

**TOWN OF LAKE PROVIDENCE, LOUISIANA**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2021**

TOWN OF LAKE PROVIDENCE, LOUISIANA

For the Year Ended June 30, 2021

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TOWN OF LAKE PROVIDENCE, LOUISIANA

For the Year Ended June 30, 2021

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# J. WALKER & COMPANY<sub>APC</sub>

ACCOUNTANTS AND ADVISORS

## INDEPENDENT AUDITORS' REPORT

Honorable Jerry Bell, Mayor  
and Members of the Board of Aldermen  
Town of Lake Providence, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, of the Town of Lake Providence, Louisiana (the "Town"), 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.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

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## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, of the Town as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, beginning on page 4, and budgetary comparison information, the schedule of proportionate share of net pension liability, the schedule of pension contributions, and accompanying notes be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The schedule of compensation, benefits, and other payments to agency head; schedule of compensation paid to aldermen; schedule of aldermen; schedule of count of utility customers; schedule of utility activities; and Justice system funding schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of compensation, benefits, and other payments to agency head; schedule of compensation paid to aldermen; schedule of utility activities; and justice system funding schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, reimbursements, and other payments to agency head; schedule of compensation paid to aldermen; schedule of utility activities; and justice system funding schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.



The schedule of aldermen and schedule of count of utility customers have not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2022, on our consideration of the Town of Lake Providence, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Lake Providence, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Lake Providence, Louisiana's internal control over financial reporting and compliance.

*J. Walker & Company, APC*

Lake Charles, Louisiana

February 25, 2022



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

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Year Ended June 30, 2021

Our discussion and analysis of the Town of Lake Providence, Louisiana (the Town) provides an overview of the Town's activities for the year ended June 30, 2021. Please read it in conjunction with the Town's financial statements.

**USING THIS ANNUAL REPORT**

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

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

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

**THE TOWN AS A WHOLE**

At June 30, 2021, net position was as follows:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b><u>ASSETS</u></b>						
Current and other assets	\$ 908,911	\$ 785,728	\$ 825,931	\$ 746,380	\$ 1,734,842	\$ 1,532,108
Capital assets	3,731,408	3,801,164	5,668,294	5,982,480	9,399,702	9,783,644
<b>TOTAL ASSETS</b>	<b>4,640,319</b>	<b>4,586,892</b>	<b>6,494,225</b>	<b>6,728,860</b>	<b>11,134,544</b>	<b>11,315,752</b>
<b>Deferred outflows-pension related</b>	<b>42,261</b>	<b>20,250</b>	<b>28,199</b>	<b>76,179</b>	<b>70,460</b>	<b>96,429</b>
<b><u>LIABILITIES</u></b>						
Current and other liabilities	43,652	76,168	154,087	181,239	197,739	257,407
Long-term liabilities	479,805	401,035	2,599,448	2,854,483	3,079,253	3,255,518
<b>TOTAL LIABILITIES</b>	<b>523,457</b>	<b>477,203</b>	<b>2,753,535</b>	<b>3,035,722</b>	<b>3,276,992</b>	<b>3,512,925</b>
<b>Deferred inflows-pension related</b>	<b>52,255</b>	<b>11,747</b>	<b>34,837</b>	<b>44,193</b>	<b>87,092</b>	<b>55,940</b>
<b><u>NET POSITION</u></b>						
Net investment in capital assets	3,427,709	3,492,018	3,181,202	3,429,785	6,608,911	6,921,803
Restricted	586,309	497,369	446,216	436,559	1,032,525	933,928
Unrestricted	92,850	128,805	106,634	(141,220)	199,484	(12,415)
<b>TOTAL NET POSITION</b>	<b>\$ 4,106,868</b>	<b>\$ 4,118,192</b>	<b>\$ 3,734,052</b>	<b>\$ 3,725,124</b>	<b>\$ 7,840,920</b>	<b>\$ 7,843,316</b>



## TOWN OF LAKE PROVIDENCE, LOUISIANA

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

For the Year Ended June 30, 2021

Net position of the Town's governmental activities decreased 0.28% during the year ended June 30, 2021. Unrestricted net position, the part that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, changed from \$128,805 to \$92,850. The decrease is due to increased restrictions on cash and cash equivalents. Ordinary expenses increased from \$1,733,559 to \$1,498,545.

Net position of the business-type activities increased from \$3,725,124 to \$3,734,052. The increase is primarily due to changes in changes for services and sales and use taxes. Ordinary expenses increased from \$1,539,275 to \$1,599,144.

For the year ended June 30, 2021, net position changed as follows:

	Change in Net Position					
	2021		2020		2020	
	Governmental Activities		Business-type Activities		Total	
<b>Program Revenues:</b>						
Charges for services	\$ 349,856	\$ 354,547	\$ 1,433,453	\$ 1,267,248	\$ 1,783,309	\$ 1,621,795
Operating grants and contributions	13,104	196,187	-	-	13,104	196,187
Capital grants and contributions	-	713,018	-	-	-	713,018
<b>General Revenues:</b>						
Property taxes	231,192	231,309	-	-	231,192	231,309
Sales and use taxes	353,209	267,385	354,127	268,559	707,336	535,944
Franchise taxes	90,190	90,171	-	-	90,190	90,171
Other taxes, penalties and interest	2,397	500	90	148	2,487	648
Unrestricted investment earnings	28,840	69,277	-	-	28,840	69,277
Other	238,835	97,543	-	-	238,835	97,543
<b>Total Revenues</b>	<b>1,307,623</b>	<b>2,019,937</b>	<b>1,787,670</b>	<b>1,535,955</b>	<b>3,095,293</b>	<b>3,555,892</b>
<b>Governmental Activities</b>						
General government	660,459	711,208	-	-	660,459	711,208
Public safety	514,008	560,160	-	-	514,008	560,160
Highways and streets	296,481	394,674	-	-	296,481	394,674
Health and welfare	-	-	-	-	-	-
Culture and recreation	14,553	54,483	-	-	14,553	54,483
Interest expenses	13,044	13,034	105,306	129,281	118,350	142,315
Business-type activities	-	-	-	-	-	-
Utilities	-	-	1,493,838	1,409,994	1,493,838	1,409,994
<b>Total Expenditures</b>	<b>1,498,545</b>	<b>1,733,559</b>	<b>1,599,144</b>	<b>1,539,275</b>	<b>3,097,689</b>	<b>3,272,834</b>
<b>Increase (Decrease) in net position before transfers</b>	<b>(190,922)</b>	<b>286,378</b>	<b>188,526</b>	<b>(3,320)</b>	<b>(2,396)</b>	<b>283,058</b>
<b>Transfers</b>	<b>179,598</b>	<b>339,836</b>	<b>(179,598)</b>	<b>(339,836)</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN NET POSITIONS</b>	<b>(11,324)</b>	<b>626,214</b>	<b>8,928</b>	<b>(343,156)</b>	<b>(2,396)</b>	<b>283,058</b>
<b>Net Position, Beginning</b>	<b>4,118,192</b>	<b>3,491,978</b>	<b>3,725,124</b>	<b>4,068,280</b>	<b>7,843,316</b>	<b>7,560,258</b>
<b>Net Position, Ending</b>	<b>\$ 4,106,868</b>	<b>\$ 4,118,192</b>	<b>\$ 3,734,052</b>	<b>\$ 3,725,124</b>	<b>\$ 7,840,920</b>	<b>\$ 7,843,316</b>

