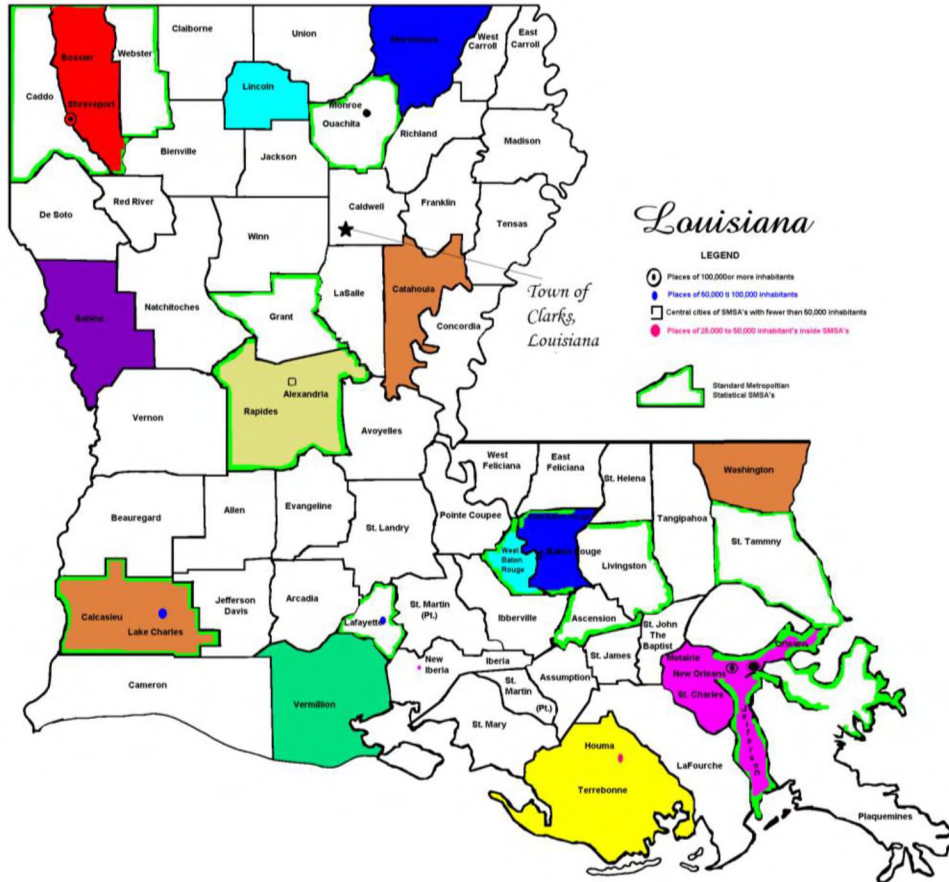


TOWN OF CLARKS, LOUISIANA

Annual Financial Statements

JUNE 30, 2023

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
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June 30, 2023

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Association of
Certified Fraud Examiners

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Honorable Jessica Morris, 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, 2023, 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 *the 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 supplementary information has 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
August 25, 2023

Town of Clarks

PO Box 360

Clarks, Louisiana 71415

Tel: (318) 649-7218

Fax: (318) 649-7215

MANAGEMENT'S DISCUSSION & ANALYSIS

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, 2023. 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 \$1,143,602 (*net position*). This is a \$28,401 decrease from last year.
- The Town had total revenue of \$218,688, of which \$23,555 came from taxes. This is a \$21,245 increase from last year's revenues, mainly due to an increase in fire income in the amount of \$7,593 and an increase in rental fees in the amount of \$4,307.
- The Town had total expenditures of \$150,889, which is a \$52,092 increase from last year, mainly due to an increase in fire expenses in the amount of \$14,300 and an increase in capital outlay in the amount of \$12,500.

Enterprise Funds

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$668,747 (*net position*). This is a \$14,940 increase from last year.
- The Town had total revenue of \$250,177. This is a \$1,179 increase from last year, mainly due to an increase in miscellaneous revenue in the amount of \$4,533.
- The Town had total expenses of \$278,359, including depreciation expense in the amount of \$56,458, which is a non-cash transaction. This is a \$18,071 increase from last year.

