net Position Beginning:	<u>825,427</u>	<u>1,047,440</u>	<u>1,872,867</u>	<u>1,614,964</u>
Net Position Ending	<u>\$ 792,805</u>	<u>\$ 1,015,280</u>	<u>\$1,808,085</u>	<u>\$ 1,872,867</u>

Governmental activities before transfers experienced a decrease of \$15,228. This decrease resulted due to an increase in current year expenses.

Business-type activities before transfers experienced a decrease in net position of \$49,554. This decrease resulted due to a decrease in revenues.

# **TOWN OF WISNER**

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

**June 30, 2020**

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

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

- The Town's governmental funds reported combined fund balances of \$27,205, which represents an increase of \$9,736 in comparison to the previous balance.
- Amounts reported for business-type activities in the Town's individual funds are identical to the business-type activities reported in the government-wide presentation.

### **General Fund Budget Highlights**

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

### **Capital Asset Administration**

The Town used grant proceeds and proceeds of debt to complete major repairs to the water and sewer systems.

### **Debt Administration**

Debt activity was limited to the payment of principal and interest on current debt obligations. The Town also acquired Limited Tax Bonds of \$70,000 for utility system improvements.

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

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



# **TOWN OF WISNER**

## **Statement of Net Position**

**June 30, 2020**

	Governmental Activities	Business-Type Activities	Total
<b><u>ASSETS:</u></b>			
Cash and cash equivalents	\$ 26,322	\$ 61,700	\$ 88,022
Receivables (net)	15,436	45,751	61,187
Restricted assets			
Cash and cash equivalents	27,197	41,528	68,725
Capital Assets			
Non depreciable capital assets			
Land	57,000	13,200	70,200
Depreciable capital assets (net)	<u>711,652</u>	<u>1,938,298</u>	<u>2,649,950</u>
<b>Total assets</b>	<u>837,607</u>	<u>2,100,477</u>	<u>2,938,084</u>
<b><u>DEFERRED OUTFLOWS:</u></b>			
Pension funding deferrals	<u>12,749</u>	<u>31,290</u>	<u>44,039</u>
<b><u>LIABILITIES:</u></b>			
Accounts payable	20,443	5,418	25,861
Unearned Revenues	21,307	-	21,307
Deposits due others	-	63,244	63,244
Accrued interest payable	-	18,726	18,726
Long-term liabilities			
Notes Payable			
Due within one year	-	51,709	51,709
Due in more than one year	-	876,499	876,499
Net pension liability	<u>13,377</u>	<u>94,942</u>	<u>108,319</u>
<b>Total liabilities</b>	<u>55,127</u>	<u>1,110,538</u>	<u>1,165,665</u>
<b><u>DEFERRED INFLOWS:</u></b>			
Pension funding deferrals	<u>2,424</u>	<u>5,949</u>	<u>8,373</u>
<b><u>NET POSITION:</u></b>			
Invested in capital assets, net of related debt	768,652	1,004,564	1,773,216
Restricted:			
Capital Projects	50	-	50
Debt Service	-	41,528	41,528
Unrestricted	<u>24,103</u>	<u>(30,812)</u>	<u>(6,709)</u>
<b>Total net position</b>	<u>\$ 792,805</u>	<u>\$ 1,015,280</u>	<u>\$ 1,808,085</u>

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

# **TOWN OF WISNER**

## **Statement of Activities**

**Year Ended June 30, 2020**

	Expenses	Program Revenues			Net (Expenses) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	
<b><u>Governmental Activities:</u></b>					
General government	101,002	\$ -	\$ -	\$ -	\$ (101,002)
Public safety					
Police department	175,595	193,167	-	-	17,572
Fire department	8,474	-	4,292	-	(4,182)
Public works	70,139	-	-	-	(70,139)
Recreation	22,605	6,559	1,500	-	(14,546)
Total governmental activities	<u>377,815</u>	<u>199,726</u>	<u>5,792</u>	<u>-</u>	<u>(172,297)</u>
<b><u>Business-Type Activities:</u></b>					
Water and sewer	429,631	328,910	-	51,130	(49,591)
Total Business-Type Activities	<u>429,631</u>	<u>328,910</u>	<u>-</u>	<u>51,130</u>	<u>(49,591)</u>
Total Primary Government	<u>\$ 807,446</u>	<u>\$ 528,636</u>	<u>\$ 5,792</u>	<u>\$ 51,130</u>	<u>\$ (221,888)</u>