As of June 30, 2021, none of the Town's funds have a deficit balance. The General Fund has a fund balance of \$862,384 which is an increase of approximately 22% from prior year.

## TOWN OF LAKE PROVIDENCE, LOUISIANA

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

For the Year Ended June 30, 2021

#### BUDGETARY HIGHLIGHTS

During the year, in the General Fund, there was a \$289,103 increase in anticipated revenues. It was due primarily to increases in tax and change for servers. Anticipated expenditures decreased by \$118,702 primarily due to increases in general government, police department, and highways and streets.

#### CAPITAL ASSET AND DEBIT ADMINISTRATION

##### *Capital Assets*

As of June 30, 2021, the Town's investment in capital assets for its governmental and business-type activities amounts to \$9,399,702 (net of accumulated depreciation). This investment includes the land, buildings and improvements, streets, vehicles, furniture and equipment.

This year's additions of \$116,158 spent on Town's FY 2021 building improvement. Depreciation expense for governmental and business-type activities was \$185,913 and \$314,185, respectively.

##### *Debt*

At year end, the Town had a total of \$303,699 in general obligation bonds and \$2,487,093 in revenue bonds outstanding. The bonds bear interest between 4.125%, and 4.25%. There is one issue of general obligation bonds and one issue of revenue bonds. The bonds are due to mature in 2049 and 2043, respectively. The funds were used to finance the cost of the construction of extensions, improvements, and additions to the existing waterworks and sewer systems of the Town.

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

- Net pension liability \$277,348
- Compensated absences payable \$13,056

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

Our elected and appointed officials consider many factors when setting the Town's budget and tax rates. One of the most important factors affecting the budget is our franchise, ad valorem, sales and other tax collections. Approximately 50% of total revenues in the General Fund are taxes. We have budgeted very little change in taxes for the year ending June 30, 2021.

#### CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

## **BASIC FINANCIAL STATEMENTS**

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

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**STATEMENT OF NET POSITION**

**June 30, 2021**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 223,438	\$ 190,284	\$ 413,722
Cash and cash equivalents - restricted	586,309	446,216	1,032,525
Receivables, net of allowance for uncollectible	86,006	202,589	288,595
Internal balance	13,158	(13,158)	-
Capital assets not being depreciated	218,340	61,545	279,885
Capital assets, net of accumulated depreciation	3,513,068	5,606,749	9,119,817
<b>TOTAL ASSETS</b>	4,640,319	6,494,225	11,134,544
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions	42,261	28,199	70,460
<b>LIABILITIES</b>			
Cash overdraft	6,591	-	6,591
Accounts payable and accrued expenses	12,330	8,506	20,836
Payroll and related liabilities	22,631	1,416	24,047
Accrued liabilities	2,100	-	2,100
Customer deposits payable	-	142,222	142,222
Long-term liabilities:			
Due within one year	5,695	68,446	74,141
Due in more than one year	298,004	2,418,647	2,716,651
Compensated absences payable	9,697	3,359	13,056
Net pension liability	166,409	110,939	277,348
<b>TOTAL LIABILITIES</b>	523,457	2,753,535	3,276,992
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pensions	52,255	34,837	87,092
<b>NET POSITION</b>			
Net investment in capital assets	3,427,709	3,181,201	6,608,910
Restricted	586,309	446,216	1,032,525
Unrestricted (deficit)	92,850	106,635	199,485
<b>TOTAL NET POSITION</b>	\$ 4,106,868	\$ 3,734,052	\$ 7,840,920

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

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2021**

<b>Functions/Programs</b>	Program Revenues				Primary Government Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charge for Services	Operating Grants&Contributions	Capital Grants&Contributions	Governmental Activities	Business-type Activities	Total	
Governmental Activities								
General government	\$ 660,459	\$ 122,937	\$ -	\$ -	\$ (537,522)	\$ -	\$ (537,522)	
Public safety	514,008	226,919	6,000	-	(281,089)	-	(281,089)	
Highways and streets	296,481	-	-	-	(296,481)	-	(296,481)	
Culture and recreation	14,553	-	12,204	-	(2,349)	-	(2,349)	
Interest expense	13,044	-	-	-	(13,044)	-	(13,044)	
Total governmental activities	1,498,545	349,856	18,204	-	(1,130,485)	-	(1,130,485)	
Business-type activity:								
Utility fund	1,493,838	1,433,453	-	-	-	(60,385)	(60,385)	
Interest expense	105,306	-	-	-	-	(105,306)	(105,306)	
Total business-type activities	1,599,144	1,433,453	-	-	-	(165,691)	(165,691)	
<b>Total primary government</b>	<b>\$ 3,097,689</b>	<b>\$ 1,783,309</b>	<b>\$ 18,204</b>	<b>\$ -</b>	<b>(1,130,485)</b>	<b>(165,691)</b>	<b>\$ (1,296,176)</b>	
General revenues								
Property taxes					231,192	-	231,192	
Sales and use taxes					353,209	354,127	707,336	
Franchise taxes					90,190	-	90,190	
Other taxes, penalties and interest					2,397	90	2,487	
Unrestricted investment earnings					28,840	-	28,840	
Other					233,735	-	233,735	
Transfers					179,598	(179,598)	-	
					Total general revenues	1,119,161	174,619	1,293,780
Changes in net position					(11,324)	8,928	(2,396)	
Net Position at beginning of year					4,118,192	3,725,124	7,843,316	
<b>Net Position at end of year</b>					<b>\$ 4,106,868</b>	<b>\$ 3,734,052</b>	<b>\$ 7,840,920</b>	