See independent accountant's review report.

MD&A

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.

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.

MD&A

Comparative Statement of Net Position Governmental Funds

The following table represents a Comparative Statement of Net Position as of June 30, 2023:

	<u>2022</u>	<u>2023</u>	<u>% Change</u>
Current Assets			
Cash & Cash Equivalents	\$ 145,902	\$ 179,724	23.2
Receivables (Net)	8,523	1,096	-87.1
Total Current Assets	<u>154,425</u>	<u>180,820</u>	17.2
Non-Current Assets			
Restricted Assets	3,498	3,231	-7.6
Capital Assets, Net of Accumulated Depreciation	<u>1,020,372</u>	<u>966,975</u>	-5.2
Total Non-Current Assets	<u>1,023,870</u>	<u>970,206</u>	-5.2
Total Assets	<u>1,178,295</u>	<u>1,151,026</u>	-2.3
Current Liabilities			
Accounts Payable	3,867	3,498	-9.5
Accrued Payroll/Payroll Taxes Payable	<u>2,423</u>	<u>3,926</u>	62.0
Total Current Liabilities	<u>6,290</u>	<u>7,424</u>	18.0
Total Liabilities	<u>6,290</u>	<u>7,424</u>	18.0
Net Position			
Net Investment in Capital Assets	1,020,375	966,975	-5.2
Restricted	3,493	3,231	-7.6
Unrestricted	<u>148,135</u>	<u>173,396</u>	17.1
Total Net Position	<u>\$ 1,172,003</u>	<u>\$ 1,143,602</u>	-2.4

See independent accountant's review report.

MD&A

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, 2023:

	<u>2022</u>	<u>2023</u>	<u>% Change</u>
Revenues			
Fees & Charges	\$ 8,766	\$ 10,507	19.9
Taxes	22,008	23,555	7.0
Fire Income	4,527	12,120	167.7
Rental Fees	4,158	8,465	103.6
Intergovernmental- Capital Grants	156,680	156,468	-0.1
Miscellaneous	1,404	7,573	439.4
Total Revenues	<u>197,543</u>	<u>218,688</u>	10.7
Expenditures			
General Government	70,468	96,144	36.4
Public Safety:			
Police Expense	19,493	19,167	-1.7
Fire Expense	8,514	22,814	168.0
Street	322	264	-18.0
Capital Outlay	-0-	12,500	100.0
Total Expenditures	<u>98,797</u>	<u>150,889</u>	52.7
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>98,746</u>	<u>67,799</u>	-31.3
Other Financing Sources (Uses)			
Interest Income	-0-	-0-	0.0
Transfers	36,847	(42,801)	-216.2
Total Other Financing Sources (Uses)	<u>36,847</u>	<u>(42,801)</u>	-216.2
Net Change in Fund Balance	135,602	24,998	-81.6
Fund Balances - Beginning	<u>16,027</u>	<u>151,629</u>	846.1
Fund Balances - Ending	<u>\$ 151,629</u>	<u>\$ 176,627</u>	16.5

See independent accountant's review report.

MD&A

Comparative Statement of Net Position Enterprise Funds

The following table represents a Comparative Statement of Net Position as of June 30, 2023:

	<u>2022</u>	<u>2023</u>	<u>% Change</u>
Assets			
Cash & Investments	\$ 66,945	\$ 45,838	-31.5
Restricted Cash	25,972	29,117	17.0
Receivables (Net)	27,266	20,194	-25.9
Capital Assets, Net of Accumulated Depreciation	572,290	611,200	6.8
Total Assets	<u>692,473</u>	<u>706,349</u>	2.2
Liabilities and Net Position			
Accounts, Salaries, & Other Payables	12,694	7,208	-43.2
Customer Deposits	25,972	30,394	17.0
Total Liabilities	<u>38,666</u>	<u>37,602</u>	-2.8
Net Position			
Net Investment in Capital Assets	572,290	611,200	6.8
Unrestricted	81,517	57,547	-27.8
Total Net Position	<u>\$ 653,807</u>	<u>\$ 668,747</u>	2.5

