VILLAGE OF POWHATAN

LOCAL GOVERNMENT SERVICES

Procedural Report on Compliance with Fiscal Administrator's Three-Year Plan as Required by La R.S. 39:1352
For Fiscal Year Ended June 30, 2024
Issued November 4, 2026



LOUISIANA LEGISLATIVE AUDITOR

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Louisiana Legislative Auditor

Michael J. "Mike" Waguespack, CPA

Village of Powhatan

November 2026

Audit Control # 70240054

Introduction

The purpose of our procedures at the Village of Powhatan, Louisiana (Village) is to determine whether the Village complied with the fiscal administrator's plan dated March 31, 2023. This plan is mandated by Louisiana Revised Statute (R.S.) 39:1352, and we applied our procedures for the fiscal year ended June 30, 2024. These procedures are typically performed by an LLA-approved CPA firm as part of an entity's annual engagement. However, LLA performed the procedures for the Village directly because the Village's annual revenues are $75,000 or less, which falls within a reporting threshold that does not require the Village to engage an independent CPA firm to perform the work.

The procedures performed and described in this report were limited and were conducted for informational and monitoring purposes only. The work performed does not constitute an audit, review, or examination. Accordingly, we do not express an opinion, conclusion, or any form of assurance on the entity's financial statements, internal control over financial reporting, or compliance with laws, regulations, contracts, or grant requirements. Had we performed additional procedures or conducted an audit or other assurance engagement, other matters might have come to our attention that would have been reported.

We began contacting the Village in May of 2025 to obtain the amount of their annual revenues for fiscal year ended June 30, 2024, and to inform the Village that we would be performing procedures related to the requirements of R.S. 39:1352 and would therefore require certain information to be provided. Despite repeated attempts to contact the Village by phone and email, we were unable to obtain the requested information. After the Village's phone service was disconnected and emails went unanswered, we sought third-party assistance to re-establish contact. Although we provided specific deadlines in January 2026, the Village did not submit any documentation until March 2026. We conducted a site visit in May 2026 to obtain additional necessary data. However, subsequent communication difficulties continued, and follow-up requests for additional data were not fully satisfied. Additionally, the Village submitted its required annual reports for fiscal years ended June 30, 2024, and June 30, 2025, in July of 2026, several months after the statutory deadlines of 90 days following the end of each fiscal year.

Results of Our Procedures

Financial Management

1. Obtain and inspect the board/finance committee minutes for the fiscal period and:

   (a) Observe whether the minutes referenced the adoption of the annual budget in accordance with the Local Government Budget Act (LGBA).

   (b) Observe whether the minutes documented approval of any budget amendments made during the fiscal year.

   (c) Observe whether the minutes referenced or included monthly budget to actual comparisons, and whether explanations of significant variances were discussed.

   Results: The Village failed to comply with the LGBA when it adopted the 2023–2024 budget during the August 2023 board meeting, according to board minutes. The LGBA requires that all action necessary to adopt and finalize the budget be completed prior to the end of the preceding fiscal year. The Village did not provide a copy of the ordinance adopting the budget or documentation indicating that budget amendments were adopted during the fiscal year.

   Additionally, the Village's board minutes indicated that financial reports were provided to the board at three meetings during the fiscal year. None of the financial reports reviewed included budget-to-actual comparisons, and no mention of budget-to-actual comparisons were noted in the board minutes.

2. Obtain a complete disbursement history for the fiscal period. The population should include all disbursements, regardless of payment method (e.g., check, ACH, wire transfer, debit/credit card, or other). From the entire population of disbursements, randomly select 10 items.

   (a) For each selected disbursement, determine whether authorization by the mayor was obtained and documented, and that the disbursement complied with budgetary authority, Village policies, and applicable laws and regulations.

   Results: Of the 10 disbursements tested, it was noted that the Village had an exception related to one disbursement. The Village's policies require management to review supporting documentation prior to signing a check for payment. The Village was unable to provide such documentation for this disbursement when requested.

3. Obtain a listing of sewer system billings and collections from Sabine Parish Waterworks District (District) for three months.

   (a) Observe that spreadsheets are updated,

(b) Observe that accounts that are more than two months past-due are identified, and

(c) Observe that notices of service disconnection were sent to the District when required.

Results: For the three months tested, the Village maintained and updated the spreadsheets based on billing and collection information provided by the District. However, the Village did not provide documentation indicating that it was tracking past-due amounts. Additionally, the Village has not sent notices of service disconnection to the District when required.

4. Obtain monthly bank statements for all bank accounts. Judgmentally select one month per bank account and:

(a) Observe that all cash receipts and disbursements were properly posted and categorized in the spreadsheets developed for that purpose, and

(b) Observe that the spreadsheets are used to prepare budget-to-actual financial statements.

Results: The Village has five bank accounts. We tested one bank statement for each account and noted that, for the month tested for the General Alimony account, five of the six transactions on the bank statement had not been recorded by the Village.

The Village did not prepare budget-to-actual financial statements using the spreadsheets developed for that purpose.

Revenue Plan

5. Obtain a listing of all property tax billings and collections for the fiscal period. The population should include all property tax accounts billed by the Village, including penalties and interest assessed on delinquent accounts. Randomly select five property tax accounts from the population.

(a) For each selected account observe that payments received were recorded in the property tax roll provided by the parish tax assessor.