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

**BASIC FINANCIAL STATEMENTS:  
FUND FINANCIAL STATEMENTS**

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2021**

	General Fund	Capital Project	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 220,563	\$ 2,875	\$ 223,438
Cash and cash equivalents - restricted	586,309	-	586,309
Receivables, net	86,006	-	86,006
Due from utility fund	13,158	-	13,158
Total Assets	906,036	2,875	908,911
<b>LIABILITIES</b>			
Overdraft cash	6,591	-	6,591
Accounts payable	12,330	-	12,330
Payroll and related liabilities	22,631	-	22,631
Accrued liabilities	2,100	-	2,100
Total Liabilities	43,652	-	43,652
<b>FUND BALANCES</b>			
Restricted	586,309	2,875	589,184
Unassigned	276,075	-	276,075
Total Fund Balances	862,384	2,875	865,259
Total Liabilities and Fund Balances	\$ 906,036	\$ 2,875	\$ 908,911

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



TOWN OF LAKE PROVIDENCE, LOUISIANA

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

June 30, 2021

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

Total fund balances for governmental funds	\$	865,259
Capital assets used in governmental activities are not financial resources and therefore, are deferred in the funds		3,731,408
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
Deferred outflows - pension related		42,261
Deferred inflows - pension related		(52,255)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable		(303,699)
Compensated absences payable		(9,697)
Net pension liability		<u>(166,409)</u>
Total net position of governmental activities	\$	<u><u>4,106,868</u></u>

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

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2021**

	General Fund	Capital Project	Total Governmental Funds
<b>Revenues:</b>			
Taxes			
Ad valorem	\$ 231,192	-	\$ 231,192
Sales and use	353,209	-	353,209
Franchise	90,190	-	90,190
Other taxes, penalties and interest	2,397	-	2,397
Licenses and permits	122,937	-	122,937
Intergovernmental			
Supplemental pay	6,000	-	6,000
Local governmental assistance program and grants	7,104	-	7,104
Fines and forfeits	226,919	-	226,919
Lease income	15,845	-	15,845
Interest income	28,840	-	28,840
Miscellaneous revenues	222,990	-	222,990
Total revenues	1,307,623	-	1,307,623
<b>Expenditures:</b>			
Current:			
General government	371,830	-	371,830
Public safety:			
Police Department	382,092	-	382,092
Fire Department	131,913	-	131,913
Animal Control	3	-	3
Highways and streets	296,481	-	296,481
Culture and recreation	525	-	525
USDA Community Center	14,028	-	14,028
Debt Services			
Principal	5,448	-	5,448
Interest and others	13,044	-	13,044
Capital Outlay	116,158	-	116,158
Total expenditures	1,331,522	-	1,331,522
Excess (deficiency) of revenues over (under) expenditures	(23,899)	-	(23,899)
<b>Other Financial Sources (Uses):</b>			
Transfer In	179,598	-	179,598
Net Change in Fund Balance	155,699	-	155,699
Fund balances, beginning	706,685	2,875	709,560
Fund balances, ending	\$ 862,384	\$ 2,875	\$ 865,259

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

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2021**

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

Net changes in fund balances - total governmental funds	\$	155,699
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period:</p>		
Capital outlays		116,158
Depreciation		(185,913)
<p>The liability and expense for compensated absences are not reported in governmental funds. Instead, payments for compensated absences are reported as salaries when they occur. Only the payment consumes current financial resources and it would take a current liability catastrophic event for this liability to become a current liability.</p>		
		2,346
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Payments on debt		5,448
Pension expense		(110,169)
Nonemployee contributions to pension plan		<u>5,107</u>
Change in net position of governmental activities	\$	<u>(11,324)</u>

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

TOWN OF LAKE PROVIDENCE, LOUISIANA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2021

<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 190,284
Receivables, net	<u>202,589</u>
Total current assets	<u>392,873</u>
Noncurrent assets:	
Restricted cash and cash equivalents	446,216
Capital assets, net of depreciation	<u>5,668,294</u>
Total noncurrent assets	<u>6,114,510</u>
Total assets	<u>6,507,383</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources related to pensions	<u>28,199</u>
<b>LIABILITIES</b>	
Current liabilities :	
Accounts payable	8,506
Payroll and related liabilities	1,416
Due to other fund	13,158
Current portion of long-term debt	68,446
Customer deposits payable	<u>142,222</u>
Total current liabilities	<u>233,748</u>
Noncurrent liabilities:	
Compensated absences payable	3,359
Revenue bonds payable	2,418,647
Net pension liability	<u>110,939</u>
Total noncurrent liabilities	<u>2,532,945</u>
Total liabilities	<u>2,766,693</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources related to pensions	<u>34,837</u>
<b>NET POSITION</b>	
Net investment in capital assets	3,181,201
Restricted	446,216
Unrestricted (deficit)	<u>106,635</u>
Total Net position	<u>\$ 3,734,052</u>

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

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

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

**For the Year Ended June 30, 2021**

Operating revenues:	
Charges for sales and services:	
Water charges	\$ 597,489
Sewer charges	253,125
Lakeside sewer district fees	80,340
Garbage charges	233,330
Street light charges	63,354
Penalties charged on utility accounts	57,491
Other operating revenue	148,324
Total operating revenues	<u>1,433,453</u>
Operating expenses:	
General and administrative:	
Salaries and related benefits	79,514
Materials and supplies	16,207
Operating costs	32,929
Professional services and fees	12,277
Water department:	
Water salaries and related benefits	79,808
Water materials and supplies	109,950
Water operating costs	98,479
Water professional services	54,000
Water depreciation	190,867
Sewer department:	
Sewer salaries and related benefits	67,465
Sewer materials and supplies	67,450
Sewer operating costs	219,071
Sewer professional services	57,272
Sewer depreciation	110,023
Sanitation department:	
Sanitation salaries and related benefits	57,414
Sanitation materials and supplies	9,569
Sanitation operating costs	121,428
Sanitation depreciation	13,299
Street lighting expense	96,816
Total operating expenses	<u>1,493,838</u>
Operating income (loss)	<u>(60,385)</u>
Nonoperating revenues (expenses):	
Sales and use taxes	354,127
Interest income	90
Interest expense	<u>(105,306)</u>
Total Nonoperating revenues (expenses)	<u>248,911</u>
Income (loss) before transfers	188,526
Transfers out	<u>(179,598)</u>
Change in net position	8,928
Net position, beginning	<u>3,725,124</u>
Net position, ending	<u>\$ 3,734,052</u>