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, 2023:

	<u>2022</u>	<u>2023</u>	<u>% Change</u>
Operating Revenues			
Charges for Services	\$ 244,952	\$ 239,978	-2.0
Miscellaneous Revenue	4,046	10,200	152.1
Total Operating Revenues	<u>248,998</u>	<u>250,178</u>	0.5
Operating Expenses			
Cost of Sales & Services	211,462	221,901	4.9
Depreciation	48,766	56,458	15.8
Total Operating Expenses	<u>260,288</u>	<u>278,359</u>	6.9
Operating Income (Loss)	<u>(11,230)</u>	<u>(28,181)</u>	-351.0
Other Financing Sources (Uses)			
Interest Income	-0-	320	100.0
Transfers In (Out)	(36,847)	42,801	216.2
Total Other Financing Sources (Uses)	<u>(36,847)</u>	<u>43,121</u>	217.0
Capital Contributions	<u>52,457</u>	<u>-0-</u>	-100.0
Increase (Decrease) in Net Position	4,380	14,940	241.1
Prior Period Adjustment	26,253	-0-	-100.0
Beginning Net Position	<u>623,174</u>	<u>653,807</u>	4.9
Ending Net Position	<u>\$ 653,807</u>	<u>\$ 668,747</u>	2.3

CAPITAL ASSETS

Capital Assets – Governmental Fund

At June 30, 2023, the Town had \$966,975 invested in capital assets, including the following:

Capital Assets at Year-End

	<u>2022</u>	<u>2023</u>
Land*	\$ 1,700	\$ 1,700
Buildings	61,000	61,000
Vehicles & Equipment	494,180	506,680
Improvements	1,216,122	1,216,122
Total Fixed Assets	<u>1,773,002</u>	<u>1,785,502</u>
Accumulated Depreciation	<u>(752,630)</u>	<u>(818,527)</u>
Total Fixed Assets (Net)	<u>\$ 1,020,372</u>	<u>\$ 966,975</u>

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

See independent accountant's review report.

MD&A

Capital Assets – Enterprise Fund

At June 30, 2023, the Town had \$610,531 invested in capital assets, including the following:

	2022	2023
Land*	\$ 1,500	\$ 1,500
Water System & Improvements	1,968,458	2,063,826
Sewer System & Improvements	1,484,988	1,484,988
Equipment	158,023	158,023
Total Fixed Assets	<u>3,612,969</u>	<u>3,708,337</u>
Accumulated Depreciation	<u>(3,040,679)</u>	<u>(3,097,137)</u>
Total Fixed Assets (Net)	<u>\$ 572,290</u>	<u>\$ 611,200</u>

*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 Jessica Morris, phone number (318) 649-7218.

See independent accountant's review report.

