

**TOWN OF LAKE PROVIDENCE, LOUISIANA**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2022**

TOWN OF LAKE PROVIDENCE, LOUISIANA

For the Year Ended June 30, 2022  
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**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**For the Year Ended June 30, 2022**

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## **INDEPENDENT AUDITORS' REPORT**

To the Honorable Mayor Robert Amacker And  
Members of the Board of Alderman Town of Lake  
Providence, Louisiana

### **Report on the Audit of Financial Statements**

#### **Disclaimer of Opinion**

We were engaged to audit 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 Lake Providence, Louisiana, as of and for the year ended June 30, 2022, and the related notes to the financial statements as listed in the table of contents.

We do not express an opinion on the accompanying financial statements of the Town of Lake Providence, Louisiana. Because of the significance of the matters described in the Basis for Disclaimer of the Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

#### **Basis for Disclaimer of Opinion**

Numerous general ledger accounts for the governmental activities and business-type activities were not sufficiently reconciled to underlying subsidiary ledgers or we were not provided with sufficient subsidiary ledgers or adequate supporting documentation or explanations. In addition, numerous transactions related to various revenue accounts, allowance for bad debt, unbilled revenue, payroll taxes payable federal and state, sales tax payable, bank reconciliations, and net position did not appear to be recorded correctly, properly, valid, or appropriate in accordance with accounting principles generally accepted in the United States of America. The audit findings displayed an inadequate design and controls over financial reporting. The lack of internal controls relating to the general ledger significantly increases the risk that material errors could exist and not be detected in a timely manner.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Lake Providence, Louisiana, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Lake Providence, Louisiana's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Per the appendix, because of the matter described in the basis of opinion, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the aggregate discretely presented component units. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, or misrepresentations an audit conducted in accordance with generally accepted auditing standards will always detect a material or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town of Lake Providence, Louisiana's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, beginning on page 5, and budgetary comparison information, the schedule of a proportionate share of net pension liability, and the schedule of pension contributions be presented to supplement the basic financial statements. 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.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lake Providence, Louisiana's basic financial statements. The schedule of compensation, benefit, and other payments paid to the agency head, the schedule of compensation paid to the alderman, and the justice system funding schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph above, we are not able to obtain sufficient evidence to provide a basis for an opinion and accordingly, we do not express an opinion on the schedule of compensation, benefit, and other payments paid to the agency head, the schedule of compensation, paid to the alderman, and the justice system funding schedules.

## **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the schedule of aldermen, the schedule of utility activities, and the schedule of the count of utility customers but do not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2023, on our consideration of the Town of Lake Providence, Louisiana’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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Lake Providence, Louisiana’s 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 Lake Providence, Louisiana’s internal control over financial reporting and compliance.

*Bruno & Tervalon LLP*  
Lake Charles, Louisiana  
March 13, 2023

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



## TOWN OF LAKE PROVIDENCE, LOUISIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2022

Our discussion and analysis of the Town of Lake Providence, Louisiana (the Town) provides an overview of the Town's activities for the year ended June 30, 2022. Please read it in conjunction with the Town's financial statements.

#### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Town as a whole.

#### Reporting the Town as a Whole: The Statement of Net Position and the Statement of Activities

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the Town's net position and change in them. The Town's net position (i.e., the difference between assets and liabilities) is a measure of the Town's financial position. The increases or decreases in the Town's net position are an indicator of whether its financial position is improving or deteriorating.

#### THE TOWN AS A WHOLE

At June 30, 2022, net position was as follows:

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>ASSETS</b>						
Current and other assets	\$ 981,339	\$ 908,911	\$ 1,005,423	\$ 825,931	\$ 1,986,762	\$ 1,734,842
Capital assets	3,744,706	3,731,408	5,520,461	5,668,294	9,265,167	9,399,702
<b>TOTAL ASSETS</b>	<b>4,726,045</b>	<b>4,640,319</b>	<b>6,525,884</b>	<b>6,494,225</b>	<b>11,251,929</b>	<b>11,134,544</b>
<b>Deferred outflows-pension related</b>	<b>23,353</b>	<b>42,261</b>	<b>15,568</b>	<b>28,199</b>	<b>38,921</b>	<b>70,460</b>
<b>LIABILITIES</b>						
Current and other liabilities	14,792	43,652	343,938	154,087	358,730	197,739
Long-term liabilities	392,345	479,805	2,411,812	2,599,448	2,804,157	3,079,253
<b>TOTAL LIABILITIES</b>	<b>407,137</b>	<b>523,457</b>	<b>2,755,750</b>	<b>2,753,535</b>	<b>3,162,887</b>	<b>3,276,992</b>
<b>Deferred inflows-pension related</b>	<b>60,749</b>	<b>52,255</b>	<b>40,500</b>	<b>34,837</b>	<b>101,249</b>	<b>87,092</b>
<b>NET POSITION</b>						
Net investment in capital assets	3,427,706	3,427,709	3,101,814	3,181,202	6,529,520	6,608,911
Restricted	457,772	586,309	462,032	446,216	919,804	1,032,525
Unrestricted	396,034	92,850	181,356	106,634	577,390	199,484
<b>TOTAL NET POSITION</b>	<b>\$ 4,281,512</b>	<b>\$ 4,106,868</b>	<b>\$ 3,745,202</b>	<b>\$ 3,734,052</b>	<b>\$ 8,026,714</b>	<b>\$ 7,840,920</b>

## TOWN OF LAKE PROVIDENCE, LOUISIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended June 30, 2022

Net position of the Town's governmental activities increased 4% during the year ended June 30, 2022. Unrestricted net position, the part that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, changed from \$92,850 to \$396,034. The increase is due to increased grant income from the American Rescue Plan. Ordinary expenses increased from \$1,498,545 to 1,590,153.

Net position of the business-type activities increased from \$3,734,052 to \$3,745,202. The decrease is due to changes in charges for services, sales and use taxes and an increase of ordinary expenses from \$1,599,144 to \$1,801,357.

For the year ended June 30, 2022, net position changed as follows:

	Change in Net Position					
	2022		2021		2020	
	2022	2021	2022	2021	2022	2021
	Governmental Activities		Business-type Activities		Total	
<b>Program Revenues:</b>						
Charges for services	\$ 298,782	\$ 349,856	\$ 1,198,047	\$ 1,433,453	\$ 1,496,829	\$ 1,783,309
Operating grants and contributions	708,130	13,104	-	-	708,130	13,104
<b>General Revenues:</b>						
Property taxes	229,079	231,192	-	-	229,079	231,192
Sales and use taxes	352,067	353,209	325,789	354,127	677,856	707,336
Franchise taxes	87,046	90,190	-	-	87,046	90,190
Other taxes, penalties and interest	4,140	2,397	12,445	90	16,585	2,487
Unrestricted investment earnings	27,991	28,840	54,777	-	82,768	28,840
Other	185,533	238,835	93,478	-	279,011	238,835
<b>Total Revenues</b>	<u>1,892,768</u>	<u>1,307,623</u>	<u>1,684,536</u>	<u>1,787,670</u>	<u>3,577,304</u>	<u>3,095,293</u>
<b>Governmental Activities</b>						
General government	780,537	660,459	-	-	780,537	660,459
Public safety	459,412	514,008	-	-	459,412	514,008
Highways and streets	320,782	296,481	-	-	320,782	296,481
Culture and recreation	16,624	14,553	-	-	16,624	14,553
Interest expenses	12,798	13,044	104,378	105,306	117,176	118,350
Business-type activities	-	-	-	-	-	-
Utilities	-	-	1,696,979	1,493,838	1,696,979	1,493,838
<b>Total Expenditures</b>	<u>1,590,153</u>	<u>1,498,545</u>	<u>1,801,357</u>	<u>1,599,144</u>	<u>3,391,510</u>	<u>3,097,689</u>
<b>Increase (Decrease) in net position before transfers</b>						
	302,615	(190,922)	(116,821)	188,526	185,794	(2,396)
<b>Transfers</b>	<u>(127,971)</u>	<u>179,598</u>	<u>127,971</u>	<u>(179,598)</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN NET POSITIONS</b>	174,644	(11,324)	11,150	8,928	185,794	(2,396)
<b>Net Position, Beginning</b>	<u>4,106,868</u>	<u>4,118,192</u>	<u>3,734,052</u>	<u>3,725,124</u>	<u>7,840,920</u>	<u>7,843,316</u>
<b>Net Position, Ending</b>	<u>\$ 4,281,512</u>	<u>\$ 4,106,868</u>	<u>\$ 3,745,202</u>	<u>\$ 3,734,052</u>	<u>\$ 8,026,714</u>	<u>\$ 7,840,920</u>

As of June 30, 2022, none of the Town's funds have a deficit balance. The General Fund has a fund balance of \$969,613 which is an increase of approximately 12% from the prior year.

## TOWN OF LAKE PROVIDENCE, LOUISIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended June 30, 2022

#### **BUDGETARY HIGHLIGHTS**

During the year, in the General Fund, there was a \$853,095 increase in anticipated revenues. It was due primarily to increases in grant funding. Anticipated expenditures increased by \$572,755 primarily due to increases in general government, police department, and highways and streets.

#### **CAPITAL ASSET AND DEBIT ADMINISTRATION**

##### *Capital Assets*

As of June 30, 2022, the Town's investment in capital assets for its governmental and business-type activities amounts to \$9,265,167 (net of accumulated depreciation). This investment includes the land, buildings and improvements, streets, vehicles, furniture, and equipment.

This year's additions of \$343,493 were spent on Town's FY 2022 Infrastructure improvements. Depreciation expense for governmental and business-type activities was \$165,704 and \$312,325 respectively.

##### *Debt*

At year end, the Town had a total of \$298,002 in general obligation bonds and \$2,418,647 in revenue bonds outstanding. The bonds bear interest between 4.125% and 4.25%. There is one issue of general obligation bonds and one issue of revenue bonds. The bonds are due to mature in 2049 and 2043, respectively. The funds were used to finance the cost of the construction of extensions, improvements, and additions to the existing waterworks and sewer systems of the Town.

In addition, the Town had other long-term obligations:

- Net pension liability \$155,588
- Compensated absences payable \$9,273

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Our elected and appointed officials consider many factors when setting the Town's budget and tax rates. One of the most important factors affecting the budget is our franchise, ad valorem, sales and other tax collections. Approximately 50% of total revenues in the General Fund are taxes. We have budgeted very little change in taxes for the year ending June 30, 2022.

#### **CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Mayor at Town Hall, 201 Sparrow Street, Lake Providence, Louisiana 71263, telephone number 318-559-2288.