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

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2021**

	<u>Utility Fund</u>
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 1,229,638
Other operation receipts	205,815
Cash paid for employee services and benefits	(284,201)
Payments to suppliers	(203,176)
Other operation payments	<u>(868,039)</u>
Net cash provided (used) by operating activities	<u>80,037</u>
 <b>Cash flows from noncapital financing activities:</b>	
Due to other funds	(2,606)
Transfers out	(179,598)
Sales tax receipts	<u>354,127</u>
Net cash provided (used) by noncapital activities	<u>171,923</u>
 <b>Cash flows from investing activities</b>	
Earnings on investments	<u>90</u>
Net cash provided (used) by investing activities	<u>90</u>
 <b>Cash flows from capital and related financing activities:</b>	
Principal payment bonds	(65,602)
Interest expense	<u>(105,306)</u>
Net cash provided (used) for capital and related financing activities	<u>(170,908)</u>
 <b>Net increase in cash and cash equivalents</b>	 81,142
 <b>Cash and cash equivalents, beginning of period</b>	 <u>555,358</u>
 <b>Cash and cash equivalents, end of period</b>	 <u><u>\$ 636,500</u></u>

(Continued)

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

TOWN OF LAKE PROVIDENCE, LOUISIANA

STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS

For the Year Ended June 30, 2021

	<u>Utility Fund</u>
Reconciliation of operating income (loss) to net cash <b>Provided (used) by operating activities:</b>	
Operating income (loss)	\$ (60,385)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Depreciation	314,185
Pension related	(150,807)
(Increase) decrease in accounts receivable	4,197
Increase (decrease) in accounts payable	(27,205)
Increase (decrease) in payroll and related liabilities	(4,657)
Increase (decrease) in compensated absences	1,942
Increase (decrease) in customer deposits payable	<u>2,767</u>
Net cash provided (used) by operating activities	<u>\$ 80,037</u>

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

# TOWN OF LAKE PROVIDENCE, LOUISIANA

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

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

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

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

The basic financial statements present the financial position and results of operations of the various funds by the Town and the cash flows of the proprietary funds as of and for the year ended June 30, 2021.

### **Financial Reporting Entity**

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

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

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

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

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

### **Basis of Presentation**

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



# TOWN OF LAKE PROVIDENCE, LOUISIANA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

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

#### Government-wide Financial Statements

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

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

#### Fund Financial Statements

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

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

## TOWN OF LAKE PROVIDENCE, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

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

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

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

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

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

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

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

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

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

##### *Cash and Investments*

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

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

##### *Receivables and Payables*

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

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

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

June 30, 2021

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

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied by the Town in September or October, are actually billed on October 1, and are mailed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year they are billed. The Town bills and collects its own property taxes using the assessed value determined by the assessor of East Carroll Parish and approved by the State of Louisiana Tax Commission. However, taxes that are received after more than 60 days after year end, will be recorded as deferred revenue at year end as they are not available. For the year ended June 30, 2021, taxes of 17.12 mills were levied on property with assessed valuations totaling \$6,555,280 as follows:

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

The following are the principal taxpayers and related property tax revenue for the Town:

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**TOWN OF LAKE PROVIDENCE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

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

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Ad Valorem Tax Revenue for Municipality</u>
Nutrien AG Solutions, Inc.	1,522,225	12%	10,452
Entergy Louisiana, Inc.	1,167,140	10%	7,699
Delta Bank	895,224	7%	15,326
Lansing Louisiana, LLC	858,625	7%	14,700
Atmos Energy Corporation	453,625	4%	6,104
Capital One, N.A.	308,802	3%	5,287
Bell South Telecommunications	267,960	2%	1,215
Jongs, Inc.	210,617	2%	3,606
Baker Darrell L. & Melissa B.	74,930	1%	1,097
Carroll Oil, Inc.	68,759	1%	1,177
Providence Place 2017 Limited Partnership	64,844	1%	1,110
Heritage Square Apartments	62,448	1%	1,069
Lousiana Delta Bank	61,091	0%	1,046
Other	<u>538,990</u>	<u>4%</u>	<u>9,153</u>
Totals	<u>\$ 6,555,280</u>	<u>54%</u>	<u>\$ 79,042</u>

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

# TOWN OF LAKE PROVIDENCE, LOUISIANA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

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

#### *Inventories and Prepaid Items*

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

#### *Restricted Assets*

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

#### *Capital Assets*

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

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

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

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

*Compensated absences*

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

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

*Long-Term Obligations*

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

*Fund Balance Classifications and Net Position*

Fund balances are reported under the following fund balance classifications:

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

## TOWN OF LAKE PROVIDENCE, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

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

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

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

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

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

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

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

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

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

## TOWN OF LAKE PROVIDENCE, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

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

##### **Budgets**

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

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

##### **Use of estimates**

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

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

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



**TOWN OF LAKE PROVIDENCE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

On June 30, 2021, the Town has cash and cash equivalents (book balances) totaling \$1,446,247 as follows:

<b>Cash and cash equivalents - unrestricted:</b>	
Demand deposits	\$ 377,071
Time deposits	36,228
Other	<u>423</u>
Total	<u>413,722</u>
<b>Cash and cash equivalents - restricted:</b>	
Demand deposits	586,309
Time deposits	<u>446,216</u>
Total	<u>1,032,525</u>
<b>Total cash and cash equivalents</b>	<b><u>\$ 1,446,247</u></b>

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

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. As of June 30, 2021, Town's bank balances of \$1,552,014 was not exposed to custodial credit risk as follows:

Insured by FDIC	\$ 751,806
Uninsured and collateralized	-
Collateralized by pledged securities in the Town's name	<u>800,208</u>
<b>Total bank balances</b>	<b><u>\$ 1,552,014</u></b>

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**TOWN OF LAKE PROVIDENCE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

**Note 3 - Receivables.**

The following is a summary of receivables on June 30, 2021:

	<b>General</b>	<b>Utility Enterprise</b>	<b>Total</b>
<b>Receivables:</b>			
Taxes:			
Sales and use taxes	\$ 29,982	\$ 29,982	\$ 59,964
Property taxes	2,870	-	2,870
Fines	53,154	-	53,154
Accounts	-	506,760	506,760
Other	-	4,679	4,679
<b>Gross receivables</b>	86,006	541,421	627,427
Less allowance for uncollectible	-	(338,832)	(338,832)
<b>Net total receivables</b>	\$ 86,006	\$ 202,589	\$ 288,595

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**TOWN OF LAKE PROVIDENCE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