Basic Financial Statements

Town of Clarks, Louisiana
Statement of Net Position
June 30, 2023

	PRIMARY GOVERNMENT		
	BUSINESS-		
	GOVERNMENTAL	TYPE	
	ACTIVITIES	ACTIVITIES	TOTAL
	<u> </u>	<u> </u>	<u> </u>
CURRENT ASSETS			
Cash & Cash Equivalents	\$ 179,724	\$ 45,838	\$ 225,562
Receivables	1,096	20,194	21,290
TOTAL CURRENT ASSETS	<u>180,820</u>	<u>66,032</u>	<u>246,852</u>
 NON-CURRENT ASSETS			
Restricted Assets	3,231	29,117	32,348
Capital Assets (Net of Accumulated Depreciation)	966,975	611,200	1,578,175
TOTAL NON-CURRENT ASSETS	<u>970,206</u>	<u>640,317</u>	<u>1,610,523</u>
 TOTAL ASSETS	<u>1,151,026</u>	<u>706,349</u>	<u>1,857,375</u>
 CURRENT LIABILITIES			
Accounts Payable	3,498	7,208	10,706
Accrued Payroll/Payroll Taxes Payable	3,926	-0-	3,926
TOTAL CURRENT LIABILITIES	<u>7,424</u>	<u>7,208</u>	<u>14,632</u>
 NON-CURRENT LIABILITIES			
Customer Deposits	-0-	30,394	30,394
TOTAL NON-CURRENT LIABILITIES	<u>-0-</u>	<u>30,394</u>	<u>30,394</u>
 TOTAL LIABILITIES	<u>7,424</u>	<u>37,602</u>	<u>45,026</u>
 NET POSITION			
Net Investment in Capital Assets	966,975	611,200	1,578,175
Restricted	3,231	-0-	3,231
Unrestricted	173,396	57,547	230,943
TOTAL NET POSITION	<u>\$ 1,143,602</u>	<u>\$ 668,747</u>	<u>\$ 1,812,349</u>

See accompanying notes and independent accountant's review report.

Town of Clarks, Louisiana
Balance Sheet, Governmental Funds
June 30, 2023

	GENERAL FUND
ASSETS	
Cash & Cash Equivalents	\$ 179,724
Restricted Cash	3,231
Receivables	1,096
TOTAL ASSETS	184,051
 LIABILITIES	
Accounts Payable	3,498
Accrued Payroll/Payroll Taxes Payable	3,926
TOTAL LIABILITIES	7,424
 FUND BALANCES	
Unassigned	173,396
Restricted	3,231
TOTAL FUND BALANCES	176,627
 TOTAL LIABILITIES & FUND BALANCE	 \$ 184,051

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, 2023

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

Fund Balance, Total Governmental Funds (Statement C)	\$ 176,627
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.	966,975
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.	Long-Term Debt ----- -0- ----- -0-
Net Position of Governmental Activities (Statement A)	\$ <u>1,143,602</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, 2023

		<u>GENERAL FUND</u>
REVENUES		
Fees & Charges	\$	10,507
Taxes:		
Ad Valorem Tax		8,607
Sales Tax		3,293
Franchise Tax		11,655
Fire Income		12,120
Rental Fees		8,465
Intergovernmental – Capital Grants		156,468
Miscellaneous		7,573
TOTAL REVENUES		<u>218,688</u>
 EXPENDITURES		
General Government		96,144
Public Safety:		
Police		19,167
Fire		22,814
Street		264
Capital Outlay		12,500
TOTAL EXPENDITURES		<u>150,889</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)		
EXPENDITURES		<u>67,799</u>
 OTHER FINANCING SOURCES (USES)		
Transfers In/(Out)		(42,801)
Interest Income		-0-
TOTAL OTHER FINANCING SOURCES (USES)		<u>(42,801)</u>
 NET CHANGE IN FUND BALANCE		24,998
 FUND BALANCES - BEGINNING		<u>151,629</u>
FUND BALANCES - ENDING	\$	<u>176,627</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, 2023

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

Net Change in Fund Balances, Total Governmental Funds, Statement E	\$	24,998
--	----	--------

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.

	12,500	
Capital Outlay	12,500	
Depreciation Expense	(65,896)	(53,396)

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.

	-0-	
Principal Paid	-0-	
Loan Proceeds	-0-	-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	\$	(28,398)
---	----	----------

See accompanying notes and independent accountant's review report.

Town of Clarks, Louisiana
Statement of Net Position, Proprietary Funds
June 30, 2023

