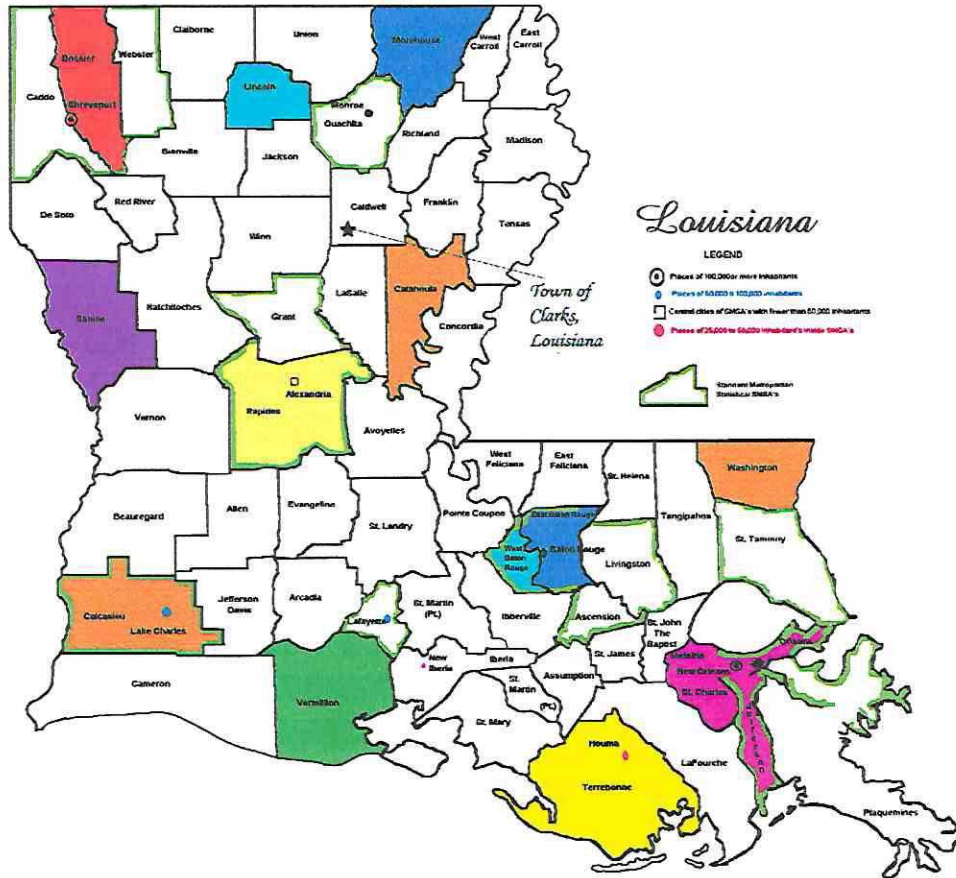


**TOWN OF CLARKS, LOUISIANA**

**Annual Financial Statements**

**JUNE 30, 2021**

# TOWN OF CLARKS, LOUISIANA



The Town of Clarks was incorporated under the Lawrason Act. The Town operates under the Mayor-Board of Alderman form of government. The Town provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, sanitation, utilities (water and sewer services)/ and general administrative functions, including coordination of related services with Parish, State and Federal governing bodies.

**Town of Clarks, Louisiana**  
**Table of Contents**  
**June 30, 2021**

	Schedule No.	Page No.
Independent Accountant’s Review Report.....		1-2
Management’s Discussion and Analysis.....		3-9
<b>Basic Financial Statements</b>		
Statement of Net Position.....	A	11
Statement of Activities.....	B	12
Balance Sheet, Governmental Funds.....	C	13
Reconciliation of The Government Funds Balance Sheet to the Government-Wide Financial Statement of Net Position.....	D	14
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds.....	E	15
Reconciliation of The Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	F	16
Statement of Net Position, Proprietary Funds.....	G	17
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds.....	H	18
Statement of Cash Flows – Proprietary Funds.....	I	19
Notes to the Basic Financial Statements.....		20-31
<b>Required Supplemental Information</b>		
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	1	33
<b>Supplemental Information</b>		
Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer.....		35
Schedules of Capital Grants.....		36-37
<b>Other Reports</b>		
Management Letter Comments.....		39
Management’s Summary of Prior Year Findings.....		40
Independent Accountant’s Report on Applying Agreed-Upon Procedures.....		41-44

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### MEMBERS

American Institute of  
Certified Public Accountants

Society of Louisiana  
Certified Public Accountants

Association of  
Certified Fraud Examiners

### **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

The Honorable Chad Coates, Mayor  
& Members of the Board  
Clarks, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and the business-type activities of the Town of Clarks, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the Town of Clarks, Louisiana. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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

The management of the Town of Clarks, Louisiana, 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

#### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Town of Clarks, Louisiana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

## **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) and Budget to Actual Statement 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the representation of management. We have not audited or reviewed such required supplementary information, and, accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on it.

## **Supplemental Information**

The Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer and Schedules of Capital Grants have not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

*The Vercher Group*

Jena, Louisiana  
November 9, 2021

# Town of Clarks

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Clarks, Louisiana 71415

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## MANAGEMENT'S DISCUSSION & ANALYSIS

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As management of the Town, we offer readers of the Town of Clarks' financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the Town's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

### FINANCIAL HIGHLIGHTS

#### *Governmental Funds*

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$1,102,594 (*net position*). This is a \$66,714 decrease from last year.
- The Town had total revenue of \$39,338, in which \$18,656 came from taxes. This is a \$3,801 decrease from last year's revenues, mainly due to a decrease in capital contributions in the amount of \$6,085.
- The Town had total expenditures of \$111,936, which is a \$8,767 increase from last year, mainly due to an increase in payroll expenses in the amount of \$6,072 and an increase in utilities expense in the amount of \$5,309.

#### *Enterprise Funds*

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$623,174 (*net position*). This is a \$6,954 decrease from last year.
- The Town had total revenue of \$296,699. This is a \$26,740 increase from last year, mainly due to an increase in water sales in the amount of \$33,960.
- The Town had total expenses of \$231,317, including depreciation expense in the amount of \$56,569, which is a non-cash transaction. This is a \$1,406 increase from last year.