**Note 4 - Capital Assets**

A schedule of changes in capital assets for the year ended June 30, 2021, follows:

	Balance 07/1/2020	Increases	Decreases	Balance 06/30/2021
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 218,340	\$ -	\$ -	\$ 218,340
Total capital assets not being depreciated	218,340	-	-	218,340
<b>Capital assets being depreciated:</b>				
Infrastructure	5,031,713	-	-	5,031,713
Buildings	778,256	-	-	778,256
Building improvements	792,411	116,158	-	908,569
Furniture and equipment	354,322	-	-	354,322
Vehicles	728,419	-	-	728,419
Total capital assets being depreciated	7,685,121	116,158	-	7,801,279
<b>Less accumulated depreciation for:</b>				
Infrastructure	2,230,156	93,644	-	2,323,800
Buildings	335,808	18,345	-	354,153
Building improvements	478,720	30,042	-	508,762
Furniture and equipment	346,653	34,257	-	380,910
Vehicles	710,961	9,625	-	720,586
Total accumulated depreciation	4,102,298	185,913	-	4,288,211
Total capital assets being depreciated	3,582,823	(69,755)	-	3,513,068
Governmental activities, capital assets, net	\$ 3,801,163	\$ (69,755)	\$ -	\$ 3,731,408

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2021

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

	Balance 07/1/2020	Increases	Decreases	Balance 06/30/2021
<b>Business-type activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 61,545	\$ -	\$ -	\$ 61,545
Total capital assets not being depreciated	61,545	-	-	61,545
<b>Capital assets being depreciated:</b>				
Infrastructure	11,511,683	-	-	11,511,683
Buildings	148,905	-	-	148,905
Building improvements	23,689	-	-	23,689
Furniture and equipment	309,008	-	-	309,008
Vehicles	360,293	-	-	360,293
Total capital assets being depreciated	12,353,578	-	-	12,353,578
<b>Less accumulated depreciation for:</b>				
Infrastructure	5,670,197	303,931	-	5,974,128
Buildings	86,761	2,931	-	89,692
Building improvements	23,602	35	-	23,637
Furniture and equipment	293,745	5,769	-	299,514
Vehicles	358,339	1,519	-	359,858
Total accumulated depreciation	6,432,644	314,185	-	6,746,829
Total capital assets being depreciated	5,920,934	(314,185)	-	5,606,749
Governmental activities, capital assets, net	\$ 5,982,479	\$ (314,185)	\$ -	\$ 5,668,294

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

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

June 30, 2021

Depreciation expense was charged as follows:

**Government activities:**

General Government	\$	64,299
Public safety		9,625
Highways and streets		93,644
Culture and recreation		<u>18,345</u>
Total	\$	<u>185,913</u>

**Business-type activities:**

Water	\$	190,867
Sewer		<u>123,318</u>
Total	\$	<u>314,185</u>

**Note 5 – Interfund Transfers**

During the year ended June 30, 2021, the Utility Fund transferred \$179,598 to the General Fund to subsidize operations.

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

**Note 6 - Long-Term Obligations**

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

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**TOWN OF LAKE PROVIDENCE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

Bonds payable on June 30, 2021, are comprised of the following issues:

**USDA Community Center Project Bond:**

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

\$ 303,699

**Utility Revenue Bonds:**

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

2,487,093

**Total Reporting Entity**

\$ 2,790,792

Long-term liability activity for the year ended June 30, 2021, was as follows:

	Beginning Balances	Additions	Deletions	Ending Balances	Amounts Due Within One Year
<b><u>Governmental Activities:</u></b>					
Long-term debt:					
Bonds payable	\$ 309,185	\$ -	\$ (5,486)	\$ 303,699	\$ 5,695
Compensated absences	12,043	-	(2,346)	9,697	-
Net Pension Liability - MERS	79,846	86,563	-	166,409	-
Governmental activity long-term liabilities	<u>\$ 401,074</u>	<u>\$ 86,563</u>	<u>\$ (7,832)</u>	<u>\$ 479,805</u>	<u>\$ 5,695</u>
<b><u>Business-type Activities:</u></b>					
Revenue bonds payable	\$ 2,552,696	\$ -	\$ (65,603)	\$ 2,487,093	\$ 68,446
Compensated absences	1,416	1,943	-	3,359	-
Net Pension Liability - MERS	300,372	-	(189,433)	110,939	-
Business-type activity long-term liabilities	<u>\$ 2,854,484</u>	<u>\$ 1,943</u>	<u>\$ (255,036)</u>	<u>\$ 2,601,391</u>	<u>\$ 68,446</u>

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2021

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>USDA Community Center Project Bond</u>		<u>Utility Revenue Bond</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	5,695	12,797	68,446	104,378	\$ 74,141	\$ 117,175
2023	5,943	12,550	71,412	101,412	77,355	113,962
2024	6,199	12,293	74,507	98,317	80,706	110,610
2025	6,468	12,024	77,736	95,088	84,204	107,112
2026	36,795	55,665	442,228	421,892	479,023	477,557
2027-2031	45,490	46,970	546,728	317,392	592,218	364,362
2032-2036	56,239	36,221	675,920	188,200	732,159	224,421
2037-2041	69,528	22,932	530,116	38,871	599,644	61,803
2042-2046	71,342	6,717	-	-	71,342	6,717
<b>Totals</b>	<b>\$ 303,699</b>	<b>\$ 218,169</b>	<b>\$ 2,487,093</b>	<b>\$ 1,365,550</b>	<b>\$ 2,790,792</b>	<b>\$ 1,583,719</b>

There are a number of limitations and restrictions contained in the various bond indentures. The Town is in compliance with all significant limitations and restrictions.

Interest expense for governmental activities and business-type activities for the year ended June 30, 2021, totaled \$12,797 and \$104,378 respectively.

**Note 7 – Pension Plan**

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

*Plan Description*

The Town of Lake Providence contributes to the Municipal Employees' Retirement System of Louisiana (MERS), which is a cost sharing multiple employers defined benefit pension plan. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System.

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

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

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

## TOWN OF LAKE PROVIDENCE, LOUISIANA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

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

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

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

For the year ended June 30, 2021, the Town of Lake Providence's total covered payroll was \$204,744. Covered payroll refers to all compensation paid by the Town of Lake Providence to active employees covered by the Plan.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810, or by visiting the System's website [www.mersla.com](http://www.mersla.com).

#### *Contributions*

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2021, the actual employer contribution rate was 15% for Plan B, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations.