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

# **TOWN OF WISNER**

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

**Year Ended June 30, 2020**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business- Type Activities	Net (Expenses) Revenue
Net (Expense) Revenues (Continued From Previous Page)	\$ (172,297)	\$ (49,591)	\$ (221,888)
<b>General Revenues:</b>			
Taxes:			
Ad Valorem	21,220	-	21,220
Sales Taxes	75,760	-	75,760
Franchise	15,078	-	15,078
Insurance Premium Taxes	19,799	-	19,799
Occupational Licenses	12,398	-	12,398
Miscellaneous	12,814	37	12,851
Transfers	(17,394)	17,394	-
Total General Revenues and Transfers	139,675	17,431	157,106
Change in Net Position	(32,622)	(32,160)	(64,782)
Net Position Beginning	825,427	1,047,440	1,872,867
Net Position Ending	\$ 792,805	\$ 1,015,280	\$ 1,808,085

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

# **TOWN OF WISNER**

## **Balance Sheet**

### **Governmental Funds - June 30, 2020**

	General	Non-Major Fund	Total Governmental Funds
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 26,322	\$ -	\$ 26,322
Receivables (net)	15,436	-	15,436
Restricted assets:			
Cash and cash equivalents	27,147	50	27,197
<b>Total assets</b>	<b>\$ 68,905</b>	<b>\$ 50</b>	<b>\$ 68,955</b>
<b><u>Liabilities and Fund Equity</u></b>			
<b><u>Liabilities:</u></b>			
Accounts and other payables	20,443	\$ -	\$ 20,443
Unearned Revenues	21,307	\$ -	21,307
<b>Total liabilities</b>	<b>41,750</b>	<b>-</b>	<b>41,750</b>
<b><u>Fund Balance:</u></b>			
Unassigned	27,155	-	27,155
Assigned	-	50	50
<b>Total fund equity</b>	<b>27,155</b>	<b>50</b>	<b>27,205</b>
<b>Total liabilities and fund equity</b>	<b>\$ 68,905</b>	<b>\$ 50</b>	<b>\$ 68,955</b>

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

Total Fund Balances - Governmental Funds	\$ 27,205
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	768,652
Liabilities not due and payable in the current period are excluded from the Governmental Fund Balance Sheet	(3,052)
Net Assets of Governmental Activities	<b>\$ 792,805</b>

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

# **TOWN OF WISNER**

## **Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds - Year Ended June 30, 2020**

	General	Non-Major Fund	Total Governmental Funds
<b>Revenues:</b>			
Taxes:			
Ad valorem	\$ 21,220	\$ -	\$ 21,220
Sales tax	75,760	-	75,760
Franchise	15,078	-	15,078
Insurance premium taxes	19,799	-	19,799
Licenses and permits:	12,398	-	12,398
Intergovernmental:	8,216	-	8,216
Bonds and fines	193,167	-	193,167
Rent	6,559	-	6,559
Miscellaneous:	10,391	-	10,391
<b>Total revenues</b>	<b>362,588</b>	<b>-</b>	<b>362,588</b>
<b>Expenditures:</b>			
General government	98,024	-	98,024
Public safety			
Police Department	169,496	-	169,496
Fire Department	6,717	-	6,717
Public works	61,196	-	61,196
Recreation	25	-	25
<b>Total expenditures</b>	<b>335,458</b>	<b>-</b>	<b>335,458</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>27,130</b>	<b>-</b>	<b>27,130</b>
<b>Other financing sources (uses):</b>			
Operating transfers (net)	(17,394)	-	(17,394)
<b>Total other financing sources (uses)</b>	<b>(17,394)</b>	<b>-</b>	<b>(17,394)</b>
<b>Excess (deficiency) of revenues and expenditures and other uses</b>	<b>9,736</b>	<b>-</b>	<b>9,736</b>
<b>Fund balance - beginning of year</b>	<b>17,419</b>	<b>50</b>	<b>17,469</b>
<b>Fund balance - end of year</b>	<b>\$ 27,155</b>	<b>\$ 50</b>	<b>\$ 27,205</b>