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS	
(MAJOR ENTERPRISE FUNDS)	
	ENTERPRISE FUND
ASSETS	
CURRENT ASSETS	
Cash	\$ 45,838
Receivables	20,194
TOTAL CURRENT ASSETS	<u>66,032</u>
NON-CURRENT ASSETS	
Restricted Assets	29,117
Capital Assets (Net of Accumulated Depreciation)	611,200
TOTAL NON-CURRENT ASSETS	<u>640,317</u>
TOTAL ASSETS	<u>706,349</u>
LIABILITIES	
CURRENT LIABILITIES	
Account Payable	7,208
Accrued Payroll	-0-
TOTAL CURRENT LIABILITIES	<u>7,208</u>
NON-CURRENT LIABILITIES	
Customer Deposits	30,394
TOTAL NON-CURRENT LIABILITIES	<u>30,394</u>
TOTAL LIABILITIES	<u>37,602</u>
NET POSITION	
Net Investment in Capital Assets	611,200
Unrestricted	57,547
TOTAL NET POSITION	<u>\$ 668,747</u>

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, 2023

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUND	
(MAJOR ENTERPRISE FUND)	
	ENTERPRISE FUND
OPERATING REVENUES	
Charges for Services	\$ 239,978
Other Income	10,200
TOTAL OPERATING REVENUES	250,178
OPERATING EXPENSES	
Cost of Sales & Services	221,901
Depreciation	56,458
TOTAL OPERATING EXPENSES	278,359
OPERATING INCOME (LOSS)	(28,181)
OTHER FINANCING SOURCES (USES)	
Interest Income	320
Transfers In (Out)	42,801
TOTAL OTHER FINANCING SOURCES (USES)	43,121
CAPITAL CONTRIBUTIONS	-0-
CHANGE IN NET POSITION	14,940
TOTAL NET POSITION - BEGINNING	653,807
TOTAL NET POSITION - ENDING	\$ 668,747

See accompanying notes and independent accountant's review report.

Town of Clarks, Louisiana
Statement of Cash Flows
Proprietary Fund
June 30, 2023

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUND	
(MAJOR ENTERPRISE FUND)	
	ENTERPRISE FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers & Users	\$ 257,250
Payments to Suppliers & Employees	(222,966)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>34,284</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from (to) Other Funds	42,801
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>42,801</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES	
Capital Contributions	-0-
Addition of Capital Assets	(95,367)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>(95,367)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and Dividends Received	320
NET CASH PROVIDED (USED) FROM INVESTING ACTIVITIES	<u>320</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(17,962)
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	92,917
CASH & CASH EQUIVALENTS, END OF YEAR	<u>74,955</u>
RECONCILIATION TO BALANCE SHEET	
Cash and Cash Equivalents	45,838
Restricted Cash	29,117
TOTAL CASH & CASH EQUIVALENTS	<u>\$ 74,955</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	\$ (28,181)
Depreciation Expense	56,458
(Increase) Decrease in Accounts Receivable	7,073
Increase (Decrease) in Accounts Payables	(1,520)
Increase (Decrease) in Accrued Payroll	(3,968)
Increase (Decrease) in Customer Deposits	4,422
TOTAL ADJUSTMENTS	<u>62,465</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 34,284</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, 2023, 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, 2023, the Town of Clarks' bank balance was \$275,320. Amounts on deposit are secured by the following pledges:

<u>Description</u>	<u>Market Value</u>
FDIC (Category 1)	\$ 275,320
Securities (Category 2)	-0-
Total	<u>\$ 275,320</u>

Deposits were fully secured as of June 30, 2023.

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, 2023, 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 plans 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 \$3,231 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 \$3,231 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, 2023, 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>30,394</u>
Total	\$	<u><u>30,394</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, 2023, taxes of 6.18 mills were levied against property having a valuation of some \$1,311,949 which produced some \$8,108 in revenue.

Ad Valorem Taxes are broken down as follows:

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

	Governmental	Business
	General	Enterprise
	Fund	Fund
Sales Tax	\$ -0-	\$ -0-
Franchise Tax	242	-0-
Ad Valorem Tax	-0-	-0-
Occupational Licenses	854	-0-
Other	-0-	-0-
Customer	-0-	30,394
Allowance for Bad Debts	-0-	-0-
Total	\$ 1,096	\$ 30,394

(4) FIXED ASSETS

GOVERNMENTAL FUND

A summary of general fund property, plant, and equipment at June 30, 2023, is as follows:

	Balance	Additions	(Deletions)	Balance
	6-30-2022			6-30-2023
Land*	\$ 1,700	\$ -0-	\$ -0-	\$ 1,700
Building	61,000	-0-	-0-	61,000
Vehicles & Equipment	494,180	12,500	-0-	506,680
Improvements	1,216,122	-0-	-0-	1,216,122
Total Fixed Assets	1,773,002	12,500	-0-	1,785,502
Accumulated Depreciation	(752,630)	(65,897)	-0-	(818,527)
Total Fixed Assets (Net)	\$ 1,020,372	\$ (53,397)	\$ -0-	\$ 966,975

* 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	\$	12,626
Police		-0-
Fire		12,580
Street		40,691
Total Depreciation	\$	<u>65,897</u>

ENTERPRISE FUND

A summary of enterprise fund property, plant, and equipment at June 30, 2023, is as follows:

	Balance 6-30-2022	Additions	(Deletions)	Balance 6-30-2023
Land*	\$ 1,500	\$ -0-	\$ -0-	\$ 1,500
Water System & Improvements	1,968,458	95,368	-0-	2,063,826
Sewer System & Improvements	1,484,988	-0-	-0-	1,484,988
Equipment	158,023	-0-	-0-	158,023
Total Fixed Assets	<u>3,612,969</u>	<u>95,368</u>	<u>-0-</u>	<u>3,708,337</u>
Accumulated Depreciation	(3,040,679)	(56,458)	-0-	(3,097,137)
Total	\$ <u>572,290</u>	\$ <u>38,910</u>	\$ <u>-0-</u>	\$ <u>611,200</u>

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

(5) ACCOUNTS, SALARIES, AND OTHER PAYABLES

General Fund

The payables of \$7,424 at June 30, 2023, are as follows:

Accounts Payable	\$	3,498
Accrued Payroll		3,926
Total	\$	<u>7,424</u>

Enterprise Fund

The payables of \$7,208 at June 30, 2023, are as follows:

Accounts Payable	\$	7,208
Accrued Payroll		-0-
Total	\$	<u>7,208</u>

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>
Jessica Morris	Mayor	\$3,600
Johnny Edgar	Alderman	1,200
Edward J. Gibson	Alderman	1,200
Krissy Jolly	Alderman	1,200
Lisa Melton	Alderman	1,200
Taylor Barton	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	\$ (42,801)	\$ -0-	\$ (42,801)
Enterprise	-0-	42,801	42,801
Total	\$ (42,801)	\$ 42,801	\$ -0-

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 through, August 25, 2023, of the independent auditor's report for potential recognition or disclosure in the financial statements. The following item is reported as a subsequent event.

**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, 2023

	BUDGET AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	BUDGET TO ACTUAL DIFFERENCES FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Fees & Charges	\$ 19,500	\$ 21,200	\$ 18,972	\$ (2,228)
Taxes	21,500	24,400	23,555	(845)
Intergovernmental – Capital Grants	-0-	-0-	156,468	156,468
Miscellaneous	13,500	30,900	19,693	(11,207)
TOTAL REVENUES	54,500	76,500	218,688	142,188
EXPENDITURES				
General Government	98,000	126,800	96,144	30,656
Public Safety:				
Police Expense	20,000	15,400	19,167	(3,767)
Fire Expense	9,000	19,500	22,814	(3,314)
Street Expense	1,000	300	264	36
Capital Outlay	-0-	-0-	12,500	(12,500)
TOTAL EXPENDITURES	128,000	162,000	150,889	11,111
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(73,500)	(85,500)	67,799	153,299
OTHER FINANCING SOURCES (USES)				
Transfers In/(Out)	95,000	91,500	(42,801)	48,699
Interest Income	-0-	-0-	-0-	-0-
TOTAL OTHER FINANCING SOURCES (USES)	\$ 95,000	\$ 91,500	(42,801)	\$ 48,699
NET CHANGE IN FUND BALANCE	21,500	6,000	24,998	
FUND BALANCES – BEGINNING			151,629	
FUND BALANCES – ENDING			\$ 176,627	