See independent accountant's review report.

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## MD&A

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### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Town is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

### FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### USING THIS ANNUAL REPORT

The Town's annual report consists of financial statements that show information about the Town's funds, enterprise funds and governmental funds.

Our accountant has provided assurance in his independent accountant's report, located immediately following this Management's Discussion and Analysis, that the basic financial statements are fairly stated. Varying degrees of assurance are being provided by the accountant regarding the other information included in this report. A user of this report should read the independent accountant's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

### REPORTING THE TOWN'S MOST SIGNIFICANT FUNDS

The Town's financial statements provide detailed information about the most significant funds. The Town may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. The Town's enterprise fund uses the following accounting approach:

All of the Town's services are reported in an enterprise fund. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

See independent accountant's review report.

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## MD&A

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### Comparative Statement of Net Position Governmental Funds

The following table represents a Comparative Statement of Net Position as of June 30, 2021:

	<u>2020</u>	<u>2021</u>	<u>% Change</u>
<b>Current Assets</b>			
Cash & Cash Equivalents	\$ 10,765	\$ 9,768	-9.3
Receivables (Net)	3,945	7,458	89.0
<b>Total Current Assets</b>	<u>14,710</u>	<u>17,226</u>	17.1
<b>Non-Current Assets</b>			
Restricted Assets	4,487	4,488	0.0
Capital Assets, Net of Accumulated Depreciation	1,153,019	1,086,567	-5.8
<b>Total Non-Current Assets</b>	<u>1,157,506</u>	<u>1,091,055</u>	-5.7
<b>Total Assets</b>	<u>1,172,216</u>	<u>1,108,281</u>	-5.5
<b>Current Liabilities</b>			
Accounts Payable	1,991	2,755	38.4
Accrued Payroll/Payroll Taxes Payable	917	2,932	219.7
<b>Total Current Liabilities</b>	<u>2,908</u>	<u>5,687</u>	95.6
<b>Total Liabilities</b>	<u>2,908</u>	<u>5,687</u>	95.6
<b>Net Position</b>			
Net Investment in Capital Assets	1,153,019	1,086,567	-5.8
Restricted	4,487	4,488	0.0
Unrestricted	11,802	11,539	-2.2
<b>Total Net Position</b>	<u>\$ 1,169,308</u>	<u>\$ 1,102,594</u>	-5.7

See independent accountant's review report.



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## MD&A

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### Comparative Changes in Fund Balances Governmental Funds

The following table reflects the Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2021:

	<u>2020</u>	<u>2021</u>	<u>% Change</u>
<b>Revenues</b>			
Fees & Charges	\$ 7,826	\$ 9,585	22.5
Taxes	20,211	18,656	-7.7
Fire Income	2,755	6,260	127.2
Rental Fees	2,375	2,725	14.7
Intergovernmental- Capital Grants	6,085	-0-	-100.0
Miscellaneous	3,886	2,111	-45.7
<b>Total Revenues</b>	<u>43,138</u>	<u>39,337</u>	-8.8
<b>Expenditures</b>			
General Government	85,066	94,366	10.9
Public Safety:			
Police Expense	9,167	10,000	9.1
Fire Expense	7,659	7,570	-1.2
Street	1,277	-0-	-100.0
Capital Outlay	-0-	-0-	0.0
<b>Total Expenditures</b>	<u>103,169</u>	<u>111,936</u>	8.5
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(60,031)</u>	<u>(72,599)</u>	20.9
<b>Other Financing Sources (Uses)</b>			
Interest Income	1	1	0.0
Transfers	64,593	72,336	12.0
<b>Total Other Financing Sources (Uses)</b>	<u>64,594</u>	<u>72,337</u>	12.0
<b>Net Change in Fund Balance</b>	4,563	(262)	-105.7
<b>Fund Balances - Beginning</b>	<u>11,726</u>	<u>16,289</u>	38.9
<b>Fund Balances - Ending</b>	<u>\$ 16,289</u>	<u>\$ 16,027</u>	-1.6

See independent accountant's review report.

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## MD&A

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### Comparative Statement of Net Position Enterprise Funds

The following table represents a Comparative Statement of Net Position as of June 30, 2021:

	<u>2020</u>	<u>2021</u>	<u>% Change</u>
<b>Assets</b>			
Cash & Investments	\$ 63,937	\$ 57,223	-10.5
Restricted Cash	43,951	47,570	8.2
Receivables (Net)	13,902	19,990	43.8
Capital Assets, Net of Accumulated Depreciation	<u>563,855</u>	<u>555,036</u>	-1.6
<b>Total Assets</b>	<u>685,645</u>	<u>679,819</u>	-0.8
<b>Liabilities and Net Position</b>			
Accounts, Salaries, & Other Payables	11,566	9,075	-21.5
Customer Deposits	<u>43,951</u>	<u>47,570</u>	8.2
<b>Total Liabilities</b>	<u>55,517</u>	<u>56,645</u>	2.0
<b>Net Position</b>			
Net Investment in Capital Assets	563,855	555,036	-1.6
Unrestricted	<u>66,273</u>	<u>68,138</u>	2.8
<b>Total Net Position</b>	<u>\$ 630,128</u>	<u>\$ 623,174</u>	-1.1

See independent accountant's review report.