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

# **TOWN OF WISNER**

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

***Year Ended June 30, 2020***

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Net change in fund balances of Governmental Funds	\$ 9,736
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays for the period.	(39,216)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures by governmental funds	<u>(3,142)</u>
Change in net position of governmental activities	<u>\$ (32,622)</u>

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

# **TOWN OF WISNER**

## **Statement of Net Position**

### **Proprietary Funds - Year Ended June 30, 2020**

	<u>Business-Type Activities Utility System</u>
<b><u>ASSETS:</u></b>	
Current assets:	
Cash and cash equivalents	\$ 61,700
Receivables (net)	<u>45,751</u>
Total current assets	<u>107,451</u>
Restricted assets:	
Cash and cash equivalents	41,528
Noncurrent assets:	
Non-depreciable capital assets	
Land	13,200
Depreciable capital assets (net)	<u>1,938,298</u>
Total noncurrent assets	<u>1,951,498</u>
Total assets	<u>2,100,477</u>
<b><u>DEFERRED OUTFLOWS:</u></b>	
Pension funding deferrals	<u>31,290</u>
<b><u>LIABILITIES:</u></b>	
Current liabilities:	
Accounts payable	5,418
Accrued interest payable	18,726
Deposits due others	63,244
Current portion of long-term debt	<u>51,709</u>
Total current liabilities	<u>139,097</u>
Noncurrent Liabilities:	
Long-Term Debt	876,499
Net Pension Liability	<u>94,942</u>
Total liabilities	<u>1,110,538</u>
<b><u>DEFERRED INFLOWS:</u></b>	
Pension funding deferrals	<u>5,949</u>
<b><u>NET POSITION</u></b>	
Invested in capital assets, net of related debt	1,004,564
Restricted for debt service	41,528
Unrestricted	<u>(30,812)</u>
Total net position	<u>\$ 1,015,280</u>

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

# **TOWN OF WISNER**

## ***Statement of Revenues, Expenditures, and Changes in Fund Net Position Proprietary Funds - Year Ended June 30, 2020***

	<u>Business-Type Activities</u>
	<u>Utility System</u>
<b><u>Operating revenues:</u></b>	
Charges for services	
Water	\$ 179,325
Sewer	119,550
Other	<u>30,035</u>
<b>Total operating revenues</b>	<u><b>328,910</b></u>
<b><u>Operating expenses:</u></b>	
Salaries	81,828
Payroll taxes and benefits	26,835
Repairs, maintenance, chemicals, and supplies	78,976
Utilities	34,294
Insurance	12,983
Office expense	2,803
Fuel	5,847
Depreciation	122,149
Other	<u>16,602</u>
<b>Total operating expenses</b>	<u><b>382,317</b></u>
<b>Operating income (loss)</b>	<b>(53,407)</b>
<b><u>Non-operating revenues (expenses):</u></b>	
Interest revenue	37
Interest expense	<u>(47,314)</u>
<b>Change in net position before     contributions and transfers</b>	<b>(100,684)</b>
<b><u>Contributions and transfers:</u></b>	
Operating transfers (net)	17,394
Grant revenue	<u>51,130</u>
<b>Change in net position</b>	<b>(32,160)</b>
<b>Total net position - beginning of year</b>	<u><b>1,047,440</b></u>
<b>Total net position - end of year</b>	<u><b>\$ 1,015,280</b></u>

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



# **TOWN OF WISNER**

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

### ***Proprietary Funds - Year Ended June 30, 2020***

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

Cash received from customers	\$ 336,257
Cash payments to suppliers of goods and services	(195,182)
Cash payments to employees for service	<u>(81,828)</u>
<b>Net cash provided (used) by operating activities</b>	<u>59,247</u>

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

Operating transfers in (out)	<u>17,394</u>
<b>Net cash provided (used) by non-capital financing activities</b>	<u>17,394</u>

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

Capital grant proceeds	51,130
Capital assets acquired	(110,735)
Debt proceeds	70,000
Principle paid on capital debt	(41,336)
Interest paid on capital debt	<u>(48,580)</u>
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(79,521)</u>

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

Interest and other income	<u>37</u>
<b>Net cash provided (used) by investing activities</b>	<u>37</u>