Under Plan B, members are required by state statute to contribute 5.00% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Town of Lake Providence to the System monthly. The Town of Lake Providence's contributions to the System under Plan B for the year ending June 30, 2021, were \$31,755.

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

On June 30, 2021, the Town reported a liability of \$277,349 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Town of Lake Providence's proportion of the Net Pension Liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating



**TOWN OF LAKE PROVIDENCE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

employers, actuarially determined. On June 30, 2021, the Town's proportion was 0.306048%, which was a decrease of 0.128579% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the Town of Lake Providence recognized pension expense of \$50,317 plus employer's amortization of change in proportionate share, differences between employer contributions and proportionate share of contributions, and current year contributions, which was \$(55,418). Total pension benefit for the Town of Lake Providence for the year ended June 30, 2021, was \$5,101.

On June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources:</b>	<b>Deferred Inflows of Resources:</b>
Differences between expected and actual experience	\$ -	\$ 4,666
Net difference between projected and actual investment earnings on pension plan investments	30,110	-
Changes of assumptions	8,595	-
Changes in proportion	-	82,426
Employer contributions subsequent to the measurement date	31,755	-
Total	\$ 70,460	\$ 87,092

The \$31,755 reported as deferred outflows of resources related to pensions resulting from the Town of Lake Providence's contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows

Year ending June 30:	
2021	\$ (35,506)
2022	(24,151)
2023	6,860
2024	4,410
Total	\$ (48,387)

*Actuarial Assumptions*

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

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

Valuation date	June 30, 2020
Actuarial cost method	Entry Age Normal
Expected remaining service	3 years
Investment rate of return	6.95%, net of pension plan investment expense, including inflation
Inflation rate	2.5%
Salary increase, including inflation and merit increases:	
1-4 year of service	6.4%-Plan A and 7.4%-Plan B
More than 4 years of service	4.5%-Plan A and 4.9%-Plan B
 Annuitant and beneficiary mortality	 PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
 Employee mortality	 PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
 Disabled lives mortality	 PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scales.

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

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2020, are summarized in the following table:

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

Asset Class	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Public equity	53%	2.33%
Public fixed income	38%	1.67%
Alternatives	<u>9%</u>	<u>0.40%</u>
Totals	<u>100%</u>	<u>4.40%</u>
Inflation		<u>2.60%</u>
Expected arithmetic nominal return		<u>7.00%</u>

*Discount Rate*

The discount rate used to measure the total pension liability was 6.95% for the years ended June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

The following presents the Town of Lake Providence's proportionate share of the net pension liability calculated using the discount rate of 6.95%, as well as what the Town of Lake Providence's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.95%) or one percentage-point higher (7.95%) than the current rate:

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

	Changes in Discount Rate		
	1% Decrease	Current Discount Rate	1% Increase
Discount Rates	5.95%	6.95%	7.95%
Net Pension Liability	\$369,204	\$277,349	\$199,627

*Payables to the System*

At June 30, 2021, the Town payables to the pension plan were \$0.

*Plan Fiduciary Net Position*

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

**Note 8 – On-behalf Payments**

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

**Note 9 - Commitments and Contingencies**

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

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

**Note 10 - Risk Management**

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

**Note 11 – Subsequent Events**

Management evaluated subsequent events and transactions for potential recognition of disclosure in the financial statements through February 25, 2022, the date which the financial statements were available to be issued and determined the following subsequent event requires disclosure.

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

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

June 30, 2021

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

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues</b>				
Fines	\$ 260,000	\$ 260,000	\$ 226,920	\$ (33,080)
Taxes	528,500	528,500	676,988	148,488
Permits & Licenses	89,700	89,700	122,937	33,237
Interest Income	220	220	28,840	28,620
Grant/Loan Income	35,000	35,000	28,949	(6,051)
Other	105,100	105,100	222,989	117,889
<b>Total Revenues</b>	<u>1,018,520</u>	<u>1,018,520</u>	<u>1,307,623</u>	<u>289,103</u>
<b>Expenditures</b>				
General & Administrative	357,373	357,373	371,830	(14,457)
Fire Department	165,034	165,034	131,913	33,121
Police Department	307,932	307,932	382,092	(74,160)
Street Department	293,805	293,805	296,481	(2,676)
Recreation Department	2,952	2,952	525	2,427
Mosquito Control	2,000	2,000	-	2,000
Animal Control	1,000	1,000	3	997
Community Center	47,724	47,724	14,028	33,696
LGAP	35,000	35,000	-	35,000
Training	-	-	-	-
Other	-	-	134,650	(134,650)
<b>Total Expenditures</b>	<u>1,212,820</u>	<u>1,212,820</u>	<u>1,331,522</u>	<u>(118,702)</u>
Excess of Revenues over Expenditures	(194,300)	(194,300)	(23,899)	170,401
<b>Other Financing Sources (Uses)</b>				
Transfers In	290,000	290,000	179,598	(110,402)
Net Change in Fund Balance	95,700	95,700	155,699	(59,999)
Budgetary Fund Balances, Beginning	631,056	631,056	706,685	75,629
Budgetary Fund Balances, Ending	<u>\$ 726,756</u>	<u>\$ 726,756</u>	<u>\$ 862,384</u>	<u>\$ 135,628</u>

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
MUNICIPAL EMPLOYEE'S RETIREMENT SYSTEM  
For the Year Ended June 30, 2021**

	<b>2021*</b>	<b>2020*</b>	<b>2019*</b>	<b>2018*</b>	<b>2017*</b>
Employer's proportion of the net pension liability	0.306048%	0.434627%	0.504436%	0.515774%	0.539005%
Employer's proportionate share of the net pension liability	\$ 277,349	\$ 380,218	\$ 426,668	\$ 446,265	\$ 446,786
Employer's covered employee payroll	\$ 237,176	\$ 332,013	\$ 374,847	\$ 382,990	\$ 396,007
Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll	116.94%	114.52%	113.82%	116.52%	112.82%
Plan fiduciary net position as a percentage of the total pension liability	66.26%	66.14%	65.60%	63.49%	63.34%

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

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



**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**SCHEDULE OF EMPLOYER'S CONTRIBUTIONS  
MUNICIPAL EMPLOYEE'S RETIREMENT SYSTEM  
For the Year Ended June 30, 2021**