## MD&A

### Comparative Changes in Net Position Enterprise Funds

The following table reflects the Comparative Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2021:

	2020	2021	% Change
<b>Operating Revenues</b>			
Charges for Services	\$ 212,703	\$ 247,023	16.1
Miscellaneous Revenue	9,471	4,737	-50.0
<b>Total Operating Revenues</b>	<u>222,174</u>	<u>251,760</u>	13.3
<b>Operating Expenses</b>			
Cost of Sales & Services	160,359	174,748	9.0
Depreciation	69,552	56,569	18.7
<b>Total Operating Expenses</b>	<u>229,911</u>	<u>231,317</u>	0.6
<b>Operating Income (Loss)</b>	<u>(7,737)</u>	<u>20,443</u>	364.2
<b>Other Financing Sources (Uses)</b>			
Interest Income	120	39	-67.5
Transfers In (Out)	(64,593)	(72,336)	12.0
<b>Total Other Financing Sources (Uses)</b>	<u>(64,473)</u>	<u>(72,297)</u>	12.1
Capital Contributions	47,665	44,900	-5.8
Increase (Decrease) in Net Position	(24,545)	(6,954)	-71.7
<b>Beginning Net Position</b>	<u>654,673</u>	<u>630,128</u>	-3.7
<b>Ending Net Position</b>	<u>\$ 630,128</u>	<u>\$ 623,174</u>	-1.1

### CAPITAL ASSETS

#### *Capital Assets – Governmental Fund*

At June 30, 2021, the Town had \$1,086,567 invested in capital assets, including the following:

#### Capital Assets at Year-End

	2020	2021
Land*	\$ 1,700	\$ 1,700
Buildings	61,000	61,000
Vehicles & Equipment	494,180	494,180
Improvements	1,216,122	1,216,122
Total Fixed Assets	<u>1,773,002</u>	<u>1,773,002</u>
Accumulated Depreciation	(619,983)	(686,435)
<b>Total Fixed Assets (Net)</b>	<u>\$ 1,153,019</u>	<u>\$ 1,086,567</u>

\* Land in the amount of \$1,700 is not being depreciated.

See independent accountant's review report.

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## MD&A

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### *Capital Assets – Enterprise Fund*

At June 30, 2021, the Town had \$555,036 invested in capital assets, including the following:

<b>Capital Assets at Year-End</b>		
	<u>2020</u>	<u>2021</u>
Land*	\$ 1,500	\$ 1,500
Water System & Improvements	1,902,438	1,902,438
Sewer System & Improvements	1,484,988	1,484,988
Equipment	110,273	158,023
Total Fixed Assets	<u>3,499,199</u>	<u>3,546,949</u>
Accumulated Depreciation	<u>(2,935,344)</u>	<u>(2,991,913)</u>
<b>Total Fixed Assets (Net)</b>	<b><u>\$ 563,855</u></b>	<b><u>\$ 555,036</u></b>

\*Land in the amount of \$1,500 is not being depreciated.

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

This financial report is designed to provide our citizens, taxpayers, customers, 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 questions about this report or need additional information, contact Mayor Chad Coates, phone number (318) 649-7218.

See independent accountant's review report.

## **Basic Financial Statements**

**Town of Clarks, Louisiana**  
**Statement of Net Position**  
**June 30, 2021**

	PRIMARY GOVERNMENT		
	GOVERNMENTAL	BUSINESS-	
	ACTIVITIES	TYPE	TOTAL
	<u>ACTIVITIES</u>	<u>ACTIVITIES</u>	<u>TOTAL</u>
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	\$ 9,768	\$ 57,223	\$ 66,991
Receivables	7,458	19,990	27,448
<b>TOTAL CURRENT ASSETS</b>	<u>17,226</u>	<u>77,213</u>	<u>94,439</u>
<b>NON-CURRENT ASSETS</b>			
Restricted Assets	4,488	47,570	52,058
Capital Assets (Net of Accumulated Depreciation)	1,086,567	555,036	1,641,603
<b>TOTAL NON-CURRENT ASSETS</b>	<u>1,091,055</u>	<u>602,606</u>	<u>1,693,661</u>
<b>TOTAL ASSETS</b>	<u>1,108,281</u>	<u>679,819</u>	<u>1,788,100</u>
<b>CURRENT LIABILITIES</b>			
Accounts Payable	2,755	5,144	7,899
Accrued Payroll/Payroll Taxes Payable	2,932	3,931	6,863
<b>TOTAL CURRENT LIABILITIES</b>	<u>5,687</u>	<u>9,075</u>	<u>14,762</u>
<b>NON-CURRENT LIABILITIES</b>			
Customer Deposits	-0-	47,570	47,570
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>-0-</u>	<u>47,570</u>	<u>47,570</u>
<b>TOTAL LIABILITIES</b>	<u>5,687</u>	<u>56,645</u>	<u>62,332</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,086,567	555,036	1,641,603
Restricted	4,488	-0-	4,488
Unrestricted	11,539	68,138	79,677
<b>TOTAL NET POSITION</b>	<u>\$ 1,102,594</u>	<u>\$ 623,174</u>	<u>\$ 1,725,768</u>

See accompanying notes and independent accountant's review report.

**Town of Clarks, Louisiana**  
**Statement of Activities**  
**For the Year Ended June 30, 2021**

	PROGRAM REVENUES				NET (EXPENSES) REVENUE	NET REVENUES (EXPENSES) & CHANGES OF PRIMARY GOVERNMENT		TOTAL
	EXPENSES	CHARGES FOR SERVICES	CAPITAL GRANTS & CONTRIBUTIONS	OPERATING GRANTS & CONTRIBUTIONS		GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	
<b>GOVERNMENTAL ACTIVITIES</b>								
General Government	\$ (99,096)	\$ 9,585	\$ -0-	\$ -0-	\$ (89,511)	\$ (89,511)		\$ (89,511)
Public Safety:								
Police	(10,000)	-0-	-0-	-0-	(10,000)	(10,000)		(10,000)
Fire	(20,150)	-0-	-0-	-0-	(20,150)	(20,150)		(20,150)
Street	(49,141)	-0-	-0-	-0-	(49,141)	(49,141)		(49,141)
Interest	-0-	-0-	-0-	-0-	-0-	-0-		-0-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>(178,387)</u>	<u>9,585</u>	<u>-0-</u>	<u>-0-</u>	<u>(168,802)</u>	<u>(168,802)</u>		<u>(168,802)</u>
<b>BUSINESS-TYPE ACTIVITIES</b>								
Water & Sewer	(231,317)	247,023	44,900	-0-	60,606		\$ 60,606	60,606
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<u>(231,317)</u>	<u>247,023</u>	<u>44,900</u>	<u>-0-</u>	<u>60,606</u>		<u>60,606</u>	<u>60,606</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ (409,704)</u>	<u>\$ 256,608</u>	<u>\$ 44,900</u>	<u>\$ -0-</u>	<u>\$ (108,196)</u>			<u>(108,196)</u>
			<b>GENERAL REVENUES</b>					
			Taxes:					
						6,574	-0-	6,574
						3,706	-0-	3,706
						8,376	-0-	8,376
						11,095	4,737	15,832
						1	39	40
						72,336	(72,336)	-0-
						<u>102,088</u>	<u>(67,560)</u>	<u>34,528</u>
							(66,714)	(6,954)
							1,169,308	630,128
							<u>1,102,594</u>	<u>623,174</u>
								<u>1,725,768</u>

See accompanying notes and independent accountant's review report.