**BASIC FINANCIAL STATEMENTS :**  
**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**STATEMENT OF NET POSITION**

**June 30, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 501,015	\$ 313,941	\$ 814,956
Cash and cash equivalents - restricted	457,772	462,032	919,804
Receivables, net of allowance for uncollectible	22,552	229,450	252,002
Capital assets not being depreciated	218,340	61,545	279,885
Capital assets, net of accumulated depreciation	3,526,366	5,458,916	8,985,282
TOTAL ASSETS	4,726,045	6,525,884	11,251,929
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions	23,353	15,568	38,921
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	3,399	103,951	107,350
Payroll and related liabilities	5,452	9,901	15,353
Customer deposits payable	-	158,674	158,674
Long-term liabilities:			
Due within one year	5,941	71,412	77,353
Due in more than one year	292,061	2,347,235	2,639,296
Compensated absences payable	6,931	2,342	9,273
Net pension liability	93,353	62,235	155,588
TOTAL LIABILITIES	407,137	2,755,750	3,162,887
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pensions	60,749	40,500	101,249
<b>NET POSITION</b>			
Net investment in capital assets	3,427,706	3,101,814	6,529,520
Restricted	457,772	462,032	919,804
Unrestricted (deficit)	396,034	181,356	577,390
TOTAL NET POSITION	\$ 4,281,512	\$ 3,745,202	\$ 8,026,714

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

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2022**

	Expenses	Program Revenues			Primary Government Net (Expense) Revenue and Changes in Net Position		
		Charge for Services	Operating Grants&Contibitions	Capital Grants&Contibitions	Governmental Activities	Business-type Activities	Total
<b>Functions/Programs</b>							
Governmental Activities							
General government	\$ 780,537	\$ 120,579	\$ 708,130	\$ -	\$ 48,172	\$ -	\$ 48,172
Public safety	459,412	178,203	-	-	(281,209)	-	(281,209)
Highways and streets	320,782	-	-	-	(320,782)	-	(320,782)
Culture and recreation	16,624	-	-	-	(16,624)	-	(16,624)
Interest expense	12,798	-	-	-	(12,798)	-	(12,798)
Total governmental activities	<u>1,590,153</u>	<u>298,782</u>	<u>708,130</u>	<u>-</u>	<u>(583,241)</u>	<u>-</u>	<u>(583,241)</u>
Business-type activity:							
Utility fund	1,696,979	1,198,047	-	-	-	(498,932)	(498,932)
Interest expense	104,378	-	-	-	-	(104,378)	(104,378)
Total business-type activities	<u>1,801,357</u>	<u>1,198,047</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(603,310)</u>	<u>(603,310)</u>
Total primary government	<u>\$ 3,391,510</u>	<u>\$ 1,496,829</u>	<u>\$ 708,130</u>	<u>\$ -</u>	<u>(583,241)</u>	<u>(603,310)</u>	<u>\$ (1,186,551)</u>
General revenues							
Property taxes					229,079	-	229,079
Sales and use taxes					352,067	325,789	677,856
Franchise taxes					87,046	-	87,046
Other taxes, penalties and interest					4,140	54,777	58,917
Unrestricted investment earnings					27,991	12,445	40,436
Other					185,533	93,478	279,011
Transfers					(127,971)	127,971	-
					<u>757,885</u>	<u>614,460</u>	<u>1,372,345</u>
Changes in net position					174,644	11,150	185,794
Net Position at beginning of year					<u>4,106,868</u>	<u>3,734,052</u>	<u>7,840,920</u>
<b>Net Position at end of year</b>					<u>\$ 4,281,512</u>	<u>\$ 3,745,202</u>	<u>\$ 8,026,714</u>

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

**BASIC FINANCIAL STATEMENTS:  
FUND FINANCIAL STATEMENTS**

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2022**

	General Fund	Capital Project	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 498,140	\$ 2,875	\$ 501,015
Cash and cash equivalents - restricted	457,772	-	457,772
Receivables, net	22,552	-	22,552
	<u>978,464</u>	<u>2,875</u>	<u>981,339</u>
<b>LIABILITIES</b>			
Accounts payable	3,399	-	3,399
Payroll and related liabilities	5,452	-	5,452
	<u>8,851</u>	<u>-</u>	<u>8,851</u>
<b>FUND BALANCES</b>			
Restricted	457,772	2,875	460,647
Unassigned	511,841	-	511,841
	<u>969,613</u>	<u>2,875</u>	<u>972,488</u>
Total Liabilities and Fund Balances	<u>\$ 978,464</u>	<u>\$ 2,875</u>	<u>\$ 981,339</u>

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



TOWN OF LAKE PROVIDENCE, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION

June 30, 2022

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

Total fund balances for governmental funds	\$	972,488
Capital assets used in governmental activities are not financial resources and therefore, are deferred in the funds		3,744,706
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
Deferred outflows - pension related		23,353
Deferred inflows - pension related		(60,749)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable		(298,002)
Compensated absences payable		(6,931)
Net pension liability		<u>(93,353)</u>
Total net position of governmental activities	\$	<u><u>4,281,512</u></u>

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

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2022**

	General Fund	Capital Project	Total Governmental Funds
<b>Revenues:</b>			
Taxes			
Ad valorem	\$ 229,079	-	\$ 229,079
Sales and use	352,067	-	352,067
Franchise	87,046	-	87,046
Other taxes, penalties and interest	4,140	-	4,140
Licenses and permits	120,579	-	120,579
Intergovernmental			
Supplemental pay	33,167	-	33,167
Local governmental assistance program and grants	708,130	-	708,130
Public Safety	145,036	-	145,036
Investment earnings	27,991	-	27,991
Miscellaneous revenues	263,460	-	263,460
Total revenues	1,970,695	-	1,970,695
<b>Expenditures:</b>			
Current:			
General government	709,582	-	709,582
Public safety:			
Police Department	342,644	-	342,644
Fire Department	148,932	-	148,932
Highways and streets	319,972	-	319,972
Culture and recreation	10,767	-	10,767
USDA Community Center	5,857	-	5,857
Debt Services			
Principal	5,941	-	5,941
Interest and others	12,798	-	12,798
Capital Outlay	179,002	-	179,002
Total expenditures	1,735,495	-	1,735,495
Excess (deficiency) of revenues over (under) expenditures	235,200	-	235,200
<b>Other Financial Sources (Uses):</b>			
Transfer In	(127,971)	-	(127,971)
Net Change in Fund Balance	107,229	-	107,229
Fund balances, beginning	862,384	2,875	865,259
Fund balances, ending	\$ 969,613	\$ 2,875	\$ 972,488

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

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**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, 2022**

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

Net changes in fund balances - total governmental funds	\$ 107,229
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Capital outlays are reported in governmental funds 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 exceeds capital outlays in the period:

Capital outlays	179,002
Depreciation	(165,704)

The liability and expense for compensated absences are not reported in governmental funds. Instead, payments for compensated absences are reported as salaries when they occur. Only the payment consumes current financial resources and it would take a current liability catastrophic event for this liability to become a current liability. (6,931)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Payments on debt	5,941
Non Employee Contributions to Pension Plan	8,341
Pension expense	<u>46,766</u>

Change in net position of governmental activities	<u>\$ 174,644</u>
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The accompanying notes are an integral part of the basic financial statements.

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2022**

<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 313,941
Receivables, net	<u>229,450</u>
Total current assets	<u>543,391</u>
Noncurrent assets:	
Restricted cash and cash equivalents	462,032
Capital assets, net of depreciation	<u>5,520,461</u>
Total noncurrent assets	<u>5,982,493</u>
Total assets	<u>6,525,884</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources related to pensions	<u>15,568</u>
<b>LIABILITIES</b>	
Current liabilities :	
Accounts payable	103,951
Payroll and related liabilities	9,901
Current portion of long-term debt	71,412
Customer deposits payable	<u>158,674</u>
Total current liabilities	<u>343,938</u>
Noncurrent liabilities:	
Compensated absences payable	2,342
Revenue bonds payable	2,347,235
Net pension liability	<u>62,235</u>
Total noncurrent liabilities	<u>2,411,812</u>
Total liabilities	<u>2,755,750</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources related to pensions	<u>40,500</u>
<b>NET POSITION</b>	
Net investment in capital assets	3,101,814
Restricted	462,032
Unrestricted (deficit)	<u>181,356</u>
Total Net position	<u>\$ 3,745,202</u>

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

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS**

**For the Year Ended June 30, 2022**

Operating revenues:	
Charges for sales and services:	
Water charges	\$ 564,545
Sewer charges	3,855
Lakeside sewer district fees	74,872
Garbage charges	228,144
Street light charges	62,356
Penalties charged on utility accounts	54,777
Other operating revenue	<u>371,190</u>
Total operating revenues	<u>1,359,739</u>
Operating expenses:	
General and administrative:	
Salaries and related benefits	85,198
Materials and supplies	2,415
Operating costs	111,660
Professional services and fees	37,458
Water department:	
Water salaries and related benefits	53,180
Water materials and supplies	30,893
Water operating costs	129,329
Water professional services	72,000
Water depreciation	198,092
Sewer department:	
Sewer salaries and related benefits	58,844
Sewer materials and supplies	9,396
Sewer operating costs	357,861
Sewer professional services	72,000
Sewer depreciation	114,878
Sanitation department:	
Sanitation salaries and related benefits	31,133
Sanitation materials and supplies	13,136
Sanitation operating costs	250,552
Sanitation depreciation	13,799
Street lighting expense	<u>68,592</u>
Total operating expenses	<u>1,710,416</u>
Operating income (loss)	<u>(350,677)</u>
Nonoperating revenues (expenses):	
Sales and use taxes	325,789
Interest income	12,445
Interest expense	<u>(104,378)</u>
Total Nonoperating revenues (expenses)	<u>233,856</u>
Income (loss)	<u>(116,821)</u>
Transfers in	127,971
Change in net position	11,150
Net position, beginning	<u>3,734,052</u>
Net position, ending	<u>\$ 3,745,202</u>

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

TOWN OF LAKE PROVIDENCE, LOUISIANA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2022

	<u>Utility Fund</u>
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 988,549
Other operation receipts	295,854
Cash paid for employee services and benefits	(228,355)
Payments to suppliers	(55,840)
Other operation payments	<u>(989,624)</u>
Net cash provided (used) by operating activities	<u>10,584</u>
<b>Cash flows from noncapital financing activities:</b>	
Transfers in	127,971
Sales tax receipts	<u>325,789</u>
Net cash provided (used) by noncapital activities	<u>453,760</u>
<b>Cash flows from capital contributions</b>	
Funds used for capital activities	<u>(164,491)</u>
Net cash provided (used) by capital activities	<u>(164,491)</u>
<b>Cash flows from related financing activities:</b>	
Principal payment bonds	(68,446)
Interest income	12,444
Interest expense	<u>(104,378)</u>
Net cash provided (used) for capital and related financing activities	<u>(160,380)</u>
<b>Net increase in cash and cash equivalents</b>	139,473
<b>Cash and cash equivalents, beginning of period</b>	<u>636,500</u>
<b>Cash and cash equivalents, end of period</b>	<u><u>\$ 775,973</u></u>