<b>Net increase (decrease) in cash</b>	(2,843)
<b>Beginning cash balance</b>	<u>106,071</u>
<b>Ending cash balance</b>	103,228
<b>Cash - restricted</b>	<u>41,528</u>
<b>Cash - unrestricted</b>	<u>\$ 61,700</u>

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

# **TOWN OF WISNER**

## ***Statement of Cash Flows (Concluded)*** ***Proprietary Funds - Year Ended June 30, 2020***

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### **Reconciliation of operating income (loss) to net cash**

Operating Income (loss)	\$ (52,690)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	122,149
(Increase) decrease in accounts receivable	3,500
(Decrease) increase in accounts payable	(17,077)
(Decrease) increase in meter deposits	3,847
(Decrease) increase in net pension liability	<u>(482)</u>
Net cash provided (used) by operating activities	<u>\$ 59,247</u>

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

# **TOWN OF WISNER**

## ***Notes To Financial Statements*** ***June 30, 2020***

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

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

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

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

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

#### **Financial Reporting Entity**

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

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

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

Based upon the above criteria, the Town of Wisner has no component units for the year ended June 30, 2020.

#### **Basic Financial Statements**

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

# **TOWN OF WISNER**

## ***Notes To Financial Statements*** ***June 30, 2020***

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

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

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

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

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

### ***Fund Financial Statements***

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

#### ***Governmental Funds***

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

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

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

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

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

# **TOWN OF WISNER**

## ***Notes To Financial Statements June 30, 2020***

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

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

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

### **Non-Exchange Transactions**

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

### **Use of Estimates**

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

### **Restricted Assets**

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

### **Budget Practices**

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

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

# **TOWN OF WISNER**

## ***Notes To Financial Statements June 30, 2020***

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### **Capital Assets**

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

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

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

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

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

### **Internal Balances**

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

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

### **Statement of Cash Flows**

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

### **Compensated Absences**

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

### **Fund Balance Classification:**

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

# **TOWN OF WISNER**

## ***Notes To Financial Statements*** ***June 30, 2020***

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

At June 30, 2020, cash and cash equivalents included the following amounts:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash Deposits	\$ 52,184	\$ 103,228	\$ 155,412
Cash on Hand	1,335	----	1,335
Total Cash	53,519	103,228	156,747
Restricted Cash	27,197	41,528	68,725
Cash and Cash Equivalents	<u>\$ 26,322</u>	<u>\$ 61,700</u>	<u>\$ 88,022</u>

Cash deposited in banks is stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. At June 30, 2020, the Town has collected bank balance of \$156,146. These deposits are secured from risk by \$250,000 of federal deposit insurance.

### **NOTE 3 – TAXES**

#### ***Ad Valorem Taxes***

The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Franklin Parish. Property taxes are limited to an assessment for general alimony as permitted by State Law. Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Revenues from ad valorem taxes are recognized as revenue in the year billed by the Town's General Fund. The revenues of the 6.91 mill property tax are secured by a limited tax bond. The property tax shall be used for any debt service that cannot be covered by the revenues of the utility system.

#### ***Sales Taxes***

Sales taxes are collected by the Parish of Franklin and remitted to the Town. For the year ended June 30, 2020 the Town has levied a 1.0 % sales tax available for general corporate purposes. This sales tax has no expiration.

### **NOTE 4 - RECEIVABLES**

The receivables at June 30, 2020, are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Accounts Receivable</u>			
Utility Customers	\$ ----	\$ 67,579	\$ 67,579
Franchise Fees	3,822	----	3,822
Total Accounts Receivables	<u>3,822</u>	<u>67,579</u>	<u>71,401</u>
<u>Due From Other Governmental Units</u>			
Sales Taxes	7,322	----	7,322
Fire Insurance Rebate	4,292	----	4,292
Total Due From Other Governments	<u>11,614</u>	<u>---</u>	<u>11,614</u>

# **TOWN OF WISNER**

## **Notes To Financial Statements**

**June 30, 2020**

Total Receivables	15,436	67,579	83,015
Allowance for Doubtful Accounts	----	(21,828)	(21,828)
Receivables, net of allowance	<u>\$ 15,436</u>	<u>\$ 45,751</u>	<u>\$ 61,187</u>