	2021*	2020*	2019*	2018*	2017*
Contractually required contribution	\$ 31,755	\$ 33,205	\$ 45,195	\$ 49,771	\$ 42,129
Contributions in relation to contractually required contribution	<u>31,755</u>	<u>33,205</u>	<u>45,195</u>	<u>(49,771)</u>	<u>(42,129)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 204,744	\$ 237,176	\$ 332,013	\$ 374,847	\$ 382,990
Contributions as a percentage of covered employee payroll	15.51%	14.00%	13.61%	13.28%	11.00%

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

## **OTHER SUPPLEMENTARY SCHEDULES**

TOWN OF LAKE PROVIDENCE, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD  
For the Year Ended June 30, 2021

Agency Head Name: Jerry Bell, Mayor

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

TOWN OF LAKE PROVIDENCE, LOUISIANA

SCHEDULE OF COMPENSATION PAID TO ALDERMEN  
For the Year Ended June 30, 2021

<u>Council Members:</u>	<u>Amount</u>
Nathaniel Madere, Mayor Pro-tem	10,800
Jason Condrey	9,600
Barbara McDaniel	9,600
Karl Magee	9,600
Donald B. Meadows	<u>9,600</u>
Total Council Members' Compensation	<u>\$ 49,200</u>

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**SCHEDULE OF ALDERMEN  
For the Year Ended June 30, 2021**

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

TOWN OF LAKE PROVIDENCE, LOUISIANA

SCHEDULE OF COUNT OF UTILITY CUSTOMERS

For the Year Ended June 30, 2021

<u>Category</u>	<u>Average Number of Customers</u>
Commercial	143
Residential	1,576
Total	<u>1,719</u>

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**SCHEDULE OF UTILITY ACTIVITIES**

**For the Year Ended June 30, 2021**

	<u>G&amp;A</u>	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>	<u>Street Lighting</u>	<u>Total</u>
<b>Operating Revenues</b>						
Charges for services	\$ 57,492	\$ 597,489	\$ 333,465	\$ 233,330	\$ 63,354	\$ 1,285,129
Other revenues	148,324	-	-	-	-	148,324
Total operating revenues	<u>205,816</u>	<u>597,489</u>	<u>333,465</u>	<u>233,330</u>	<u>63,354</u>	<u>1,433,453</u>
<b>Operating Expenses</b>						
Salaries and benefits	79,514	79,808	67,465	57,414	-	284,201
Materials and supplies	16,207	109,950	67,450	9,569	-	203,176
Operating costs	32,929	98,479	219,071	121,428	96,816	568,723
Professional services	12,277	54,000	57,272	-	-	123,549
Depreciation	-	190,867	110,023	13,299	-	314,189
Total operating expense	<u>140,927</u>	<u>533,104</u>	<u>521,281</u>	<u>201,710</u>	<u>96,816</u>	<u>1,493,838</u>
Operating income (loss)	<u>64,889</u>	<u>64,385</u>	<u>(187,816)</u>	<u>31,620</u>	<u>(33,462)</u>	<u>(60,385)</u>
<b>Nonoperating revenues (expenses)</b>						
Sales and use	354,127	-	-	-	-	354,127
Interest earned	90	-	-	-	-	90
Interest payment	(105,306)	-	-	-	-	(105,306)
Total nonoperating revenue (expenses)	<u>248,911</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>248,911</u>
Income (loss) before transfers	313,800	64,385	(187,816)	31,620	(33,462)	188,526
Operating transfers in (out)	<u>(179,598)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(179,598)</u>
Change in net position	<u>\$ 134,202</u>	<u>\$ 64,385</u>	<u>\$ (187,816)</u>	<u>\$ 31,620</u>	<u>\$ (33,462)</u>	<u>\$ 8,928</u>

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

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY**  
 Year Ended June 30, 2021

<b>Cash Basis Presentation</b>	<b>First Six Month Period Ended 12/31/2020</b>	<b>Second Six Month Period Ended 06/30/2021</b>
<i>Louisiana Department of Public Safety: Payments on Behalf</i>	\$ -	\$ 12,000
<i>Town of Lake Providence: Civil Fees</i>	<u>16,560</u>	<u>12,300</u>
<b>Total Receipts</b>	<u>\$ 16,560</u>	<u>\$ 24,300</u>
<b>Other Information:</b>		
<i>Ending Balance of Total Amounts Assesed but not yet Collected (Civil Fines)</i>	<u>\$ 15,019</u>	<u>\$ 38,135</u>

See Independent Auditors' Report.



TOWN OF LAKE PROVIDENCE, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY  
Year Ended June 30, 2021

Cash Basis Presentation	First Six Month Period Ended 12/31/2020	Second Six Month Period Ended 06/30/2021
<b>Beginning Balance of Amounts Collected (i.e. cash on hand)</b>	\$ -	\$ 63,978
<b>Add: Collections</b>		
Criminal Fines - Other	64,840	46,913
<b>Subtotal Collections</b>	<u>64,840</u>	<u>46,913</u>
<b>Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies</b>	-	-
Restitution Payments to Individuals (additional detail is not required)	862	15,505
<b>Subtotal Disbursements/Retainage</b>	<u>862</u>	<u>15,505</u>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)</b>	<u>\$ 63,978</u>	<u>\$ 95,386</u>

**Other Information:**

Ending Balance of Total Amounts Assessed but not yet Collected (*i.e. receivable balance*)

Total Waivers During the Fiscal Period (*i.e. non-cash reduction of receivable balances, such as time served or community service*)

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



# J. WALKER & COMPANY<sup>APC</sup>

ACCOUNTANTS AND ADVISORS

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

Honorable Jerry Bell, Mayor and  
Members of the Board of Aldermen  
Town of Lake Providence, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, of the Town of Lake Providence, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Lake Providence, Louisiana's basic financial statements and have issued our report thereon dated February 25, 2022.

### Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weakness or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiency in internal control, described in the accompanying schedule of findings and responses, as items [2021-002 and 2021-003] that we consider to be material weaknesses.

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#### MEMBER OF:

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CERTIFIED PUBLIC ACCOUNTANTS

## **Compliance and Other Matters**

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

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

The Town of Lake Providence, Louisiana's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Town of Lake Providence, Louisiana's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*J. Walker & Company, APC*

Lake Charles, Louisiana

February 25, 2022



**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES**

For the Year Ended June 30, 2021

**I Summary of Auditors' Results**

a. Financial Statements

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the Town of Town of Lake Providence, Louisiana.
2. There were two control deficiencies disclosed during the audit of the financial statements and reported in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. The deficiencies are reported as material weaknesses.
3. There was one instance of noncompliance that is reported in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.

b. Management Letter

1. Management letter was not issued in connection with the audit for the year ended June 30, 2021.

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES**

For the Year Ended June 30, 2021

**II Findings – Financial Statement Audit**

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

Noncompliance

Fiscal Year Finding Originated: 2019

Condition:

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

Criteria:

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

Cause:

A lack of knowledge of good accounting practices.