**Town of Clarks, Louisiana  
Balance Sheet, Governmental Funds  
June 30, 2021**

		<u>GENERAL FUND</u>
<b>ASSETS</b>		
Cash & Cash Equivalents	\$	9,768
Restricted Cash		4,488
Receivables		<u>7,458</u>
<b>TOTAL ASSETS</b>		<u><u>21,714</u></u>
<b>LIABILITIES</b>		
Accounts Payable		2,755
Accrued Payroll/Payroll Taxes Payable		<u>2,932</u>
<b>TOTAL LIABILITIES</b>		<u><u>5,687</u></u>
<b>FUND BALANCES</b>		
Unassigned		11,539
Restricted		<u>4,488</u>
<b>TOTAL FUND BALANCES</b>		<u><u>16,027</u></u>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$</b>	<u><u>21,714</u></u>

See accompanying notes and independent accountant's review report.



**Town of Clarks, Louisiana**  
**Reconciliation of the Government Funds Balance Sheet**  
**to the Government-Wide Financial Statement of Net Position**  
**June 30, 2021**

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Fund Balance, Total Governmental Funds (Statement C)	\$ 16,027			
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.	1,086,567			
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<table style="margin-left: auto; margin-right: 0;"> <tr> <td style="text-align: right;">Long-Term Debt</td> <td style="text-align: right; border-bottom: 1px solid black;">-0-</td> <td style="text-align: right; border-bottom: 1px solid black;">-0-</td> </tr> </table>	Long-Term Debt	-0-	-0-
Long-Term Debt	-0-	-0-		
Net Position of Governmental Activities (Statement A)	\$ <u>1,102,594</u>			

See accompanying notes and independent accountant's review report.

**Town of Clarks, Louisiana**  
**Statement of Revenues, Expenditures &**  
**Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**

		<u>GENERAL FUND</u>
<b>REVENUES</b>		
Fees & Charges	\$	9,585
Taxes:		
Ad Valorem Tax		6,574
Sales Tax		3,706
Franchise Tax		8,376
Fire Income		6,260
Rental Fees		2,725
Intergovernmental – Capital Grants		-0-
Miscellaneous		2,111
<b>TOTAL REVENUES</b>		<u>39,337</u>
 <b>EXPENDITURES</b>		
General Government		94,366
Public Safety:		
Police		10,000
Fire		7,570
Street		-0-
Capital Outlay		-0-
<b>TOTAL EXPENDITURES</b>		<u>111,936</u>
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)</b>		
<b>EXPENDITURES</b>		<u>(72,599)</u>
 <b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In/(Out)		72,336
Interest Income		1
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<u>72,337</u>
 <b>NET CHANGE IN FUND BALANCE</b>		<b>(262)</b>
 <b>FUND BALANCES - BEGINNING</b>		<u>16,289</u>
<b>FUND BALANCES - ENDING</b>	<b>\$</b>	<u><u>16,027</u></u>

See accompanying notes and independent accountant's review report.

**Town of Clarks, Louisiana**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**& Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For the Year Ended June 30, 2021**

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds, Statement E \$ (262)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

	Capital Outlay	-0-	
	Depreciation Expense	<u>(66,452)</u>	(66,452)

The issuance of short-term and long-term debt (bonds, leases, etc.) 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 position. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when is 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.

	Principal Paid	-0-	
	Loan Proceeds	<u>-0-</u>	-0-

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Changes in Net Position of Governmental Activities, Statement B \$ (66,714)

See accompanying notes and independent accountant's review report.

**Town of Clarks, Louisiana**  
**Statement of Net Position, Proprietary Funds**  
**June 30, 2021**

<b>BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS</b>	
<b>(MAJOR ENTERPRISE FUNDS)</b>	
	<b>ENTERPRISE FUND</b>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash	\$ 57,223
Receivables	19,990
<b>TOTAL CURRENT ASSETS</b>	<b>77,213</b>
<b>NON-CURRENT ASSETS</b>	
Restricted Assets	47,570
Capital Assets (Net of Accumulated Depreciation)	555,036
<b>TOTAL NON-CURRENT ASSETS</b>	<b>602,606</b>
<b>TOTAL ASSETS</b>	<b>679,819</b>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Account Payable	5,144
Accrued Payroll	3,931
<b>TOTAL CURRENT LIABILITIES</b>	<b>9,075</b>
<b>NON-CURRENT LIABILITIES</b>	
Customer Deposits	47,570
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>47,570</b>
<b>TOTAL LIABILITIES</b>	<b>56,645</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	555,036
Unrestricted	68,138
<b>TOTAL NET POSITION</b>	<b>\$ 623,174</b>

See accompanying notes and independent accountant's review report.

**Town of Clarks, Louisiana**  
**Statement of Revenues, Expenses & Changes in Net Position**  
**Proprietary Fund**  
**June 30, 2021**

<b>BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUND</b>	
<b>(MAJOR ENTERPRISE FUND)</b>	
	<b>ENTERPRISE FUND</b>
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 247,023
Other Income	4,737
<b>TOTAL OPERATING REVENUES</b>	<b>251,760</b>
<b>OPERATING EXPENSES</b>	
Cost of Sales & Services	174,748
Depreciation	56,569
<b>TOTAL OPERATING EXPENSES</b>	<b>231,317</b>
<b>OPERATING INCOME (LOSS)</b>	<b>20,443</b>
<b>OTHER FINANCING SOURCES (USES)</b>	
Interest Income	39
Transfers In (Out)	(72,336)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(72,297)</b>
<b>CAPITAL CONTRIBUTIONS</b>	<b>44,900</b>
<b>CHANGE IN NET POSITION</b>	<b>(6,954)</b>
<b>TOTAL NET POSITION - BEGINNING</b>	<b>630,128</b>
<b>TOTAL NET POSITION - ENDING</b>	<b>\$ 623,174</b>

See accompanying notes and independent accountant's review report.