### **NOTE 5 – CAPTIAL ASSETS**

A summary of the property and equipment at June 30, 2020, consists of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b><u>Governmental Activities</u></b>				
<b><u>Non Depreciable Capital Assets</u></b>				
Land	<u>\$ 57,000</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 57,000</u>
<b><u>Capital Assets Being Depreciated</u></b>				
Buildings and improvements	926,455	----	----	926,455
Improvements other than buildings	81,557	----	----	81,557
Vehicles & Equipment	497,057	----	----	497,057
Total	<u>1,505,069</u>	<u>----</u>	<u>----</u>	<u>1,505,069</u>
Less Accumulated Depreciation	<u>(754,201)</u>	<u>(39,216)</u>	<u>----</u>	<u>(793,417)</u>
Total Net of Depreciation	<u>750,868</u>	<u>(39,216)</u>	<u>----</u>	<u>711,652</u>
Total Governmental Activities	<u>\$ 807,868</u>	<u>\$ (39,216)</u>	<u>\$ ----</u>	<u>\$ 768,652</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b><u>Business-Type Activities</u></b>				
<b><u>Non Depreciable Capital Assets</u></b>				
Land	<u>\$ 13,200</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 13,200</u>
Total Non-Depreciable Capital Assets	<u>13,200</u>	<u>----</u>	<u>----</u>	<u>13,200</u>
<b><u>Capital Assets Being Depreciated</u></b>				
Water Distribution System	3,411,156	41,850	----	3,453,006
Wastewater System	891,985	68,885	----	960,870
Vehicles & Equipment	79,381	----	----	79,381
Total	<u>4,382,522</u>	<u>110,735</u>	<u>----</u>	<u>4,493,257</u>
Less Accumulated Depreciation	<u>(2,432,810)</u>	<u>(122,149)</u>	<u>----</u>	<u>(2,554,959)</u>
Total Net of Depreciation	<u>1,946,712</u>	<u>(11,414)</u>	<u>----</u>	<u>1,938,298</u>
Total Business-Type	<u>\$ 1,962,912</u>	<u>\$ (11,414)</u>	<u>\$ ---</u>	<u>\$ 1,951,498</u>



# **TOWN OF WISNER**

## ***Notes To Financial Statements June 30, 2020***

Depreciation expense reported by various functions is presented as follows:

<b><u>Governmental Activities:</u></b>	
General Government	\$ 2,978
Police Department	6,099
Fire Department	1,757
Streets and Drainage	5,802
Recreation	22,580
Total Depreciation – Governmental Activities	<u>\$ 39,216</u>

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

Amounts payable to vendors at June 30, 2020 totaled \$25,861.

### **NOTE 7 – LONG TERM DEBT**

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

	<b><u>Business-Type Activities</u></b>
Water Revenue Bonds	\$ 320,580
Revenue Bonds-1989	345,557
Revenue Bonds-1992	192,071
Limited Tax Bonds-2020	70,000
Total Long-term Debt	<u>928,208</u>
Due Within One Year	<u>(51,709)</u>
Due in More Than One Year	<u>\$ 876,499</u>

Changes in the Town's long-term debt activity for the year ended June 30, 2020, is summarized as follows:

	<b><u>Beginning Balance</u></b>	<b><u>Additions</u></b>	<b><u>Payments</u></b>	<b><u>Ending Balance</u></b>
<b><u>Business-Type Activities:</u></b>				
Limited Tax Bonds-2020	\$ ----	\$ 70,000	\$ ----	\$ 70,000
Water Revenue Bonds	325,905	----	(5,325)	320,580
Revenue Bonds-1989	370,555	----	(24,998)	345,557
Revenue Bonds-1992	203,084	----	(11,013)	192,071
Total Business-Type Activities	<u>\$ 899,544</u>	<u>\$ 70,000</u>	<u>\$ (41,336)</u>	<u>\$ 928,208</u>

### **Revenue Bonds**

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

# **TOWN OF WISNER**

## **Notes To Financial Statements**

**June 30, 2020**

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\$367,000 Water Revenue Bonds, Series 2008, due in monthly installments of \$1,666, maturing October, 2048, bearing interest at a rate of 4.5%. Revenue generated by the Town's water system has been pledged to secure these bonds. \$ 320,580