(Continued)

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

TOWN OF LAKE PROVIDENCE, LOUISIANA

STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS

For the Year Ended June 30, 2022

	<u>Utility Fund</u>
Reconciliation of operating income (loss) to net cash <b>Provided (used) by operating activities:</b>	
Operating income (loss)	\$ (350,677)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Depreciation	312,325
Pension Adjustment	(30,410)
Due from other funds	(13,158)
(Increase) decrease in accounts receivable	(26,861)
Increase (decrease) in accounts payable	95,445
Increase (decrease) in payroll and related liabilities	6,542
Increase (decrease) in compensated absences	926
Increase (decrease) in customer deposits payable	<u>16,452</u>
Net cash provided (used) by operating activities	<u>\$ 10,584</u>

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

# TOWN OF LAKE PROVIDENCE, LOUISIANA

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

### **Note 1 - Summary of Significant Accounting Policies**

The Town of Lake Providence, Louisiana, (the Town) was incorporated in 1848. In 1904, the Town began operating under the provisions of the "Lawrason Act" (Louisiana Revised Statutes (R.S.) 33:321-481) of the constitution of the State of Louisiana. The Town is located in the parish of East Carroll and, as of 2010, had a population of 5,104. The Town operates under a "Board of Aldermen-Mayor" form of government and as permitted under the act, provides police protection, fire protection, roads, streets and sidewalks; sponsorship of federal and state supported programs, water and sewer utilities and other necessary public services.

The accompanying basic financial statements of the Town of Lake Providence have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The basic financial statements present the financial position and results of operations of the various funds by the Town and the cash flows of the proprietary funds as of and for the year ended June 30, 2022.

### **Financial Reporting Entity**

The Town reporting entity consists of the various departments and activities that are within the control and authority of the Mayor and the Board of Aldermen.

As required by GASB Statement No. 14, The Financial Reporting Entity, as amended, a legally separate entity is considered a component unit of the Town if at least one of the following criteria is met:

1. The Town appoints a voting majority of the organization's governing body and is either able to impose its will on the organization or there is a potential financial benefit/burden to the Town.
2. The entity is fiscally dependent on the Town.
3. The nature and significance of the relationship between the Town and the entity is such that exclusion would cause the financial statements of the Town to be misleading or incomplete.

Under provisions of this Statement, the Town is considered a primary government since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. The Town has no component units.

The following is a summary of certain significant accounting policies and practices:

### **Basis of Presentation**

The financial report consists of Management's Discussion and Analysis (MD&A), basic financial statements, notes to basic financial statements, and required supplementary information other than the MD&A. The MD&A provides an overview of the financial activities of the Town. The basic financial statements include the government-wide financial statements, fund financial statements, and the notes to the basic financial statements.



# TOWN OF LAKE PROVIDENCE, LOUISIANA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

### Note 1 - Summary of Significant Accounting Policies (continued)

#### Government-wide Financial Statements

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Major revenues such as ad valorem taxes and sales taxes are assessed, collected and susceptible to accrual. Assets, liabilities, revenues, and expenses of the government are reported in the financial statements. The statements distinguish between the governmental and business-type activities of the Town by reporting each in a separate column.

All capital (long-lived) assets, receivables, and long-term obligations are reported in the Statement of Net Position. The Statement of Activities reports revenues and expenses in a format that allows the reader to focus on the net cost of each function of the Town. Both the gross and net cost per function, which is otherwise being supported by general government revenues, is compared to the revenues generated directly by the function. In the Statement of Activities, gross expenses, including depreciation, are reduced by related program revenues, which are comprised of charges for services, operating grants, and capital grants. Direct and indirect expenses are reported as program expenses for individual functions and activities. The program revenues must be directly associated with the function or a business-type activity. The types of transactions included in program revenues are licenses and permits, fines, lease income, court costs, charges for mowing, and charges for gravesites. The operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

#### Fund Financial Statements

The fund financial statements report the Town as a collection of major and nonmajor funds presented on separate schedules by fund category- governmental, proprietary, and fiduciary funds.

- The governmental fund statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances, with one column for the general fund, one for each of the other major funds, and one column combining all the nonmajor governmental funds. The Town does not have any nonmajor governmental funds. The statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period, generally considered sixty days after the end of the fiscal year. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest payments on general long-term liabilities which are recognized when due.
- The proprietary fund statements include a statement of net position; a statement of revenues, expenses, and changes in fund net position; and a statement of cash flows. Each statement has a column for each major enterprise fund. The Town does not have any nonmajor proprietary funds or internal service funds. The proprietary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting in order to make a determination of net income, financial position, and cash flows.

## TOWN OF LAKE PROVIDENCE, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

#### **Note 1 - Summary of Significant Accounting Policies (continued)**

Although the financial statements presented in each of these three schedules contain "total" columns, they merely combine rather than consolidate the funds. Hence, interfund transactions that generate receivables and payables or transfers from one fund to another are not eliminated.

Major funds are those whose revenues, expenditures/expenses, assets and deferred outflows, or liabilities and deferred inflows are at least ten percent of the total for their fund category or type (governmental or enterprise) and at least five percent of the corresponding element total for all governmental and enterprise funds combined.

The data on the face of the three sets of financial statements must be accompanied by certain disclosures to ensure accurate information is presented in the form of a single set of notes to the basic financial statements.

The major governmental funds of the Town are the General Fund and the Capital Projects Fund.

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

The Capital Projects Fund is used to account for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The Town reports one major enterprise fund, the Utility Enterprise Fund which accounts for the activities of the water, sewer, sanitation and street lighting departments.

#### **Assets, Liabilities, and Net Position, Equity, or Net Fund Balances**

##### *Cash and Investments*

The Town Clerk pools those cash resources for which she is responsible and invests them accordingly. For purposes of the financial statements, including the Statement of Cash Flows, the Town considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments are reported at fair value in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. Cash and investment earnings are recorded in the Fund that holds the investment.

##### *Receivables and Payables*

Activity between funds that is outstanding at the end the fiscal year is referred to as either "due to or from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All internal balances are eliminated in the total primary government column. Receivables include all amounts susceptible to accrual that have not been collected at June 30 but will be collected soon enough

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

**Note 1 - Summary of Significant Accounting Policies (continued)**

after the end of the year to pay liabilities of that year. They include all amounts earned, but not collected at June 30. Receivables (net of any uncollectible amounts) and payables are reported on separate lines.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied by the Town in September or October, are actually billed on October 1, and are mailed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year they are billed. The Town bills and collects its own property taxes using the assessed value determined by the assessor of East Carroll Parish and approved by the State of Louisiana Tax Commission. However, taxes that are received after more than 60 days after year end, will be recorded as deferred revenue at year end as they are not available. For the year ended June 30, 2022, taxes of 17.12 mills were levied on property with assessed valuations totaling \$6,555,280 as follows:

	<u>Authorized Milage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General	11.34	11.34	Indefinite
Fire	3.21	3.21	2027
Police	2.57	2.57	2027

Voters of the Town authorized a one percent sales and use tax at a special election held November 3, 1998. On July 19, 2008, the tax was approved for an additional ten years from January 1, 2009. On April 28, 2018, the tax was approved for an additional ten years from January 1, 2019. The tax is to be used for the purpose of constructing, acquiring, improving, extending, operating, and/or maintaining the Town's sewer system and water works facilities and improvements. An additional one percent sales and use tax was approved by the voters on January 15, 2005, for a period of ten years. On November 4, 2014, voters renewed the tax for an additional ten years commencing March 31, 2015. The tax is to be used for the purpose of improvement, maintenance, and/or repair of public streets within the corporate limits of the Town. Sales taxes are recognized when the underlying exchange transaction occurs, and the resources are available

*Inventories and Prepaid Items*

Inventories consisting of office supplies and water and sewer plant supplies held for consumption are valued using the average cost method. The consumption method is used for financial reporting. Certain payments reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

*Restricted Assets*

Restricted assets represent primarily cash and investments held separately and restricted according to bond indenture agreements. Cash held for water customer meter deposits is also reported as restricted.

## TOWN OF LAKE PROVIDENCE, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

#### **Note 1 - Summary of Significant Accounting Policies (continued)**

##### *Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported capital in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are recorded as expenditures in each fund and capitalized at the government-wide level; assets of enterprise funds are reported in the fund. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. The capitalization threshold is \$1,000. For reporting purposes, the Town defines capital assets as follows:

- Land is an inexhaustible asset with no capitalization threshold and an unlimited useful life; therefore, it is not depreciated.
- Buildings are permanent structures erected above ground, while improvements are major repairs, renovations, or additions that increase the future service potential of the asset. Leasehold improvements are improvements made by the lessee to leased property. They are depreciated principally using the straight-line method with an estimated useful life typically of 50 years for structures and improvements and 20 years for depreciable land improvements. Leasehold improvements are depreciated using the straight-line method with an estimated useful life depending on the term of the lease. Construction-in-progress is not depreciated.
- Movable property (furniture, equipment, and vehicles) consists of assets that are not fixed or stationary in nature. The straight-line method of depreciation is used, which divides the historical cost by the estimated useful life of the asset, generally 5 to 10 years.
- Infrastructure assets include tunnels, drainage systems, water, sewer systems and lighting systems. Infrastructure is depreciated using the straight-line method with an estimated useful life of 20 to 40 years.
- Purchased computer software is depreciated using the straight-line method over an estimated useful life of 3 years.
- Donated capital assets are recorded at their estimated fair value at the date of donation.

##### *Compensated absences*

An employee must have been in the service of the Town for at least one year to be eligible for annual leave. Employees' vacations are determined by length of service with the Town. Employees with up to three years of service earn one week of vacation. Employees with more than three years of service earn two weeks of vacation. Employees are not paid for accumulated vacation leave upon separation, termination, retirement, or death.

Each employee earns sick leave at the rate of one and one-quarter day for each month worked up to a maximum of fifteen days. If no sick leave is used during a year, the employee may carry forward six days to the next year. If any sick leave is used during the year, the employee may carry forward half of the leave earned for the year. The total accumulated balance cannot exceed sixty days. At separation, termination, retirement, or death, an employee may only be paid for the amount earned during the current year.