**Town of Clarks, Louisiana**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**June 30, 2021**

<b>BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUND</b>	
<b>(MAJOR ENTERPRISE FUND)</b>	
	<b>ENTERPRISE FUND</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Customers & Users	\$ 249,291
Payments to Suppliers & Employees	(177,239)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>72,052</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers from (to) Other Funds	(72,336)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>(72,336)</u>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>	
Capital Contributions	44,900
Addition of Capital Assets	(47,750)
<b>NET CASH PROVIDED (USED) BY CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>	<u>(2,850)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest and Dividends Received	39
<b>NET CASH PROVIDED (USED) FROM INVESTING ACTIVITIES</b>	<u>39</u>
<b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	(3,095)
<b>CASH &amp; CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>107,888</u>
<b>CASH &amp; CASH EQUIVALENTS, END OF YEAR</b>	<u>104,793</u>
<b>RECONCILIATION TO BALANCE SHEET</b>	
Cash and Cash Equivalents	57,223
Restricted Cash	47,570
<b>TOTAL CASH &amp; CASH EQUIVALENTS</b>	<u>\$ 104,793</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Operating Income (Loss)	\$ 20,443
Depreciation Expense	56,569
(Increase) Decrease in Accounts Receivable	(6,088)
Increase (Decrease) in Accounts Payables	(2,544)
Increase (Decrease) in Accrued Payroll	53
Increase (Decrease) in Customer Deposits	3,619
<b>TOTAL ADJUSTMENTS</b>	<u>51,609</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 72,052</u>

See accompanying notes and independent accountant's review report.

**Notes To The Basic  
Financial Statements**

## TOWN OF CLARKS, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS

#### **(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Clarks was incorporated under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Alderman form of government. The Town provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water and sewer services) and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

The accounting and reporting policies of the Town of Clarks conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

#### **A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.



## TOWN OF CLARKS, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

#### **B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental funds:

The General Fund is the municipality'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 municipality reports the following major proprietary fund:

- Water Activities
- Sewer Activities

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

## TOWN OF CLARKS, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges for services and sales taxes. Operating expenses for the enterprise fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### C. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Net Investment in Capital Assets - Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

Restricted Net Position - Net position with constraints placed on their 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.

Unrestricted Net Position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies restricted resources first. The policy concerning which to apply first varies with the intended use and legal requirements. The decision is typically made by management at the incurrence of the expense.

In the Fund Financial Statements, governmental fund equity is classified as a fund balance. The Town has implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance – amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance – amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;

## TOWN OF CLARKS, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

- d. Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

#### D. FIXED ASSETS & LONG-TERM LIABILITIES

For the year ended June 30, 2021, no interest costs were capitalized for construction of fixed assets. The Town of Clarks has a capitalization policy of \$1,500.

Depreciation of all exhaustible fixed assets is charged as an expense against its operations. Accumulated depreciation is reported on the proprietary fund balance sheet and governmental fund statement of activities. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

	<u>Life in Years</u>
Water/Sewer System	40
Equipment	5-10
Auto	6-7

#### E. CASH & INVESTMENTS

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, saving accounts, and certificates of deposit of the Town. For the purpose of the proprietary fund Statement of Cash Flows, “Cash and Cash Equivalents” include all demand and savings accounts, and certificates of deposit under 90 days.

All cash and investments (CD’s over 90 days) are reported at cost and are on deposit as follows at federally insured banks:

It is the Town’s policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Town’s deposits are categorized to give an indication of the level of risk assumed by the Town at fiscal year-end. The categories are described as follows:

- *Category 1* – Insured or collateralized with securities held by the Town or by its agent in the Town’s name.
- *Category 2* – Collateralized with securities held by the pledging financial institution’s trust department or agent in the Town’s name.
- *Category 3* – Uncollateralized.

## TOWN OF CLARKS, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

At June 30, 2021, the Town of Clarks' bank balance was \$122,976. Amounts on deposit are secured by the following pledges:

<u>Description</u>	<u>Market Value</u>
FDIC (Category 1)	\$ 122,976
Securities (Category 2)	-0-
<b>Total</b>	<b>\$ 122,976</b>

Deposits were fully secured as of June 30, 2021.

#### ***Custodial Credit Risk***

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. 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.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Entity that the fiscal agent bank has failed to pay deposit funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Entity's name.

#### **F. RECEIVABLES & PAYABLES**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

#### **G. INVENTORIES**

Immaterial amounts of inventory are maintained for general fund and enterprise fund operations and, accordingly, these supplies are expensed as purchased.

#### **H. SALES TAXES**

The Town receives a pro-rata share of a one-fourth of one percent parish wide (excluding the Town of Columbia) sales tax approved by the voters in Caldwell Parish on October 19, 1985, for fire protection in the parish. The sales tax is collected by the police jury and remitted to the Town net of its pro-rata share of the cost of collection.

## TOWN OF CLARKS, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

#### I. COMPENSATED ABSENCES

It is the Town's policy to permit full time permanent employees to earn 18 days of annual leave for each full year of employment. Annual leave is credited to employees each pay period on a pro rata basis. Employees are allowed to carry over 30 to 45 days of accumulated annual leave to the following year based on years of service. All full-time permanent employees earn 10 days of sick leave for each full year of employment. Sick leave is credited to employees each pay period on a pro rata basis. Employees are allowed to accumulate any unused sick leave hours without limitation.

Upon termination, resignation, or retirement, employees shall be paid at their current rate of pay, for accumulated annual and sick leave combined from 90 to 105 days based on years of service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the Water Fund financial statements, which is the fund that pays the salaries of the Town's permanent full-time employees. The valuation of accrued leave benefits is calculated in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*. The Town's total accrued compensated absences liability at June 30, 2021, was zero.