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

\$706,000 Utility Revenue Bonds, dated November 1, 1989, due in annual installments of \$47,231, maturing November, 2029, bearing interest at a rate of 6.5%. Revenue generated by the Town's utility system has been pledged to secure these bonds. \$ 345,557

\$350,000 Utility Revenue Bonds, dated February 27, 1992, due in annual installments of \$22,690, maturing February, 2032, bearing interest at a rate of 5.75%. Revenues generated by the Town's utility system has been pledged to secure these bonds. \$ 192,071

### **Limited Tax Issue Bonds**

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

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

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

The annual aggregate maturities for the years subsequent to June 30, 2020, are as follows:

### **Business-type Activities**

	<u>Principal Payments</u>	<u>Interest</u>
2021	\$ 51,709	\$ 48,386
2022	55,219	45,850
2023	58,874	42,879
2024	61,682	39,714
2025	65,654	36,388
2026-2030	342,516	126,485
2031-2035	87,619	60,151

# **TOWN OF WISNER**

## **Notes To Financial Statements**

**June 30, 2020**

	<u>Principal Payments</u>	<u>Interest</u>
2036-2040	58,910	41,060
2041-2045	73,414	26,557
2046-2050	72,611	16,194
Total Business-Type	<u>\$ 928,208</u>	<u>\$ 483,664</u>

Total interest charged to expense for the year ended June 30, 2020 is \$47,314 for business type activities.

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

The Town of Wisner is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks of loss are covered by a comprehensive commercial insurance policy and participation in a public entity risk pool that operates as a common insurance program. Claims resulting from these risks have historically not exceeded insurance coverage.

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

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

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Municipal Employees' Retirement System	\$ 108,319	\$ 44,039	\$ 8,373
Portion Applicable to Business Type Activities	<u>94,942</u>	<u>31,290</u>	<u>5,949</u>
Portion Applicable to Government Type Activities	<u>\$ 13,377</u>	<u>\$ 12,749</u>	<u>\$ 2,424</u>

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

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

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3 percent for each year retirement precedes age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100 percent of final average salary. Final average salary is the employee's average salary over the 36 consecutive or joined

# **TOWN OF WISNER**

## **Notes To Financial Statements**

**June 30, 2020**

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months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

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

*Funding Policy.* Under Plan B, members are required by state statute to contribute 5.0 percent of their annual covered salary and the Town of Wisner is required to contribute at an actuarially determined rate. The current rate is 14.0% of the annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Wisner are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the plan were equal to the required contributions for the year.

*Financial Summary* – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available standalone financial report. The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at [mersla.com](http://mersla.com). The plan's net pension liability was determined at June 30, 2019 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 258,352,439
Plan Fiduciary Net Position	170,871,104
Net Pension Liability	<u>87,481,335</u>
Town's Proportionate Share (Percentage)	0.123812%
Town's Proportionate Share (Amount)	<u>\$ 108,319</u>

The net pension liability presented above was not affected by any special funding situations. Changes in the Town's proportionate share of Plan's net pension liability during the measurement period ending June 30, 2019 are provided as follows:

# **TOWN OF WISNER**

## **Notes To Financial Statements June 30, 2020**

Beginning Net Pension Liability		\$	94,869
Employer Contributions			(13,247)
<u>Pension Expense</u>			
Proportionate Share of Plan Pension Expense	23,398		
Changes in Proportion	505		
Employee Contributions	(3,264)		20,639
Changes in Deferred Outflows of Resources			1,132
Changes in Deferred Inflows of Resources			4,926
Ending Net Pension Liability		\$	<u>108,319</u>

There were no changes between June 30, 2019 and the Plan's measurement date that are expected to have a significant effect on the Town's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences Between Expected and Actual Experience	\$ ----	\$ 4,803	\$ (4,803)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	11,409	----	11,409
Changes of Assumptions	6,603	----	6,603
Changes in Proportion	8,725	3,570	5,155
Employer Contributions Made After the Measurement Date	<u>17,302</u>	----	<u>17,302</u>
Total Deferrals	44,039	8,373	35,666
Deferrals That Will be Recorded as a Reduction in Net Pension			
Liability in the Subsequent Reporting Period	<u>17,302</u>	----	<u>17,302</u>
Deferrals Subject to Amortization	<u>\$ 26,737</u>	<u>\$ 8,373</u>	<u>\$ 18,364</u>