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

**Note 1 - Summary of Significant Accounting Policies (continued)**

*Long-Term Obligations*

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental or business-type activities. In the fund financial statements, proprietary fund long-term obligations are reported as liabilities in the proprietary fund type statement of net position. Individual funds have been used to liquidate other long-term liabilities such as compensated absences, claims and litigation payable, etc. Prior to the implementation of GASB Statement No. 65, bond premiums and discounts, as well as issuance costs, were deferred and amortized over the life of the bonds. Subsequently, the costs are expensed as incurred.

*Fund Balance Classifications and Net Position*

Fund balances are reported under the following fund balance classifications:

Non-spendable	Includes fund balance amounts that cannot be spent either because it is not in spendable form or are legally or contractually required to be maintained intact.
Restricted	Includes amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
Committed	Includes amounts that can only be used for specific purposes pursuant to constraints that are internally imposed by the government through formal action of the Town Council and does not lapse at year-end.
Assigned	Includes amounts that are constrained by the Council's intent to be used for specific purposes that are neither considered restricted nor committed.
Unassigned	Includes amounts that have not been assigned to other funds and that have not been restricted, committed or assigned to specific purposes within the

General Fund-Negative fund balances in other governmental funds can also be classified as unassigned,

The Town has a general policy to first use restricted resources for expenditures incurred for which both restricted and unrestricted (committed, assigned, and unassigned) resources are available. When expenditures are incurred for which only unrestricted resources are available, the general policy of the Town is to use committed resources first, followed by assigned, and then unassigned. The use of restricted/committed resources may be deferred based on a review of the specific transaction.

The difference between assets and liabilities is "net position" on the government-wide, proprietary, and fiduciary fund statements. Net position is segregated into three categories on the government-wide statement of net position:

## TOWN OF LAKE PROVIDENCE, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

#### **Note 1 - Summary of Significant Accounting Policies (continued)**

Net investment in capital assets - Consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Town first uses restricted net position for expenses incurred when both restricted and unrestricted net position are available for use. The use of restricted net position may be deferred based on a review of the specific transaction.

Unrestricted net position - The balance of net position that does not meet the definition of "restricted" or "net investment in capital assets."

#### **Reconciliation of Government-wide and Fund Financial Statements**

The governmental fund balance sheet includes a reconciliation of the government-wide statements to the governmental fund financial statements. This reconciliation is necessary to bring the financial statements from the current financial resource's measurement focus and modified accrual basis of accounting to the economic measurement focus and full accrual basis of accounting. Major items included in the reconciliation are capital assets, inventories and prepaids, long-term debt, accrued interest, long-term liabilities, and deferred revenue, which are shown on the government-wide but not the governmental fund statements.

#### **Budgets**

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

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

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

**Use of estimates**

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

**Note 2 - Cash and Cash Equivalents and Investments**

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town's policy to ensure that there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. The policy is not a formal written policy. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Town that the fiscal agent bank has failed to pay deposited funds upon demand.

On June 30, 2022, the Town has cash and cash equivalents (book balances) totaling \$1,734,760 as follows:

<b>Cash and cash equivalents - unrestricted:</b>	
Demand deposits	\$ 814,956
Other	<u>-</u>
Total	<u>814,956</u>
<b>Cash and cash equivalents - restricted:</b>	
Demand deposits	457,772
Time deposits	<u>462,032</u>
Total	<u>919,804</u>
<b>Total cash and cash equivalents</b>	<b><u><u>\$ 1,734,760</u></u></b>

These deposits are stated at cost which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. As of June 30, 2022, Town's bank balances of \$1,803,285 was exposed to custodial credit risk as follows:

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

Insured by FDIC	\$	752,111
Uninsured and collateralized		250,966
Collateralized by pledged securities in the Town's name		<u>800,208</u>
<b>Total bank balances</b>	<b>\$</b>	<b><u><u>1,803,285</u></u></b>

**Note 3 - Receivables.**

The following is a summary of receivables on June 30, 2022:

	<u>General</u>	<u>Utility Enterprise</u>	<u>Total</u>
<b>Receivables:</b>			
Taxes:			
Sales and use taxes	\$ 22,552	\$ 22,644	\$ 45,196
Property taxes	-	-	-
Fines	-	-	-
Accounts	-	540,960	540,960
Other	-	<u>4,678</u>	<u>4,678</u>
<b>Gross receivables</b>	<u>22,552</u>	<u>568,282</u>	<u>590,834</u>
Less allowance for uncollectible	<u>-</u>	<u>(338,832)</u>	<u>(338,832)</u>
<b>Net total receivables</b>	<u><u>\$ 22,552</u></u>	<u><u>\$ 229,450</u></u>	<u><u>\$ 252,002</u></u>

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**TOWN OF LAKE PROVIDENCE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

**Note 4 - Capital Assets**

A schedule of changes in capital assets for the year ended June 30, 2022, follows:

	Balance 07/1/2021	Increases	Decreases	Balance 06/30/2022
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 218,340	\$ -	\$ -	\$ 218,340
Total capital assets not being depreciated	218,340	-	-	218,340
<b>Capital assets being depreciated:</b>				
Infrastructure	5,031,713	179,002	-	5,210,715
Buildings	778,256	-	-	778,256
Building improvements	908,569	-	-	908,569
Furniture and equipment	354,322	-	-	354,322
Vehicles	728,419	-	-	728,419
Total capital assets being depreciated	7,801,279	179,002	-	7,980,281
<b>Less accumulated depreciation for:</b>				
Infrastructure	2,323,800	95,455	-	2,419,255
Buildings	354,153	18,345	-	372,498
Building improvements	508,762	41,658	-	550,420
Furniture and equipment	380,910	4,246	-	385,156
Vehicles	720,586	6,000	-	726,586
Total accumulated depreciation	4,288,211	165,704	-	4,453,915
Total capital assets being depreciated	3,513,068	13,298	-	3,526,366
Governmental activities, capital assets, net	\$ 3,731,408	\$ 13,298	\$ -	\$ 3,744,706

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

**Note 4 - Capital Assets (continued)**

	Balance 07/1/2021	Increases	Decreases	Balance 06/30/2022
<b>Business-type activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 61,545	\$ -	\$ -	\$ 61,545
Total capital assets not being depreciated	61,545	-	-	61,545
<b>Capital assets being depreciated:</b>				
Infrastructure	11,511,684	164,491	-	11,676,175
Buildings	148,905	-	-	148,905
Building improvements	23,689	-	-	23,689
Furniture and equipment	309,008	-	-	309,008
Vehicles	360,293	-	-	360,293
Total capital assets being depreciated	12,353,579	164,491	-	12,518,070
<b>Less accumulated depreciation for:</b>				
Infrastructure	5,974,128	303,064	-	6,277,192
Buildings	89,692	2,931	-	92,623
Building improvements	23,637	125	-	23,762
Furniture and equipment	299,514	5,769	-	305,283
Vehicles	359,858	436	-	360,294
Total accumulated depreciation	6,746,829	312,325	-	7,059,154
Total capital assets being depreciated	5,606,750	(147,834)	-	5,458,916
Governmental activities, capital assets, net	\$ 5,668,295	\$ (147,834)	\$ -	\$ 5,520,461

Depreciation expense was charged as follows:

<b>Government activities:</b>	
General Government	\$ 54,299
Public safety	15,798
Highways and streets	77,262
Culture and recreation	18,345
Total	\$ 165,704
<b>Business-type activities:</b>	
Water	\$ 190,807
Sewer	121,518
Total	\$ 312,325

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

**Note 5 – Interfund Transfers**

During the year ended June 30, 2022, the Utility Fund transferred \$127,971 to the General Fund to subsidize operations.

Transfers are used to move funds to finance various programs that the Town must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

**Note 6 - Long-Term Obligations**

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. The Town also issues bonds where the Town pledges income derived from the acquired or constructed asset to pay debt service.

Bonds payable on June 30, 2022, are comprised of the following issues:

**USDA Community Center Project Bond:**

\$355,000 Public Improvement Bonds, Series 2008, dated October 23, 2009, payable in monthly installments of \$1,541 commencing November 2009, through October 23, 2049; interest payable at a rate of 4.25%. The General Fund services this debt.

\$ 298,002

**Utility Revenue Bonds:**

\$3,288,000 Utility Revenue Bond, Series 2003, dated September 11, 2003, payable in monthly installments of \$14,402 beginning October 11, 2004, and ending September 11, 2043, including interest at 4.25%. 850,000 of Water Revenue Bonds dated September 13, 2004, due in monthly installements of \$3,859 through July 2044; bearing interest at a rate of 4.25%. The Utility Enterprise Fund services this debt.

2,418,647

**Total Reporting Entity**

\$ 2,716,649

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

Long-term liability activity for the year ended June 30, 2022, was as follows:

	Beginning Balances	Additions	Deletions	Ending Balances	Amounts Due Within One Year
<b><u>Governmental Activities:</u></b>					
Long-term debt:					
Bonds payable	\$ 303,699	\$ -	\$ (5,697)	\$ 298,002	\$ 5,941
Compensated absences	9,697	-	(2,766)	6,931	-
Net Pension Liability - MERS	166,409	-	(73,056)	93,353	-
Governmental activity long-term liabilities	<u>\$ 479,805</u>	<u>\$ -</u>	<u>\$ (81,519)</u>	<u>\$ 398,286</u>	<u>\$ 5,941</u>
<b><u>Business-type Activities:</u></b>					
Revenue bonds payable	\$ 2,487,092	\$ -	\$ (68,445)	\$ 2,418,647	\$ 71,412
Compensated absences	3,359	-	(1,017)	\$ 2,342	-
Net Pension Liability - MERS	110,939	-	(48,704)	\$ 62,235	-
Business-type activity long-term liabilities	<u>\$ 2,601,390</u>	<u>\$ -</u>	<u>\$ (118,166)</u>	<u>\$ 2,483,224</u>	<u>\$ 71,412</u>

Annual debt service requirements to maturity for bonds are as follows:

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>USDA Community Center Project Bond</b>		<b>Utility Revenue Bond</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2023	5,943	12,550	71,412	101,412	77,355	113,962
2024	6,199	12,293	74,507	98,317	80,706	110,610
2025	6,468	12,024	77,736	95,088	84,204	107,112
2026	6,755	11,737	81,005	91,819	87,760	103,556
2027	7,045	11,447	84,649	88,175	91,694	99,622
2028-2049	265,592	145,321	2,029,338	786,361	2,294,930	931,682
<b>Totals</b>	<u><b>\$ 298,002</b></u>	<u><b>\$ 205,372</b></u>	<u><b>\$ 2,418,647</b></u>	<u><b>\$ 1,261,172</b></u>	<u><b>\$ 2,716,648</b></u>	<u><b>\$ 1,466,544</b></u>

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.

Interest expenses for governmental activities and business-type activities for the year ended June 30, 2022, totaled \$12,798 and \$104,378 respectively.