#### J. LONG-TERM OBLIGATIONS

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

#### K. FUND EQUITY

In the fund equity statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plan that are subject to change.

#### L. RESTRICTED NET POSITION

The Town records restricted assets to indicate that a portion of its net position balances are legally restricted for a specific future use. The following is a list of such restrictions and a description of each:

##### *Restricted for Road Maintenance*

This amount represents \$4,488 restricted for repairs and maintenance of the Town roads.

**TOWN OF CLARKS, LOUISIANA**

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

**(2) RESTRICTED ASSETS**

**A. GOVERNMENTAL FUNDS**

Cash in the amount of \$4,488 that was received under a federal grant program and restricted for street repairs is reported as restricted cash with a corresponding restriction of net position/fund balance.

**B. PROPRIETARY FUND**

At June 30, 2021, restricted assets of the Enterprise funds were invested in either interest bearing checking accounts or time deposits and were restricted for the following purposes:

		<u>Water</u>
Customer Deposits	\$	<u>47,570</u>
Total	\$	<u><u>47,570</u></u>

**(3) AD VALOREM TAX**

The entity levies taxes on real and business personal property located within its boundaries. The entity utilizes the services of the Caldwell Parish Tax Assessor to assess the property values and prepare the entity's property tax roll. The entity bills and collects its own property taxes.

**Property Tax Calendar**

<u>Assessment Date</u>	<u>January 1</u>
Levy Date	No Later Than June 1
Tax Bills Mailed	On or About October 15
Total Taxes Are Due	December 31
Penalties and Interest are Added	January 1
Lien Date	January 1

For the year ended June 30, 2021, taxes of 6.18 mills were levied against property having a valuation of some \$1,168,732 which produced some \$7,223 in revenue.

Ad Valorem Taxes are broken down as follows:

	<u>Mills</u>
Clarks General Alimony	<u>6.18</u>
<b>Total</b>	<u><u>6.18</u></u>

**TOWN OF CLARKS, LOUISIANA**

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

**(4) RECEIVABLES**

Property tax receivables are generally shown net of an allowance for uncollectible amounts. These statements contain no provision for uncollectible accounts for property taxes. The Town is of the opinion that such an allowance would be immaterial in relation to the financial statements taken as a whole.

Trade receivables are generally shown net of an allowance for uncollectible amounts. The Town is of the opinion that an allowance for uncollectible accounts would be immaterial to the financial statements. Past due amounts are written off when they are considered uncollectible by management.

	<b>Governmental</b>	<b>Business</b>
	<b>General</b>	<b>Enterprise</b>
	<b>Fund</b>	<b>Fund</b>
Sales Tax	\$ 292	\$ -0-
Franchise Tax	293	-0-
Ad Valorem Tax	205	-0-
Occupational Licenses	3,869	-0-
Other	2,799	-0-
Customer	-0-	19,990
Allowance for Bad Debts	-0-	-0-
<b>Total</b>	<b>\$ 7,458</b>	<b>\$ 19,990</b>

**(4) FIXED ASSETS**

**GOVERNMENTAL FUND**

A summary of general fund property, plant, and equipment at June 30, 2021, is as follows:

	<b>Balance</b>	<b>Additions</b>	<b>(Deletions)</b>	<b>Balance</b>
	<b>6-30-2020</b>	<b></b>	<b></b>	<b>6-30-2021</b>
Land*	\$ 1,700	\$ -0-	\$ -0-	\$ 1,700
Building	61,000	-0-	-0-	61,000
Vehicles & Equipment	494,180	-0-	-0-	494,180
Improvements	1,216,122	-0-	-0-	1,216,122
Total Fixed Assets	1,773,002	-0-	-0-	1,773,002
Accumulated Depreciation	(619,983)	(66,452)	-0-	(686,435)
<b>Total Fixed Assets (Net)</b>	<b>\$ 1,153,019</b>	<b>\$ (66,452)</b>	<b>\$ -0-</b>	<b>\$ 1,086,567</b>

\* Land in the amount of \$1,700 is not being depreciated.

**TOWN OF CLARKS, LOUISIANA**

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

Depreciation expense was charged to governmental functions as follows:

General	\$	4,731
Police		-0-
Fire		12,580
Street		49,141
<b>Total Depreciation</b>	<b>\$</b>	<b><u>66,452</u></b>

**ENTERPRISE FUND**

A summary of enterprise fund property, plant, and equipment at June 30, 2021, is as follows:

	<b>Balance 6-30-2020</b>	<b>Additions</b>	<b>(Deletions)</b>	<b>Balance 6-30-2021</b>
Land*	\$ 1,500	\$ -0-	\$ -0-	\$ 1,500
Water System & Improvements	1,902,438	-0-	-0-	1,902,438
Sewer System & Improvements	1,484,988	-0-	-0-	1,484,988
Equipment	110,273	47,750	-0-	158,023
Total Fixed Assets	<u>3,499,199</u>	<u>47,750</u>	<u>-0-</u>	<u>3,546,949</u>
Accumulated Depreciation	<u>(2,935,344)</u>	<u>(56,569)</u>	<u>-0-</u>	<u>(2,991,913)</u>
<b>Total</b>	<b>\$ 563,855</b>	<b>\$ (8,819)</b>	<b>\$ -0-</b>	<b>\$ 555,036</b>

\*Land in the amount of \$1,500 is not being depreciated.

**(5) ACCOUNTS, SALARIES, AND OTHER PAYABLES**

**General Fund**

The payables of \$5,687 at June 30, 2021, are as follows:

Accounts Payable	\$	2,755
Accrued Payroll		2,932
<b>Total</b>	<b>\$</b>	<b><u>5,687</u></b>

**Enterprise Fund**

The payables of \$9,075 at June 30, 2021, are as follows:

Accounts Payable	\$	5,144
Accrued Payroll		3,931
<b>Total</b>	<b>\$</b>	<b><u>9,075</u></b>



**TOWN OF CLARKS, LOUISIANA**

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

**(6) ELECTED OFFICIAL'S SALARIES**

<u>Name</u>	<u>Title</u>	<u>Annualized Salary</u>
Chad Coates	Mayor	\$3,600
Johnny Edgar	Alderman	1,200
Edward J. Gibson	Alderman	1,200
Krissy Jolly	Alderman	1,200
Jessica Morris	Alderman	1,200
Marilyn Ratcliff	Alderman	1,200

**(7) USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles 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 expenses during the reporting period. Actual results could differ from those estimates.