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

<u>For the Year Ending:</u>	
June 30, 2020	\$ 9,453
June 30, 2021	6,401
June 30, 2022	1,519
June 30, 2023	<u>991</u>
Total	<u>\$ 18,364</u>

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

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost

# **TOWN OF WISNER**

## **Notes To Financial Statements June 30, 2020**

Actuarial Assumptions:	7.0%, net of investment expense, including inflation
Investment Rate of Return	
Projected Salary Increases	4.9% more than 4 years of service 7.4% 1-4 years of service
Inflation rate	2.5%
Mortality Rates	Annuitant and beneficiary mortality - PubG-2010(B) Healthy Retiree Table, set equal to 120% for males and females, each adjusted using respective male and female MP2018 scales  Employee Mortality - PubG-2010(B) Employee Table, set equal to 120% for males and females, each adjusted using respective male and female MP2018 scales  Disabled lives mortality - PubG-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale
Expected Remaining Service Lives	3 years

The mortality rate assumption used was verified by combining data from this plan with three other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 2013 through June 30, 2018. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2019 are summarized in the following table:

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Long-Term Expected Portfolio Real Rate of Return</b>
Public Equity	50%	2.15%
Public Fixed Income	35%	1.51%
Alternatives	15%	0.64%
Totals	100%	4.30%
Inflation		2.70%
Expected Arithmetic Nominal Return		7.00%

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's

# **TOWN OF WISNER**

## **Notes To Financial Statements June 30, 2020**

actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	<u>1% Decrease 6.0% Discount Rate</u>	<u>Current Discount Rate 7.0%</u>	<u>1% Increase 8.0% Discount</u>
Net Pension Liability	\$ 144,353	\$ 108,319	\$ 77,832

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

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

### **NOTE 11 – TRANSFERS**

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

	<u>Operating Transfers In/(Out)</u>
<b><u>Governmental Funds</u></b>	
General Fund	\$ (17,394)
<b><u>Business Type Funds</u></b>	
Utility System	17,394
Total	<u>\$ ----</u>

### **NOTE 12 – CONTINGENCIES**

Existing conditions that may have financial consequences in the future are referred to as contingencies. Contingencies existing at June 30, 2020, are described as follows:

#### **Litigation**

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

# **TOWN OF WISNER**

## ***Notes To Financial Statements*** ***June 30, 2020***

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### ***Grant Compliance***

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



# **TOWN OF WISNER**

## **General Fund**

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

#### **Budget and Actual**

**Year ended June 30, 2020**

	Budget Amounts		Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Total revenues	\$ 299,000	\$ 362,210	\$ 362,588	\$ 378
<b>Expenditures:</b>				
General government	85,000	33,632	98,024	(64,392)
Public safety				
Police Department	120,000	245,029	169,496	75,533
Fire Department	9,000	2,000	6,717	(4,717)
Public works	90,000	10,000	61,196	(51,196)
Recreation	7,000	2,000	25	1,975
Total expenditures	311,000	292,661	335,458	(42,797)
Excess (deficiency) of revenues over expenditures	(12,000)	69,549	27,130	(42,419)
<b>Other financing sources (uses):</b>				
Operating transfers (net)	12,000	(69,549)	(17,394)	52,155
Total other financing sources (uses)	12,000	(69,549)	(17,394)	52,155
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	-	9,736	9,736
Fund balance - beginning of year	-	17,419	17,419	-
Fund balance - end of year	\$ -	\$ 17,419	\$ 27,155	\$ 9,736

# **Town of Wisner**

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

Retirement System / Measurement Date	Share of Collective Net Pension Liability		Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Pension Plans Fiduciary Net Position as a Percentage of Total Pension Liability
	Percent	Amount		Payroll	Liability
<b>Municipal Employees' Retirement System</b>					
June 30, 2015	0.14%	92,403	102,423	90.2%	76.90%
June 30, 2016	0.12%	101,005	72,108	140.1%	63.34%
June 30, 2017	0.10%	84,470	81,788	103.3%	63.49%
June 30, 2018	0.10%	94,868	94,647	100.2%	65.60%
June 30, 2019	0.12%	108,319	116,799	92.7%	66.14%