Effect:

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

Recommendation:

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

Management’s Response:

See Management’s Response Letter.

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

Material Weakness

Fiscal Year Finding Originated: 2020

Condition:

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

## TOWN OF LAKE PROVIDENCE, LOUISIANA

### SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)

For the Year Ended June 30, 2021

#### Criteria:

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

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

#### Cause:

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

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

#### Effect:

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

#### Recommendation:

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

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

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

For the Year Ended June 30, 2021

Management's Response:

See Management's Response Letter.

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

Material Weakness

Fiscal Year Finding Originated: 2020

Condition:

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

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

Criteria:

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

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

Cause:

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

Effect:

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

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



**TOWN OF LAKE PROVIDENCE, LOUISIANA**

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

For the Year Ended June 30, 2021

Recommendation:

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

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

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

Management's Response:

See Management's Response Letter.

# TOWN OF LAKE PROVIDENCE, LOUISIANA

## SUMMARY OF PRIOR YEAR FINDINGS

For the Year Ended June 30, 2021

### III Summary of Prior Year Findings

#### INTERNAL CONTROL AND COMPLIANCE FINDINGS

##### 2020-001 Noncompliance with Local Government Budget Act

Material Weakness, Noncompliance

Fiscal Year Finding Originated: 2019

Condition:

Management failed to adopt the Town's 2019-2020 General Fund budget before the start of the current fiscal year as required by state law (Local Government Budget Act). R.S. 39:1309. and R.S. 33:406. A (3) requires the budget to be adopted by ordinance before July 1, 2019, the beginning of the Town's fiscal year under audit.

Criteria:

The Local Government Budget Act requires that the chief executive officer or equivalent notify in writing the governing authority during the year when actual revenues (expenditures) and other financing sources (uses) plus projected revenues (expenditures) and other financing sources (uses) for the year exceeded budgeted revenues (expenditures) and other financing sources (uses) by 5% or more.

Recommendation:

Management should strictly comply with all provisions of the Local Government Budget Act. The town's annual budget should be adopted by ordinance before the beginning of each fiscal year (July 1) and the budget should contain all required information. All amendments to the budget are also required to be adopted by ordinance (R.S.33: 406.A 3).

Current Status:

Resolved.

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**SUMMARY OF PRIOR YEAR FINDINGS**

For the Year Ended June 30, 2021

**2020-002 Late Submission of Audit Report to LLA**

Noncompliance

Fiscal Year Finding Originated: 2019

Condition:

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

Criteria:

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

Recommendation:

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

Current Status

Unresolved. See 2021-001

**2020-003 Written Policies and Procedures Not Complete**

Material Weakness

Fiscal Year Finding Originated: 2020

Condition:

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

Criteria:

Written policies and procedures aid in the continuity of Town operations, good internal control and are necessary to provide a clear understanding of what should be done, how it should be done, who should do it, and when it should be done. In addition, written policies and procedures aid in cross-training staff or training new staff.

## TOWN OF LAKE PROVIDENCE, LOUISIANA

### SUMMARY OF PRIOR YEAR FINDINGS

For the Year Ended June 30, 2021

#### Recommendation:

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

- Ethics, including matters such as prohibited activities (e.g., related party transactions) and requiring that an annual certification letter be signed by the alderman and all employees attesting to their compliance with the ethics policy.
- Financial reporting process, including the nature, extent, and frequency of reporting financial information to aldermen.
- Disaster planning and recovery policies and procedures.
- Hazard mitigation plan.
- Policy regarding deficit spending.

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

#### Current Status:

Resolved.

#### **2020-004 Inadequate Controls over Financial Reporting**

Material Weakness

Fiscal Year Finding Originated: 2020

#### Condition:

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

#### Criteria:

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

**TOWN OF LAKE PROVIDENCE, LOUISIANA**

**SUMMARY OF PRIOR YEAR FINDINGS**

For the Year Ended June 30, 2021

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

Recommendation:

See recommendation in findings 2021-002.

Current tatus:

Unresolved. See 2021-002

**2020-005 Inadequate Design of Internal Controls over Financial Statement Preparation**

Material Weakness

Fiscal Year Finding Originated: 2020

Condition:

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

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

Criteria:

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

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

Recommendation:

See recommendation in finding 2021-003

Current Status:

Unresolved. See 2021-003

# Town of Lake Providence

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Fax: 318-559-3442

*"People Improving Communities"*

*Jerry Bell, Mayor  
Charlotte Swift, City Clerk*

*Aldermen  
Jason Condrey  
Sucletter Crye  
Karl Magee  
Donnie Meadows  
Patricia Roberson*

March 4, 2022

J Walker and Company, APC  
Rue De Jardin Suite 100  
Lake Charles, LA 70605

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

**Response and Corrective Action Plan:** The Town of Lake Providence will submit to the Louisiana Legislative Auditor their annual financial report on or before the due date of December 31 of each year.

**Responsible parties:** Mayor and Board of Aldermen

**Estimated date of completion:** December 31, 2022

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

**Response and Correction Action Plan:** Management will use American Rescue Fund to purchase accounting software more appropriate and complete for municipal functions and hire a bookkeeper/accountant, as well, to prepare complete financial reports. The current software does not have the capacity to produce specific, detailed data. Likewise, the town does not have an accountant or accounting department. Duties are divided between staff generating varying results:

**Responsible Parties:** Mayor and Board of Aldermen

**Estimated date of completion:** June 30, 2022

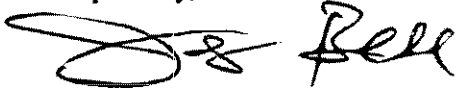
## **III. 2021-003 Inadequate Design of Internal Controls over Financial Statement Preparation**

**Response and Corrective Action:** As per 2020-002 response, software more specific to municipal governance would provide the necessary format which could produce useful financial reports. At the same time, a bookkeeper and/or accountant on staff could ensure systematic, consistent processes and reports.

**Responsible parties:** Mayor and City Clerk

**Estimated date of completion: June 30, 2022**

Respectfully,

A handwritten signature in black ink, appearing to read "Jerry Bell". The signature is fluid and cursive, with a large initial "J" and "B".

Jerry Bell, Mayor  
Town of Lake Providence, LA