**Note 7 – Pension Plan**

**Municipal Employees' Retirement System of Louisiana (MERS)**

*Plan Description*

The Town of Lake Providence contributes to the Municipal Employees' Retirement System of Louisiana (MERS), which is a cost sharing multiple employers defined benefit pension plan. The System is composed

## TOWN OF LAKE PROVIDENCE, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

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.

Any member of Plan B who was hired before January 1, 2013, can retire providing the member meets one of the following criteria:

1. Any age with 30 years of creditable service.
2. Age 60 with a minimum of ten or more years of creditable service.
3. Any age with ten years of creditable service eligible for disability benefits.
4. Survivor's benefits require five years creditable service at death of member.

Eligibility for retirement for Plan B members hired on or after January 1, 2013, is as follows:

1. Age 67 with seven or more years of creditable service.
2. Age 62 with ten or more years of creditable service.
3. Age 55 with thirty or more years of creditable service.
4. Any age with twenty-five years of creditable service, exclusive of military service and unused side leave.

However, any member retiring under this subsection shall have their benefit actuarially reduced from the earliest age at which the member would be entitled to a vested deferred benefit under any provision of this section if the member had continued in service to that age.

Generally, the monthly amount of the retirement shall consist of an amount equal to 2% of the employee's final compensation multiplied by his or her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. The System also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended June 30, 2022, the Town of Lake Providence's total covered payroll was \$227,201. Covered payroll refers to all compensation paid by the Town of Lake Providence to active employees covered by the Plan.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The 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, or by visiting the System's website [www.mersla.com](http://www.mersla.com).

#### *Contributions*

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2022, the actual employer contribution rate was 15% for Plan B, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the System receives ad valorem taxes and

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

state revenue-sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations.

Under Plan B, members are required by state statute to contribute 5.00% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Town of Lake Providence to the System monthly. The Town of Lake Providence's contributions to the System under Plan B for the year ending June 30, 2022, was \$31,993.

*Pension Liabilities, Pension Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions*

On June 30, 2022, the Town reported a liability of \$155,588 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Town of Lake Providence's proportion of the Net Pension Liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. On June 30, 2022, the Town's proportion was 0.268576%, which was a decrease of 0.037472% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the Town of Lake Providence recognized pension expense of \$23,154 plus employer's amortization of change in proportionate share, differences between employer contributions and proportionate share of contributions, and current year contributions, which was \$(59,433). Total pension benefit for the Town of Lake Providence for the year ended June 30, 2022, was \$(36,279).

On June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of</b>	<b>Deferred Inflows of Resources:</b>
Differences between expected and actual experience	\$ -	\$ 6,420
Net difference between projected and actual investment earnings on pension plan investments	-	42,046
Changes of assumptions	6,297	-
Changes in proportion	-	52,783
Employer contributions subsequent to the measurement	32,624	-
Total	\$ 38,921	\$ 101,249

The \$31,994 reported as deferred outflows of resources related to pensions resulting from the Town of Lake Providence's contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expenses as follows:

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

Year ending June 30:	
2022	(50,259)
2023	(19,014)
2024	(10,905)
2025	(14,775)
Total	\$ (94,953)

*Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020, is as follows:

Valuation date	June 30, 2021
Actuarial cost method	Entry Age Normal
Expected remaining service	3 years
Investment rate of return	6.85%, net of pension plan investment expense, including inflation
Inflation rate	2.5%
Salary increase, including inflation and merit increases:	
1-4 year of service	6.4%-Plan A and 7.4%-Plan B
More than 4 years of service	4.5%-Plan A and 4.9%-Plan B
 Annuitant and beneficiary mortality	 PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
 Employee mortality	 PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
 Disabled lives mortality	 PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scales.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

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, 2021, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Public equity	53%	2.31%
Public fixed income	38%	1.65%
Alternatives	<u>9%</u>	<u>0.39%</u>
Totals	<u>100%</u>	<u>4.35%</u>
Inflation		<u>2.60%</u>
Expected arithmetic nominal return		<u>6.95%</u>

*Discount Rate*

The discount rate used to measure the total pension liability was 6.95% for the years ended June 30, 2021. 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, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. 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.

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. The Expected Remaining Service Lives (ERSL) for 2018 is 4 years for Plan B.

*Sensitivity of the Town of Lake Providence's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the Town of Lake Providence's proportionate share of the net pension liability calculated using the discount rate of 6.85%, as well as what the Town of Lake Providence's proportionate



**TOWN OF LAKE PROVIDENCE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.85%) or one percentage-point higher (7.85%) than the current rate:

*Payables to the System*

	Changes in Discount Rate		
	1% Decrease	Current Discount Rate	1% Increase
Discount Rates	5.85%	6.85%	7.85%
Net Pension Liability	\$238,705	\$155,588	\$85,287

At June 30, 2022, the Town payables to the pension plan were \$0.

*Plan Fiduciary Net Position*

Detailed information about the Plan's fiduciary net position is available in the separately issued Municipal Employees' Retirement System of Louisiana audit report at [www.mersla.com](http://www.mersla.com).

**Note 8 – On-behalf Payments**

Certain employees in the Town's police and fire departments receive supplemental pay from the state of Louisiana. In accordance with GASB Statement No. 24, the Town has recorded revenues and expenditures for these payments in the General Fund. Revenues under this arrangement totaled \$6,000. The related expenditures of \$6,000 are included in public safety expenditures in the General Fund.

**Note 9 - Commitments and Contingencies**

The Town operates water and sewer treatment plants. These operations pose a high risk for environmental liabilities. The Town is required to have EPA permits for wastewater. The Town relies on the EPA for periodic testing and inspections to help identify environmental liabilities or contingencies. The Town contracts with a professional wastewater management company to ensure compliance with the EPA regulations.

On March 17, 2016, the Board approved a cooperative endeavor agreement with the East Carroll Parish Police Jury which provides for cooperation relative to cleaning up debris, trash, limbs, roads, condemned property, and other ruins in the Town and relative to the maintenance of roads, ditches and drainage within the Town.

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2022

**Note 10 - Risk Management**

The Town is exposed to various risks of loss relating to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

**Note 11 – Subsequent Events**

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (“COVID-19”) as a global pandemic, which continues to spread throughout the United States. The COVID-19 pandemic has negatively impacted the global economy and created significant volatility and disruption of financial markets. The extent of impact of the COVID-19 pandemic on the Town’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact on its investments, customers, employees and vendors, all of which are uncertain and cannot be predicted or reasonably estimated at this time. No other subsequent events occurring after report date have been evaluated for inclusion in these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Fines	\$ 260,000	\$ 178,452	\$ 145,036	\$ (33,416)
Taxes	528,500	635,906	668,192	32,286
Permits & Licenses	89,700	103,562	120,579	17,017
Interest Income	220	117	4,140	4,023
Grant/Loan Income	35,000	-	708,130	708,130
Other	107,775	199,563	324,618	125,055
Total Revenues	1,021,195	1,117,600	1,970,695	853,095
Expenditures				
General & Administrative	387,662	306,899	709,582	(402,683)
Fire Department	165,784	142,058	148,932	(6,874)
Police Department	315,932	404,088	342,644	61,444
Street Department	299,455	269,554	319,972	(50,418)
Recreation Department	2,800	25	10,767	(10,742)
Mosquito Control	2,000	500	-	500
Animal Control	1,000	1,000	-	1,000
Community Center	41,170	38,616	5,857	32,759
LGAP	35,000	-	-	-
Training	-	-	-	-
Other	-	-	197,741	(197,741)
Total Expenditures	1,250,803	1,162,740	1,735,495	(572,755)
Excess of Revenues over Expenditures	(229,608)	(45,140)	235,200	280,340
Other Financing Sources (Uses)				
Transfers In	290,000	164,000	(127,971)	(291,971)
Net Change in Fund Balance	60,392	118,860	107,229	(8,756)
Budgetary Fund Balances, Beginning	631,056	631,056	862,384	231,328
Budgetary Fund Balances, Ending	\$ 691,448	\$ 749,916	\$ 969,613	\$ 219,697

See Independent Auditors' Report

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
MUNICIPAL EMPLOYEE'S RETIREMENT SYSTEM  
For the Year Ended June 30, 2022**

	<b>2022</b>	<b>2021*</b>	<b>2020*</b>	<b>2019*</b>	<b>2018*</b>
Employer's proportion of the net pension liability	0.268576%	0.306048%	0.434627%	0.504436%	0.515774%
Employer's proportionate share of the net pension liability	\$ 155,588	\$ 277,349	\$ 380,218	\$ 426,668	\$ 446,265
Employer's covered employee payroll	\$ 204,744	\$ 237,176	\$ 332,013	\$ 374,847	\$ 382,990
Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll	68.48%	116.94%	114.52%	113.82%	116.52%
Plan fiduciary net position as a percentage of the total pension liability	77.82%	66.26%	66.14%	65.60%	63.49%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

\*The amounts presented have measurement date of the previous fiscal year end.

**TOWN OF LAKE PROVIDENCE, LOUISIANA**  
**SCHEDULE OF EMPLOYER'S CONTRIBUTIONS**  
**MUNICIPAL EMPLOYEE'S RETIREMENT SYSTEM**  
**For the Year Ended June 30, 2022**

	2022	2021*	2020*	2019*	2018*
Contractually required contribution	\$ 31,993	\$ 31,755	\$ 33,205	\$ 45,195	\$ 49,771
Contributions in relation to contractually required contribution	<u>31,993</u>	<u>31,755</u>	<u>33,205</u>	<u>45,195</u>	<u>(49,771)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 227,201	\$ 204,744	\$ 237,176	\$ 332,013	\$ 374,847
Contributions as a percentage of covered employee payroll	14.08%	15.51%	14.00%	13.61%	13.28%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

## **SUPPLEMENTARY SCHEDULES**

TOWN OF LAKE PROVIDENCE, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD  
For the Year Ended June 30, 2022

Agency Head Name: Jerry Bell, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 45,000
Benefits - Retirement	<u>7,221</u>
Total Compensation, Benefits, and Other Payments to Agency Head	<u>\$ 52,221</u>



TOWN OF LAKE PROVIDENCE, LOUISIANA

SCHEDULE OF COMPENSATION PAID TO ALDERMEN  
For the Year Ended June 30, 2022

<u>Council Members:</u>	<u>Amount</u>
Nathaniel Madere	9,600
Jason Condrey	9,600
Barbara McDaniel	9,600
Karl Magee	9,600
Donald B. Meadows	<u>9,600</u>
Total Council Members' Compensation	<u>\$ 48,000</u>

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY**  
Year Ended June 30, 2022

<b>Cash Basis Presentation</b>	<b>First Six Month Period Ended 12/31/2021</b>	<b>Second Six Month Period Ended 06/30/2022</b>
<i>Town of Lake Providence, Civil Fees</i>	\$ 60,442	\$ 80,500
<i>Town of Lake Providence, Criminal Fines -Other</i>	66,535	55,966
<i>Town of Lake Providence, Court Costs</i>	9,990	10,620
<i>Town of Lake Providence, Bond Fees</i>	<u>526</u>	<u>364</u>
<b>Total Receipts</b>	<u>\$ 137,493</u>	<u>\$ 147,450</u>

See Independent Auditors' Report.