**Notes to Schedule:**

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

# **Town of Wisner**

## **Schedule of Employer Contributions**

### **Cost Sharing Retirement Systems**

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Retirement System / Fiscal Year Ending	Statutorily Required Employer Contributions	Contributions Recognized By the Pension Plan	Difference Between Required and Recognized Contributions	Covered Payroll	Contributions Recognized as a Percentage of Covered Payroll
<b>Municipal Employees' Retirement System</b>					
June 30, 2015	8,556	8,962	(406)	102,423	8.75%
June 30, 2016	7,932	8,505	(573)	72,108	11.79%
June 30, 2017	10,837	7,993	2,844	81,788	9.77%
June 30, 2018	13,251	11,078	2,173	94,647	11.70%
June 30, 2019	15,772	13,247	2,525	116,799	11.34%

**Notes to Schedule:**

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

# **Town of Wisner**

## **Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer Year Ended June 30, 2020**

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

# **Town of Wisner**

## ***Schedule of Compensation Paid to Board Members Year Ended June 30, 2020***

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



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

December 30, 2020

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wisner, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Wisner's basic financial statements, and have issued our report thereon dated December 30, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Wisner's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Wisner's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Wisner's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

-Members-

American Institute of Certified Public Accountants • Society of Louisiana CPAs

### **Compliance and other matters**

As part of obtaining reasonable assurance about whether the Town of Wisner's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and as item 2020-001.

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

The Town of Wisner's response to the findings identified in our audit is described in the accompanying Management's Corrective Action Plan. The Town of Wisner's response is not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

  
ROZIER, MCKAY & WILLIS  
Certified Public Accountants

**Town of Wisner, Louisiana**  
**Schedule of Findings**  
**For the Year Ended June 30, 2020**

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

- The Independent Auditor's Report on the financial statements for the Town of Wisner as of June 30, 2020, and for the year then ended expressed an unmodified opinion.
- The results of the audit did not disclose any instance of noncompliance.
- The results of the audit disclosed did not disclose any instances of material weaknesses that are considered to be material to the financial statements of the Town of Wisner.

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

- **2020-001: Non Compliance with Bond Covenants**

In exchange for fees, the Town provides residents with utility services including water and sewage disposal. Operation of the utility system has not produced sufficient income to recover the costs of operations and service debt incurred to construct the utility system.



**Town of Wisner, Louisiana  
Management's Corrective Action Plan  
For the Year Ended June 30, 2020**

<b>SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS</b>	
<p><b><u>2020-001: Non Compliance with Bond Covenants</u></b> In exchange for fees, the Town provides residents with utility services including water and sewage disposal. Operation of the utility system has not produced sufficient income to recover the costs of operations and service debt incurred to construct the utility system.</p>	<p><b>Response</b> – There has been substantial improvements in our utility revenues. We have cut costs and will continue to review the possibility of a utility rate increase.</p>
<b>SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>	
<p>Finding - N/A – There were no findings in this area.</p>	<p>Response - N/A</p>
<b>SECTION III – MANAGEMENT LETTER</b>	
<p>Finding - N/A – There were no findings in this area.</p>	<p>Response - N/A</p>

**Town of Wisner, Louisiana  
 Schedule of Prior Year Findings  
 For the Year Ended June 30, 2020**

<b>SECTION I - INTERNAL CONTROL AND COMPLIANCE        MATERIAL TO THE FINANCIAL STATEMENTS</b>	
<p><b><u>2019-001: Non Compliance with Bond Covenants</u></b>          In exchange for fees, the Town provides residents with utility services including water and sewage disposal. Operation of the utility system has not produced sufficient income to recover the costs of operations and service debt incurred to construct the utility system.</p>	<p><b><u>Unresolved: See 2020-001</u></b></p>
<b>SECTION II – INTERNAL CONTROL AND        COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>	
<p>Finding - N/A – There were no findings in this area.</p>	<p>Response - N/A</p>
<b>SECTION III – MANAGEMENT LETTER</b>	
<p>Finding - N/A – There were no findings in this area.</p>	<p>Response - N/A</p>