**(8) RETIREMENT PLANS**

The Town does not offer its employees a retirement plan. All employees are in the social security system.

**(9) TRANSFERS**

<u>Transfers From/To Other Funds</u>			
<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Total</u>
General	\$ 72,336	\$ -0-	\$ 72,336
Enterprise	-0-	(72,336)	(72,336)
<b>Total</b>	<b>\$ 72,336</b>	<b>\$ (72,336)</b>	<b>\$ -0-</b>

The transfers were made to help pay for operational expenses.

**(10) RISK MANAGEMENT AND CONTINGENT LIABILITIES**

The Town purchases commercial insurance to reduce the risk of loss resulting from property damage or liability claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

## TOWN OF CLARKS, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

#### (11) FEDERAL GRANT CONTINGENCIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor agencies. If any expenditures are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Town. In the opinion of management, any such adjustments would not be material to the Town's operating results or fund balances.

#### (12) SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the Statement of Net Position date though, August 20, 2021, of the independent auditor's report for potential recognition or disclosure in the financial statements. The following item is reported as a subsequent event.

#### (13) CONTINGENCIES

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public place and businesses. The coronavirus and actions taken to mitigate it have had and are expected to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Entity operates. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while the Town anticipates this could negatively affect its operating results, the related financial impact and duration cannot be reasonably estimated at this time.

**Required Supplemental  
Information**

**Town of Clarks, Louisiana**  
**Statement of Revenues, Expenditures, & Changes in Fund Balance**  
**Budget & Actual**  
**General Fund**  
**For the Year Ended June 30, 2021**

	BUDGET AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	BUDGET TO ACTUAL DIFFERENCES FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Fees & Charges	\$ 6,400	\$ 6,400	\$ 9,585	\$ 3,185
Taxes	18,800	18,800	18,656	(144)
Intergovernmental – Capital Grants	-0-	-0-	-0-	-0-
Miscellaneous	14,375	14,375	11,095	(3,280)
<b>TOTAL REVENUES</b>	<b>39,575</b>	<b>39,575</b>	<b>39,336</b>	<b>(239)</b>
<b>EXPENDITURES</b>				
General Government	89,250	89,250	94,366	(5,116)
Public Safety:				
Police Expense	10,000	10,000	10,000	-0-
Fire Expense	8,000	8,000	7,570	430
Street Expense	-0-	-0-	-0-	-0-
Capital Outlay	-0-	-0-	-0-	-0-
<b>TOTAL EXPENDITURES</b>	<b>107,250</b>	<b>107,250</b>	<b>111,936</b>	<b>(4,686)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(67,675)</b>	<b>(67,675)</b>	<b>(72,599)</b>	<b>(4,925)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In/(Out)	60,000	60,000	72,336	12,336
Interest Income	100	100	1	(99)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 60,100</b>	<b>\$ 60,100</b>	<b>72,337</b>	<b>\$ 12,237</b>
<b>NET CHANGE IN FUND BALANCE</b>			(262)	
<b>FUND BALANCES – BEGINNING</b>			16,289	
<b>FUND BALANCES – ENDING</b>			\$ 16,027	

See independent accountant's review report.

**Supplemental Information**

**Town of Clarks, Louisiana**  
**Schedule of Compensation Benefits and Other Payments**  
**to Agency Head or Chief Executive Officer**  
**For the Year Ended June 30, 2021**

Honorable Chad Coates, Mayor

Purpose	Amount	
Salary	\$	3,600
Benefits-Insurance		-0-
Benefits-Retirement		-0-
Benefits (Expense Allowance)		-0-
Car Allowance		-0-
Vehicle Provided by Government		-0-
Per Diem		-0-
Reimbursements		-0-
Travel		-0-
Registration Fees		-0-
Conference Travel		-0-
Continuing Professional Education Fees		-0-
Housing		-0-
Un-vouchered Expenses*		-0-
Special Meals	\$	-0-

\*An example of an un-vouchered expense would be a travel advance

See independent accountant's review report.

**Town of Clarks, Louisiana**  
**Schedule of Assets, Liabilities, & Equity**  
**Capital Grants**  
**For the Year Ended June 30, 2021**

	<b>LCDBG</b>	<b>LGAP</b>	<b>CWEF</b>	<b>TOTAL</b>
<b>ASSETS</b>				
Cash	\$ 292	\$ -0-	\$ -0-	\$ 292
Grant Revenues Receivable	-0-	-0-	-0-	-0-
<b>TOTAL ASSETS</b>	<b>292</b>	<b>-0-</b>	<b>-0-</b>	<b>292</b>
<b>LIABILITIES &amp; FUND EQUITY</b>				
Accounts Payable	-0-	-0-	-0-	-0-
Due To Town	-0-	-0-	-0-	-0-
Unearned Revenue	-0-	-0-	-0-	-0-
<b>TOTAL LIABILITIES</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>FUND BALANCE</b>	<b>292</b>	<b>-0-</b>	<b>-0-</b>	<b>292</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$ 292</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 292</b>

LCDBG – Louisiana Community Development Block Grant

LGAP – Local Government Assistance Program

CWEF – Community Water Environment Fund

See independent accountant's review report.