TOWN OF LAKE PROVIDENCE, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY  
Year Ended June 30, 2022

Cash Basis Presentation	<u>First Six Month Period Ended 12/31/2021</u>	<u>Second Six Month Period Ended 06/30/2022</u>
<b>Beginning Balance of Amounts Collected (i.e. cash on hand)</b>	\$ -	\$ 136,392
<b>Add: Collections</b>		
Civil Fees ( <i>including refundable amounts such as garnishments or advance deposits</i> )	60,442	80,500
Bond Fees	526	364
Criminal Court Costs/Fees	9,990	10,620
Criminal Fines - Other	66,535	55,966
<b>Subtotal Collections</b>	<u>137,493</u>	<u>147,450</u>
 <b>Less: Disbursements to Governments &amp; Nonprofits:</b>		
Town of Lake Providence, CMS Fines Fee	930	807
Town of Lake Providence, LA COMM Fine Fee	47	247
Town of Lake Providence, LA Judicial Fine FEE	124	126
<b>Subtotal Disbursements/Retainage</b>	<u>1,101</u>	<u>1,180</u>
 <b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)</b>	<u>\$ 136,392</u>	<u>\$ 282,662</u>

See Independent Auditors' Report.

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**SCHEDULE OF ALDERMEN  
For the Year Ended June 30, 2022**

<b>Name</b>	<b>Address</b>	<b>Phone</b>
Jason Condrey	468 N. Hood St., Lake Providence, LA 71254	318-282-8957
Barbara McDaniel	269 Keene St., Lake Providence, LA 71254	318-418-1870
Nathaniel Madere, Mayor Pro-temp	401 Lake St., Lake Providence, LA 71254	318-282-8561
Karl Magee	423 Schneider Lane, Lake Providence, LA 71245	318-282-1373
Donald B. Meadows	1604 Lake St., Lake Providence, LA 71245	318-282-8847

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**SCHEDULE OF UTILITY ACTIVITIES**

**For the Year Ended June 30, 2022**

	<u>G&amp;A</u>	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>	<u>Street Lighting</u>	<u>Total</u>
<b>Operating Revenues</b>						
Charges for services	\$ 54,777	\$ 564,545	\$ 78,727	\$ 228,144	\$ 62,356	\$ 988,549
Other revenues	<u>371,190</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>371,190</u>
Total operating revenues	<u>425,967</u>	<u>564,545</u>	<u>78,727</u>	<u>228,144</u>	<u>62,356</u>	<u>1,359,739</u>
<b>Operating Expenses</b>						
Salaries and benefits	85,198	53,180	58,844	31,133	-	228,355
Materials and supplies	2,415	30,893	9,396	13,136	-	55,840
Operating costs	111,660	129,329	357,861	250,552	68,592	917,994
Professional services	37,458	72,000	72,000	-	-	181,458
Depreciation	<u>-</u>	<u>198,092</u>	<u>114,878</u>	<u>13,799</u>	<u>-</u>	<u>326,769</u>
Total operating expense	<u>236,731</u>	<u>483,494</u>	<u>612,979</u>	<u>308,620</u>	<u>68,592</u>	<u>1,710,416</u>
Operating income (loss)	<u>189,236</u>	<u>81,051</u>	<u>(534,252)</u>	<u>(80,476)</u>	<u>(6,236)</u>	<u>(350,677)</u>
<b>Nonoperating revenues (expenses)</b>						
Sales and use	325,789	-	-	-	-	325,789
Interest earned	12,445	-	-	-	-	12,445
Interest payment	<u>(104,378)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(104,378)</u>
Total nonoperating revenue (expenses)	<u>233,856</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>233,856</u>
Income (loss) before transfers	423,092	81,051	(534,252)	(80,476)	(6,236)	(116,821)
Operating transfers in (out)	<u>127,971</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,971</u>
Change in net position	<u>\$ 551,063</u>	<u>\$ 81,051</u>	<u>\$ (534,252)</u>	<u>\$ (80,476)</u>	<u>\$ (6,236)</u>	<u>\$ 11,150</u>

Note: This schedule is prepared to satisfy a requirement by USDA that activities be accounted for separately. Some line items such as interest and transfers out cannot be absolutely attributed to a particular activity(s). This breakdown is an estimate.

See Independent Audtors' Report

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**SCHEDULE OF COUNT OF UTILITY CUSTOMERS**

**For the Year Ended June 30, 2022**

<b>Category</b>	<b>Average Number of Customers</b>
Commercial	149
Residential	1,573
Total	1,722

**INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS**

**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***

To the Honorable Mayor Robert Amacker and  
Members of the Board of Alderman Town of  
Lake Providence, Louisiana

We were engaged to audit, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Town of Lake Providence, Louisiana as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Town of Lake Providence Louisiana's basic financial statements and have issued our report thereon dated March 13, 2023.

Our report disclaims an opinion on such financial statements because the audit findings displayed an inadequate design and controls over financial reporting. The Lack of internal controls relating to the general ledger significantly increases the risk that material errors could exist and not be detected in a timely manner. We were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Town of Lake Providence, Louisiana. Accordingly, we do not express an opinion on the Town of Lake Providence, Louisiana's basic financial statements as a whole.

**Report on Internal Control over Financial Reporting**

In connection with our engagement to audit the financial statements of the Town of Lake Providence, Louisiana we considered Lake Providence, Louisiana, internal control over financial reporting as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the Lake Providence, Louisiana's but not for the purpose of expressing an opinion on the effectiveness of Louisiana Providence, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of Louisiana Providence, Louisiana's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.



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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2022-002, 2022-003, and 2022-004 to be material weaknesses.

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. We did not consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies.

### **Report on Compliance and Other Matters**

In connection with our engagement to audit the financial statements of the Town of Lake Providence, Louisiana 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 financial statements. 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 responses as item 2022-001. Additionally, if the scope of our work had been sufficient to enable us to express opinions on the basic financial statements, other instances of noncompliance or other matters may have been identified and reported herein.

### **Town of Lake Providence, Louisiana Response to Findings**

*Government Auditing Standards* require the auditor to perform limited procedures on the Town of Lake Providence, Louisiana's response to the findings identified in our engagement and described in the accompanying schedule of findings and questioned costs. The town of Lake Providence, Louisiana's response was not subjected to the other auditing procedures applied in the engagement to audit the financial statements and, accordingly, we express no opinion on the response.

### **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 engagement to perform an audit 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.

*Bruno & Tervalon LLP*

Lake Charles, Louisiana

March 13, 2023

# TOWN OF LAKE PROVIDENCE, LOUISIANA

## SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2022

### **I Summary of Auditors' Results**

#### a. Financial Statements

1. The independent auditors' report expresses a disclaimer on the financial statements of the Town of Lake Providence, Louisiana.
2. There were three control deficiencies disclosed during the audit of the financial statements and reported in the *Independent Auditors' 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 deficiencies are reported as material weaknesses.
3. There was one instance of noncompliance that is reported in the *Independent Auditors' 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*.

#### b. Management Letter

1. Management letter was not issued in connection with the audit for the year ended June 30, 2022.

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES**

For the Year Ended June 30, 2022

**II Findings – Financial Statement Audit**

**2022-001 Late Submission of Audit Report to LLA**

Noncompliance

Fiscal Year Finding Originated: 2020

Condition:

The report was not submitted to the legislative auditor’s office on a timely basis.

Criteria:

LSA-R.S.24.513 States that, “all engagements must be completed and transmitted to the legislative auditor within six months of the close of the auditee fiscal year.”

Cause:

A lack of knowledge of good accounting practices and reconciliation of bank, accounts receivables, accrued expenses and payable accounts.

Effect:

The Town was not in compliance with the State Law governing audit engagement completion.

Recommendation:

The Town should remain in compliance with the State Law governing audit engagement completion. The audit engagement should be sought through the methods prescribed by the Louisiana Legislative Auditor. A firm should be selected, and approval of the Louisiana Legislative Auditor sought early enough to allow the audit to begin as soon after the close of the fiscal year as is practicable.

Management’s Response:

See Management’s Response Letter.

**2022-002 Inadequate Controls over Financial Reporting**

Material Weakness

Fiscal Year Finding Originated: 2020

Condition:

Financial statements and reconciliations are not prepared monthly on funds (e.g., General Fund, Business-like Activities) of the Town. Monthly budget-to-actual comparison schedules are not prepared and presented to the mayor and council for discussion.

## TOWN OF LAKE PROVIDENCE, LOUISIANA

### SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)

For the Year Ended June 30, 2022

#### Criteria:

Adequate internal controls in relation to financial reporting require that specific procedures be in place to ensure that transactions are properly supported and recorded on a timely basis. In addition, controls should be in place to ensure the appropriate oversight of funds and monthly transactions from those charged with governance. Monthly financial statements should be provided to the mayor and town council for review. The financial activity and comparison to budgeted amounts is necessary for the proper stewardship of the Town.

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

#### Cause:

The Town did not maintain an adequate control environment due to lack of monitoring and oversight by those charged with governance. Monthly financial statements were not prepared for the mayor and town council during the audit period due to the accounting records not being current.

An internal control system was not designed and/or implemented to ensure that adequate controls were in place in all areas to prevent, detect, and correct noncompliance in a timely manner. The management of the Town was not seeking advice and reviewing transactions on a regular basis to ensure that financial related matters were in compliance.

#### Effect:

The lack of adequate internal controls relating to general ledger maintenance significantly increases the risk that material error and irregularities could exist and not be detected. The lack of oversight significantly increases the risk of the misappropriation of assets. Lack of complete accounting records necessary to prepare financial statements. Management of the Town does not have financial information necessary to plan and operate the Town effectively. Without complete financial information on all funds on a timely basis, including budget-to actual comparisons, the mayor and council cannot effectively exercise its fiduciary responsibilities of monitoring and managing the Town's fiscal affairs.

#### Recommendation:

The organization should review its existing controls over financial reporting and adopt and implement policy and procedures that will ensure the safeguarding of the Town's assets, reporting accurate financial data and that personnel comply with policies, procedures and regulations. In addition, the organization should complete its review of the draft "Accounting Policy and Procedures Manual," maintain the general ledger on a timely basis including posting transactions, completing account reconciliations, and preparing monthly financial statements. The organization should develop a written accounting policy manual which includes month-end procedures along with formal approvals and other control procedures.