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, 2023

Honorable Jessica Morris, 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
Justice System Funding Schedule – Collecting/Disbursing Entity
Year Ended June 30, 2023

	<u>First Six Months Ended 12/31/2022</u>	<u>Second Six Months Ended 06/30/2023</u>
Beginning Balance of Amounts Collected	\$ -0-	\$ -0-
Add: Collections		
Criminal Court Costs/Fees	-0-	-0-
Criminal Fines – Contempt	-0-	-0-
Criminal Fines – Other	-0-	-0-
Subtotal Collections	-0-	-0-
Less: Disbursements to Governments & Nonprofits		
LA Judicial College	-0-	-0-
LA Traumatic Head & Spinal Cord Injury Trust Fund	-0-	-0-
Bond Forfeitures & Fees Collected Central LA Juvenile Detention Facility	-0-	-0-
CMIS Trial Court Case Management Information System	-0-	-0-
LA Commission on Law Enforcement Transmittal of Statutory Dedicated Funds	-0-	-0-
Less: Amounts Retained by Collecting Agency		
Amounts Self-Disbursed Criminal Fines – Other	-0-	-0-
Less: Disbursements to Individuals/3rd Party Collection or Processing Agency		
nCourt Processing Agency	-0-	-0-
Subtotal Disbursements/Retainage	-0-	-0-
Total: Ending Balance of Amounts Collected but not Disbursed/Retained	-0-	-0-
Ending Balance of “Partial Payments” Collected but not Disbursed	-0-	-0-
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected	-0-	-0-
Total Waivers During the Fiscal Period	\$ -0-	\$ -0-

See independent accountant’s review report.

Other Reports

TOWN OF CLARKS, LOUISIANA

MANAGEMENT LETTER COMMENTS

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

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 audit for the year ended June 30, 2022.

PRIOR YEAR FINDINGS

2022-1 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.

2022-2 Old Outstanding Checks and Deposits (Internal Control)

Condition: The Town has numerous old outstanding checks and deposits in both enterprise and governmental funds.

Criteria: Not clearing old outstanding checks and deposits on a regular basis can result in the issuance of financial statements that understate or overstate cash.

TOWN OF CLARKS, LOUISIANA
MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS- CONTINUED

Recommendation: The old outstanding checks and deposits should be researched, reissued, cleared, or sent to Louisiana Treasurer as unclaimed property.

Client Response and Corrective Action: The Town will research all outstanding checks and deposits and reissue, clear, or send to Louisiana Treasurer as unclaimed property.

2022-3 Reconciling billed revenue with collections per books (Internal Control)

Condition: While performing audit procedures on the Town's revenue, we were unable to reconcile the Town's revenue per the billing and payment reports to revenue per the Town's books.

Criteria: Good internal controls allow for a reconciliation of revenue collected and posted to the Town's books and revenue per the Town's billing reports generated by the billing program.

Cause of Condition: No reconciliation procedure established.

Effect on condition: A material internal control weakness.

Recommendation: We recommend the Town establish a monthly process where revenues billed are reconciled with collections posted to the Town's books and all differences documented.

Client response and Corrective Action: We discussed this with the Town clerk and the Town agreed to reconcile revenues billed with collections posted to the books.

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MEMBERS

American Institute of
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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, 2023, 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.

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 a favorable revenue and a favorable expenditure.

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, 2023, and was submitted in a timely manner.

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 November 21, 2022, contained two findings: 2022-1 Small Size of Entity and 2022-2 Old Outstanding Checks and Deposits.

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

August 25, 2023

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, 2023, 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 regulations 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 August 25, 2023.

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 NIA

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 NIA

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-1_5), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes No NIA

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 NIA

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

Yes No NIA

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 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 [X] No [] N/A []

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

Yes [X] 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 [X] No [] N/A []

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

Yes [X] 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 [X] 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 [X] No [] N/A []

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

Signed: Sumica Morris

Title: Mayor

Signed: Peggy Hallis

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