**Town of Clarks, Louisiana**  
**Schedule of Revenues, Expenditures &**  
**Changes in Fund Balances**  
**Capital Grants**  
**For the Year Ended June 30, 2021**

	<u>LCDBG</u>	<u>LGAP</u>	<u>CWEF</u>	<u>TOTAL</u>
<b>REVENUES</b>				
Capital Grants	\$ -0-	\$ -0-	\$ 44,900	\$ 44,900
<b>TOTAL REVENUES</b>	-0-	-0-	44,900	44,900
<b>EXPENDITURES</b>				
Administrative Services	-0-	-0-	-0-	-0-
Engineering Services	-0-	-0-	-0-	-0-
Project Construction	-0-	-0-	44,900	44,900
<b>TOTAL EXPENDITURES</b>	-0-	-0-	44,900	44,900
<b>EXCESS (DEFICIENCY) OF REVENUES</b>				
<b>OVER (UNDER) EXPENDITURES</b>	-0-	-0-	-0-	-0-
<b>FUND BALANCES--BEGINNING</b>				
<b>FUND BALANCES--ENDING</b>	-0-	-0-	-0-	-0-

LCDBG – Louisiana Community Development Block Grant

LGAP – Local Government Assistance Program

CWEF – Community Water Environment Fund

See independent accountant's review report.





**Other Reports**

## TOWN OF CLARKS, LOUISIANA

### MANAGEMENT LETTER COMMENTS

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During the course of our review, we observed conditions and circumstances that may be improved. Below are findings noted for improvement, our recommendation for improvement and the Town's plan for corrective action.

#### CURRENT YEAR MANAGEMENT LETTER COMMENTS

No items identified.

## TOWN OF CLARKS, LOUISIANA

### MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

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Legislative Auditor  
State of Louisiana  
Baton Rouge, Louisiana 70804-9397

The management of the Town of Clarks, Louisiana, has provided the following action summaries relating to review findings brought to their attention as a result of their financial compilation for the year ended June 30, 2020.

#### PRIOR YEAR FINDINGS

##### 2020-1 Small Size of Entity

**Condition:** Because of the small size of the Town and the lack of separation of duties of employees, many of the important elements of good internal controls cannot always be achieved to ensure adequate protection of the Town's cash.

**Criteria:** Important elements of good internal controls often require that the same employee does not handle the functions of accounting, collections, billing, receiving and check writing.

**Cause of Condition:** Small size of entity and lack of employees.

**Effect of Condition:** Significant deficiency in internal controls.

**Recommendation:** We recommend that management continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

**Client Response and Corrective Action:** Management will continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

John R. Vercher C.P.A.  
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jonathanvercher@centurytel.net

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davidvercher@centurytel.net

## **THE VERCHER GROUP**

*A Professional Corporation of  
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P.O. Box 1608  
1737 N 2<sup>nd</sup> St. – Suite A  
Jena, Louisiana 71342  
Tel: (318) 992-6348  
Fax: (318) 992-4374

### MEMBERS

American Institute of  
Certified Public Accountants

Society of Louisiana  
Certified Public Accountants

Association of  
Certified Fraud Examiners

### **INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**

To the Town of Clarks, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Town of Clarks, Louisiana, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Town of Clarks, Louisiana's compliance with certain laws and regulations during the year ended June 30, 2021, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with 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 the report. Consequently, we make no representation regarding the sufficiency of the procedures described below whether for the purpose for which this report has been requested or for any other purpose.

#### *Public Bid Law*

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

\*During our review of expenditures, we found no such expenditures.

#### *Code of Ethics for Public Officials and Public Employees*

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

\*Management provided us with the requested information.

3. Obtain a list of all employees paid during the fiscal year.

\*Management provided us with the requested information.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

\*None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

\*Management provided the requested information. None of the businesses of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.

### *Budgeting*

6. Obtain a copy of the legally adopted budget and all amendments.

\*We obtained a copy of the budget and the amended budget.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

\*Adoption of the budget and approval of an amended budget were documented in the minute book.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).

\*The Town had an unfavorable revenue variance of 0.6% and an unfavorable expenditure variance of 4.4%.

### *Accounting and Reporting*

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

(a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.

\*We examined supporting documentation for the six selected documents and they all agreed.

(b) Report whether the six disbursements were coded to the correct fund and general ledger account.

\*All of the payments were properly coded to the correct fund and correct general ledger account.

(c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

\*The selected disbursements were approved by the proper authorities.

### *Meetings*

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

\*I verified meetings were posted or advertised.

### *Debt*

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

\*The Town did not enter into any long-term debt this fiscal year.

### *Advances and Bonuses*

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

\*We inspected payroll records and minutes for the year and noted no instances which indicated payments to employees which would constitute bonuses, advances, and gifts.

### *State Audit Law*

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

\*The Town's report is due on December 31, 2021, and was submitted timely.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

\*The Town did not enter into any new contracts this fiscal year.

### *Prior-Year Comments*

15. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.

\*Our prior year report, dated December 17, 2020, contained one finding: 2020-1 Small Size of Entity.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Town of Clarks, Louisiana and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*The Vercher Group*

Jena, Louisiana  
November 9, 2021

# LOUISIANA ATTESTATION QUESTIONNAIRE

## THE VERCHER GROUP

*A Professional Corporation of  
Certified Public Accountants*

P.O. Box 1608

Jena, Louisiana 71342

Tel: (318) 992-6348

Fax: (318) 992-4374

In connection with your review of our financial statements as of June 30, 2021, and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of November 9, 2021.

### Public Bid Law

It is true that we have complied with the state procurement code (R.S. 39:1551 – 39:1755); the public bid law (R.S. 38:2211-2296), and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes  No  N/A

### Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes  No  N/A

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes  No  N/A

### Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes  No  N/A

### Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes  No  N/A

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes  No  N/A



We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes  No  N/A

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes  No  N/A

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes  No  N/A

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes  No  N/A

### **Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes  No  N/A

### **Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes  No  N/A

### **Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes  No  N/A

### **Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes  No  N/A

### **General**

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes  No  N/A

We acknowledge that we are responsible for determining that that the procedures performed are appropriate for the purposes of this engagement.

Yes  No  N/A

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes  No  N/A

We have provided you with all relevant information and access under the terms of our agreement.

Yes  No  N/A

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes  No  N/A

We are not aware of any material misstatements in the information we have provided to you.

Yes  No  N/A

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes  No  N/A

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes  No  N/A

The previous responses have been made to the best of our belief and knowledge.

Signed: 

Title: Mayor

Signed: Penny Jarrett

Title: Bookkeeper