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)**

For the Year Ended June 30, 2022

Management's Response:

See Management's Response Letter.

**2022-003 Inadequate Design of internal Controls over Financial Statement Preparation**

Material Weakness

Fiscal Year Finding Originated: 2020

Condition:

The Town's staff responsible for preparation of the financial statements and related footnote disclosure in accordance with generally accepted accounting principles (GAAP) lacks the resources and/or knowledge necessary to internally complete the reporting requirements.

Although management of the Town does not actually prepare and draft the financial statements, related notes, and supplementary information, they should have the capability and experience to oversee the process. They provided all of the information to be included and they should understand the presentation.

Criteria:

Effective for financial statements ending on or after December 15, 2006, Statements on Auditing Standards 112 expands management's responsibility to ensure the propriety and completeness of the financial statements and related footnotes.

Management of the Town should have suitable skill, knowledge, or experience to prepare financial statements, the related notes, and the supplementary information in accordance with accounting principles generally accepted in the United States of America. Internal controls should be adopted and implemented to prevent, detect or correct a misstatement in the financial statements, related notes, or supplementary information.

Cause:

The conditions are due to economic limitations. Management has not prepared a job description that requires the Town to hire a person that has adequate education, background, and training to prepare financial statements in accordance with accounting principles generally accepted in the United States of America.

Effect:

Town is unable to meet the required standards to ensure completeness of the financial statements and related footnotes.

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)**

For the Year Ended June 30, 2022

Misstatements in the financial statements, related notes, or supplementary information may occur and not be detected within a timely period. The amounts by which not implementing GASB Statement No. 45 would affect the liabilities and net assets of the governmental activities are not known.

Recommendation:

The Town should either: 1) obtain the resources and/or knowledge necessary to internally prepared or review the auditor's preparation of the financial statements and related footnotes disclosures in accordance with GAAP, or 2) determine if the cost of 1) overrides the benefit of correcting this control deficiency.

Management of the Town should make a determination as to whether the cost of correcting the deficiency concerning the expertise of accounting personnel exceeds the expected benefit to be derived from doing such.

Necessary steps should be taken to record postemployment benefits for retired employees in accordance with GASB Statement No. 45.

Management's Response:

See Management's Response Letter

**2022-004 Written Policies and Procedures Not Complete**

Material Weakness

Fiscal Year Finding Originated: 2021

Condition:

The Town's written policies and procedures for its business/financial operations were not complete. Subsequent to year end numerous policies and procedures were being approved and placed into effect however, more areas should be addressed.

Criteria:

Written policies and procedures aid in the continuity of Town operations, good internal control and are necessary to provide a clear understanding of what should be done, how it should be done, who should

## TOWN OF LAKE PROVIDENCE, LOUISIANA

### SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)

For the Year Ended June 30, 2022

do it, and when it should be done. In addition, written policies and procedures aid in cross-training staff or training new staff.

Cause:

A lack of Knowledge of good accounting practices.

Recommendation:

Management should require the town clerk to initiate and oversee the development and implementation of written policies and/or procedures, in accordance with applicable Louisiana laws, related to the following key areas:

- Budgeting
- Purchasing
- Disbursements
- Receipts/Collections
- Credit and Purchasing Cards
- Debt Service
- Bank Reconciliations completed within 2 months
- Financial reporting process, including the nature, extent, and frequency of reporting financial information to aldermen.
- Disaster planning and recovery policies and procedures.
- Hazard mitigation plan.
- Sexual Harassment Training

All policies being developed should be completed, approved and placed into effect immediately and monitored and modified as necessary to assure accurate and consistent application. The website of the Louisiana Legislative Auditor should be consulted for sample policies and procedures and to aid in implementing necessary procedures to comply with state guidelines and laws. Once in place, the policies and procedures should be continually monitored for adherence.

Current Status:

See Management's Response Letter.

# TOWN OF LAKE PROVIDENCE, LOUISIANA

## SUMMARY OF PRIOR YEAR FINDINGS

For the Year Ended June 30, 2022

### III Summary of Prior Year Findings

#### INTERNAL CONTROL AND COMPLIANCE FINDINGS

##### **2021-001 Late Submission of Audit Report to LLA**

Noncompliance

Fiscal Year Finding Originated: 2019

Condition:

The report was not submitted to the legislative auditor's office on a timely basis.

Criteria:

LSA-R.S.24.513 States that, "all engagements must be completed and transmitted to the legislative auditor within six months of the close of the auditee fiscal year."

Recommendation:

The Town should remain in compliance with the State Law governing audit engagement completion. The audit engagement should be sought through the methods prescribed by the Louisiana Legislative Auditor. A firm should be selected, and approval of the Louisiana Legislative Auditor sought early enough to allow the audit to begin as soon after the close of the fiscal year as is practicable.

Current Status

Unresolved.

##### **2021-002 Inadequate Controls over Financial Reporting**

Material Weakness

Fiscal Year Finding Originated: 2020

Condition:

Financial statements are not prepared monthly on funds (e.g., General Fund, Business-like Activities) of the Town. Monthly budget-to-actual comparison schedules are not prepared and presented to the mayor and council for discussion.

Criteria:

Adequate internal controls in relation to financial reporting require that specific procedures be in place to ensure that transactions are properly supported and recorded on a timely basis. In addition, controls should be in place to ensure the appropriate oversight of funds and monthly transactions from those



## TOWN OF LAKE PROVIDENCE, LOUISIANA

### SUMMARY OF PRIOR YEAR FINDINGS

For the Year Ended June 30, 2022

charged with governance. Monthly financial statements should be provided to the mayor and town council for review. The financial activity and comparison to budgeted amounts is necessary for the proper stewardship of the Town.

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

#### Recommendation:

The organization should review its existing controls over financial reporting and adopt and implement policy and procedures that will ensure the safeguarding of the Town's assets, reporting accurate financial data and that personnel comply with policies, procedures and regulations. In addition, the organization should complete its review of the draft "Accounting Policy and Procedures Manual," maintain the general ledger on a timely basis including posting transactions, completing account reconciliations, and preparing monthly financial statements. The organization should develop a written accounting policy manual which includes month-end procedures along with formal approvals and other control procedures.

#### Current status:

Unresolved

### **2021-003 Inadequate Design of Internal Controls over Financial Statement Preparation**

Material Weakness

Fiscal Year Finding Originated: 2020

#### Condition:

The Town's staff responsible for preparation of the financial statements and related footnote disclosure, in accordance with generally accepted accounting principles (GAAP) lacks the resources and/or knowledge necessary to internally complete the reporting requirements.

Although management of the Town does not actually prepare and draft the financial statements, related notes, and supplementary information, they should have the capability and experience to oversee the process. They provided all of the information to be included and they should understand the presentation.

#### Criteria:

Effective for financial statements ending on or after December 15, 2006, Statements on Auditing Standards 112 expands management's responsibility to ensure the propriety and completeness of the financial statements and related footnotes.

#### Effect:

The town is unable to meet the required standards to ensure the written policies and procedures are in place.

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**SUMMARY OF PRIOR YEAR FINDINGS**

For the Year Ended June 30, 2022

Recommendation:

Management of the Town should have suitable skills, knowledge, or experience to prepare financial statements, related notes, and supplementary information in accordance with accounting principles generally accepted in the United States of America. Internal controls should be adopted and implemented to prevent, detect or correct a misstatement in the financial statements, related notes, or supplementary information.

Current Status:

Unresolved

# Town of Lake Providence

Robert N. Amacker, Jr.  
Mayor

Lee Ann W. Clement  
Certified Municipal Clerk

EXECUTIVE DEPARTMENT  
201 SPARROW STREET  
LAKE PROVIDENCE, LOUISIANA 71254  
TELEPHONE: 318-559-2288  
FAX: 318-559-3442

Aldermen:  
Jason Condrey  
Sucletter Brown-Crye  
Patricia Foster Roberson  
Karl Magee  
Catherine Middlebrook  
Attorney: Kenneth  
"Andy" Brister, Jr.

May 3, 2023

Bruno & Tervalon, CPA  
2740 Rue De Jardin Suite 100  
Lake Charles, LA 70605

Re: Response and corrective action for FY ending June 30, 2022

Dear Sir:

Below you will find our response and corrective action plan for The Town of Lake Providence Audit Report for fiscal year ending June, 30, 2022:

2022 -001 Late Submission of Audit Report to LLA

Fiscal Year Finding Originated: 2020

Written Policy and Procedures are in place. The prior administration did not follow policy and procedure. The new administration as of January 1, 2023 will make every effort to correct these deficiencies.

2022 -002 Inadequate Controls over Financial Reporting

Fiscal Year Finding Originated: 2020

Written Policy and Procedures are in place. The prior administration did not follow policy and procedure. The new administration as of January 1, 2023 will make every effort to correct these deficiencies.

2022-003 and 2022-04 Inadequate Design of internal Controls over Financial Statement

Preparation

Fiscal Year Finding Originated: 2020

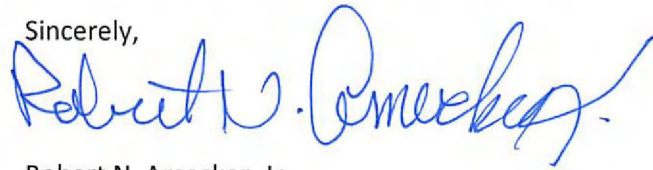
Written Policy and Procedures are in place. The prior administration did not follow policy and procedure. The new administration as of January 1, 2023 will make every effort to correct these deficiencies.

*"This institution is an equal opportunity provider and employer"*



Estimated date of completion: January 1, 2023

Sincerely,

A handwritten signature in blue ink, reading "Robert N. Amacker, Jr." with a stylized flourish at the end.

Robert N. Amacker, Jr.

RNA, JR/lawc

**TOWN OF LAKE PROVIDENCE, LOUISIANA**  
**INDEPENDENT**  
**ACCOUNTANTS' REPORT ON APPLYING**  
**AGREED-UPON PROCEDURES**  
**FOR THE FISCAL PERIOD JULY 1, 2021, THROUGH JUNE 30, 2022**

INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES

To Robert Amacker, Jr. and the Board of Alderman  
Town of Lake Providence  
Lake Providence, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Town of Lake Providence and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. The Town's management is responsible for those C/C areas identified in the SAUPs. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

***Written Policies and Procedures***

---

- 1) Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

***We performed the procedures above and noted the following exceptions:***

***The town had no policies on budgeting that addressed preparing, adopting, monitoring, and amending the budget.***

***Response: See Management Response Letter.***

***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price

*We performed the above procedures and noted the following exceptions:*

*The town had no policies on purchases that addressed how are initiated how vendors are added to the vendor list, the preparation and approval process of purchase requisitions and purchase orders, controls to ensure compliance with the Public Bid Law; and documentation required to be maintained for all bids and price quotes.*

*Response: See Management Response Letter*

- a. *Disbursements*, including processing, reviewing, and approving.

*We performed the above procedures and noted the following exceptions:*

*The town had no policies or procedures on disbursements that addressed processing reviewing, and adopting.*

*Response: See Management Response Letter.*

- b. *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation.)

*We performed the above procedures and noted the following exceptions:*

*The town had no policies or procedures on receipts/collections that addressed receiving, recording, and preparing deposits.*

*Response: See Management Response Letter.*

- c. *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

*We performed the above procedures and noted no exceptions.*

- d. *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

*We performed the above procedures and noted the following exceptions:*

*The town had no policies and procedures on contracts that addressed the types of services requiring written contracts, legal review, approval process, and monitoring process.*

*Response: See Management Response Letter.*

- e. *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers

of statements, and (5) monitoring card usage. (e.g., determining the reasonableness of fuel card purchases).

***The Town stated that they had no Credit Cards so procedures could not be completed.***

- f. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

***We performed the above procedures and noted no exceptions.***

- g. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111- 1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations and, (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

***We performed the procedures above and noted no exceptions***

- h. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

***We performed the above procedures and noted the following exceptions:***

***The town had no policies on debt services that addressed debt issuance approval, continuing disclosure/EMMA reporting requirements, debt reserve requirements, and debt service requirements.***

***Response: See Management Response Letter.***

- i. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available systems and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

***We performed the above procedures and noted no exceptions.***

- j. ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

***We performed the above procedures and noted the following exceptions:***

***The town had no policies on Sexual Harassment that addressed agency responsibilities and prohibitions, annual employee training, and annual reporting.***

***Response: See Management Response Letter.***



***Board or Finance Committee***

---

- 2) Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

***We performed the above procedures and noted the following exceptions:***

***The town had board meetings but could not provide documentation on finance committee meetings. In addition, no financial reports and sign in sheets were attached.***

***Response: See Management Response Letter.***

- b. For those entities reporting on the governmental accounting model, observe whether the minutes reference or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

***We performed the above procedure and noted the following exceptions:***

***The town had board meetings but could not provide documentation on finance Committee meetings. The town provided board meeting minutes that did not have financial reporting on Proprietary and Special Revenue Funds.***

***Response: See Management Response Letter.***

- c. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

***We performed the above procedures and noted no exceptions:***

***Bank Reconciliations***

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- 3) Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

*We performed the above procedures and noted the following exceptions:*

*The Bank Reconciliations did not have evidence that they were prepared within 2 months of the closing date.*

*Response: See Management Response Letter.*

- b. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged):

*We performed the above procedures and noted the following exceptions:*

*The Bank Reconciliations did not have evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks reviewed them.*

*Response: See Management Response Letter.*

- c. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*We performed the above procedures and noted the following exceptions:*

*The board had no documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months.*

*Response: See Management Response Letter.*

### **Collections**

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- 4) Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5) For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are segregated at each collection location such that:
  - a. Employees that are responsible for cash collections do not share cash drawers/registers.

*We performed the above procedures and noted no exceptions.*

- b. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

*We performed the above procedures and noted no exceptions.*

- c. Each employee responsible for collecting cash is not responsible for posting collection entries to general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposits.

*We performed the above procedures and noted no exceptions.*

- d. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

*We performed the above procedures and noted no exceptions.*

- 6) Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

*We performed the above procedures and noted the following exceptions:*

*Management could not provide a copy of the bond or insurance policy covering employees that handle cash.*

*Response: See Management Response Letter.*

- 7) Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- e. Observe that receipts are sequentially pre-numbered.

*We performed the procedure above and noted no exceptions.*

- f. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

*We performed the procedure above and noted no exceptions.*

- g. Trace the deposit slip total to the actual deposit per the bank statement.

*We performed the procedure above and noted no exceptions.*

- h. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less

than \$100 and the cash is stored securely in a locked safe or drawer).

*We performed the procedure above and noted no exceptions.*

- i. Trace the actual deposit per the bank statement to the general ledger.

*We performed the procedure above and noted no exceptions.*

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and Petty cash purchases)***

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- 8) Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- 9) For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - j. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

*We performed the procedure above and noted no exceptions.*

- k. At least two employees are involved in processing and approving payments to vendors.

*We performed the procedure above and noted no exceptions.*

- l. The employee responsible for processing payments is prohibited from adding/ modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

*We performed the procedure above and noted no exceptions.*

- m. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

*We performed the procedure above and noted no exceptions.*

- 10) For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
  - n. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

*We performed the procedure above and noted no exceptions.*

- o. Observe whether the disbursement documentation included evidence (e.g., initial/ date, electronic logging) of segregation of duties tested under #9, as applicable.

*We performed the procedure above and noted the following exceptions: The disbursement*

*documentation did not include evidence of segregation of duties.*

*Response: See Management Response Letter.*

***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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- 11) Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (card) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- 12) Using the listing prepared by management randomly select 5 cards (or all cards if less than 5 that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - p. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases exception reports for excessive fuel card usage) was reviewed and approved, in writing by someone other than the authorized card holder. (Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.

*We could not perform the procedures above due to the Town stating that they had no credit cards.*

- q. Observe that finance charges and late fees were not assessed on the selected statements.

*We could not perform the procedures above due to the Town stating that they did not have any credit cards.*

- 13) Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

*We could not perform the procedures above due to the Town stating that they did not have any credit cards.*

***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

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- 14) Obtain from management a listing of all travel and travel-related expense reimbursements during

the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- r. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration.

*We performed the procedures above and noted no exceptions.*

- s. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identified precisely what was purchased.

*We performed the procedures above and noted no exceptions.*

- t. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the name of those individuals participating and other documentation required by written policy (procedure #1h).

*We performed the procedures above and noted the following exceptions:*

*The town did not have documentation of the business purpose of each transaction.*

*Response: See Management Response Letter.*

- u. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*We performed the procedures above and noted no exceptions.*

### ***Contracts***

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- 15) Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- v. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

*We performed the procedures above and noted no exceptions.*

- w. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

*We performed the procedure above and noted no exceptions.*

- x. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms

(e.g., if approval is required for any amendment, was approval documented).

***We performed the procedure above and noted no exceptions.***

- y. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

***We performed the procedure above and noted no exceptions.***

### ***Payroll and Personnel***

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- 16) Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 17) Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - z. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

***We performed the procedure above and noted the following exceptions:***

***We performed the above procedures, but we noticed that the town did not record supplemental pay for the fiscal year.***

***Response: See Management Response Letter.***

- aa. Observe whether supervisors approved the attendance and leave of the selected employees/officials.

***We performed the procedure above and noted no exceptions.***

- bb. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

***We performed the procedure above and noted no exceptions.***

- 18) Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

***No employees were terminated during the period.***

- 19) Obtain management’s representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers’ compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

*We performed the procedure above and noted the following exceptions.*

*The town has failed to pay payroll taxes for the current and prior fiscal years. This includes 941 and state withholding payments.*

*Response: See Management Response Letter.*

### *Ethics*

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- 20) Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above obtain ethics documentation from management, and:

- cc. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*We performed the procedure above and noted no exceptions.*

- dd. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity’s ethics policy during the fiscal period, as applicable.

*We performed the procedure above and noted no exceptions.*

### *Debt Service*

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- 21) Obtain a listing of bonds/notes issued during the fiscal period and management’s representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

*We performed the procedure above and noted no exceptions.*

- 22) Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

*We performed the procedure above and noted no exceptions.*



## *Fraud Notice*

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- 23) Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*Per our field testing, the agency has not been paying federal nor state withholding taxes timely.*

*Response: See Management Response Letter.*

- 24) Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*We performed the procedure above and noted the following exceptions:*

*The town does not have a notice relating to the reporting of misappropriations, fraud, waste or abuse of public funds listed on their website or premises.*

*Response: See Management Response Letter.*

## *Information Technology Disaster Recovery/Business Continuity*

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- 25) Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

- ee. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

*We performed the procedures above and noted the following exceptions:*

*The Town did not have documentation of a system to back up critical data in case of an emergency.*

*Response: See Management Response Letter.*

- ff. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

*We performed the procedures above and noted the following exceptions:*

*The Town did not have documentation of a system to back up critical data in case of an emergency.*

***Response: See Management Response Letter.***

- gg. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

***We performed the procedure above and noted no exceptions.***

***Sexual Harassment***

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- 26) Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

***We performed the above procedures and noted the following exceptions:***

***The Town did not post its Sexual Harassment policy and complaint procedure on its website.***

***Response: See Management Response Letter.***

- 27) Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

***We performed the above procedures and noted the following exceptions:***

***The town did not complete the Annual Sexual Harassment Report for the year.***

***Response: See Management Response Letter.***

- 28) Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a. Number and percentage of public servants in the agency who have completed the training requirements;

***None***

- b. Number of sexual harassment complaints received by the agency;

***None***

- c. Number of complaints which resulted in a finding that sexual harassment occurred;

***None***

- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

*None*

- e. Amount of time it took to resolve each complaint.

*None*

We were engaged by Town of Lake Providence to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Town of Lake Providence, Louisiana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Bruno & Tervalon, LLP*

Lake Charles, LA  
May 13, 2023

# Town of Lake Providence

Robert N. Amacker, Jr.  
Mayor

Lee Ann W. Clement  
Certified Municipal Clerk

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March 15, 2023

Bruno & Tervalon, LLP  
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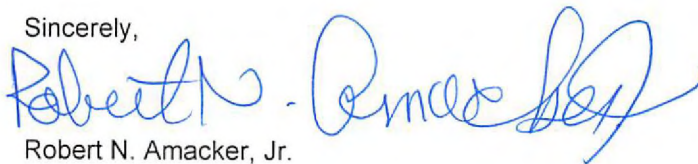
Re: Town of Lake Providence Audit Report FY ending June 30, 2022  
Request SAUP (State Agreed Upon Procedures) and Draft Findings

Dear Gentlemen:

We received the Draft Findings and SAUP report today at noon (12:04 p.m.). We have not received a draft of the financial statements and auditors reports. We have not had the time to evaluate the findings. We will evaluate the findings in the coming weeks and take corrective action as considered necessary.

It should be noted that I did not take office as Mayor of the Town of Lake Providence until January 1, 2023.

Sincerely,



Robert N. Amacker, Jr.  
Mayor

RNA/lac