Results: For the five property tax accounts tested during the fiscal year, the Village received payment from four taxpayers and recorded the payments next to the corresponding properties on the property tax roll. The clerk recorded these payments by hand, and it does not appear that the mayor reviewed these entries. Also, the Village was unable to provide supporting documentation (e.g., copies of checks and receipts) for the payments received. Of the five accounts tested, the balance due for one account had not been paid. This account also had delinquent amounts due from the prior two years. The Village indicated that it assesses penalties and interest on delinquent

accounts. However, for the account tested with delinquent amounts due, it was unclear whether interest and/or penalties had been assessed.

6. Obtain evidence that the Village monitors and analyzes sewer rates and adjusts them if revenue is not meeting budgeted levels or if expenses are increasing beyond budgeted levels.

   Results: The Village recorded sewer billings and collections in a spreadsheet developed by the fiscal administrator, using information provided by the District, which performs the sewer billing and collection functions on Village's behalf. The Village indicated that no rate studies were performed during the fiscal year and did not provide documentation indicating that sewer rates had been analyzed or adjusted.

Operational Plan

7. Obtain training documentation from management for the mayor and the Village clerk, and

   (a) Observe whether the documentation demonstrates that the mayor and clerk completed training on municipal operations and accountability during the fiscal period, either through online training or in-person training opportunities.

   Results: The Village did not provide documentation demonstrating that the mayor and clerk completed training on municipal operations and accountability during the fiscal year.

8. Obtain evidence that official Village records (board minutes, ordinances, resolutions) are maintained in an organized manner.

   Results: We observed that the Village's records remained unorganized, requiring staff to spend considerable time locating requested documentation.

9. Observe that office hours are posted at Village Hall.

   Results: We observed the office hours were posted on the Village Hall's front door.

10. Obtain evidence that the Village has sought a legislative solution for the Chief of Police position consistent with R.S. 33:381.

    Result: The mayor indicated that no legislative solution was sought regarding the abolishing of the elected Chief of Police position, and there was no plan to do so. The current Chief of Police is serving a term that ends June 30, 2028, and is not compensated by the Village for his service. The Clerk informed us that the Village cannot afford to pay the Chief.

11. Obtain evidence that the Village has maintained its sewer lift stations and replaced the two effluent pumps at the sewer oxidation pond.

    Results: We observed board minutes, vendor quotes, and vendor payments related to the repair and maintenance of the sewer lift stations and oxidation pond. The sewer operator confirmed that the repairs were completed and that the Village continues to maintain the equipment.

Management Representation Letter

To help guide our procedures, we requested certain management representations attesting compliance with the fiscal administrator's final plan as follows:

1. The Village has retained a clerk with the skills necessary to perform the activities of municipal clerk.

2. The Village personnel responsible for financial and accounting activities are qualified and adequately trained to perform their duties including payments, accounting, payroll, record-keeping, and collections.

3. Management prepares and amends budgets in accordance with the LGBA and monitors financial activity each month to ensure that revenue and expenses are within budgeted levels.

4. The budget is used as an operating tool to control financial activities and operating adjustments are made, as necessary, to maintain financial stability.

5. Management considers budget cuts when revenues do not meet expectations.

6. The Village complies with policies and procedures that were developed for the Village's financial and operational activities.

7. The Village monitors and analyzes sewer rates, making adjustments to them if revenue is not meeting budgeted levels or if expenses are increasing beyond budgeted levels.

8. The Village coordinates with its sewer system operator to determine operating and maintenance needs.

9. The Village prepares annual property tax billings, including interest on late payments, pursues collection of property taxes, and records all payments in the property tax roll provided by the parish tax assessor.

10. The sewer system operator employed by the Village is competent and qualified, or the Village has engaged a third-party operator to ensure the system is properly operated and maintained by qualified individuals.

11. The mayor and clerk have participated in training related to municipal operations and accountability, including online opportunities.

12. The Village has maintained its sewer lift stations and replaced the two effluent pumps at the sewer oxidation ponds.

13. The Village is maintaining the official records of the Village and has located and organized older board meeting minutes, ordinances, and resolutions into official books.

14. The Village has maintained regular part-time office hours at the Village Hall.

15. The Village has sought a legislative solution for the Chief of Police position, consistent with R.S. 33:381.

16. The Board of Aldermen has considered whether the Village can continue to operate under current revenue levels, including possible actions under R.S. 33:231 and R.S. 33:251.

Results: We noted that certain responses provided by the Village in its Management Representation Letter were not consistent with the results of our inquiries and testing. Specifically, the Village's responses to the following representations indicated that the associated elements of the fiscal administrator's final plan had been implemented; however, our procedures identified that the following elements had not been fully implemented for numbers 1, 2, 3, 4, 5, 6, 7, 9, 11, and 13.

The Village incorrectly responded that representation for number 15 was not applicable, and the answer should have been "no," as they have not sought a legislative solution for the Chief of Police issue.

Additionally, the Village accurately indicated that representation for number 16 had not been implemented as they have not considered whether the Village can continue to operate under current conditions.

The Village accurately indicated that representations for numbers 8, 10, 12, and 14 had been implemented.

Recommendations

To the extent it has not, the Village should implement all elements of the fiscal administrator's final plan, including the evaluation of whether it can continue to operate under its current fiscal conditions. Furthermore, as stated in the plan, the Village should consider the applicability of actions related to the dissolution of a municipality as authorized under R.S. 33:231 and 33:251.

Several factors support the need for this evaluation and consideration, including:

- The decline in revenues;
- The deficit fund balance in the general fund and low amount of cash on hand;
- The failure to retain qualified accounting personnel;
- The failure to produce budget-to-actual financial statements and consistently use them to financially manage the Village; and
- The failure to implement all elements of the fiscal administrator's final plan.

Collectively these circumstances indicate the need for a thorough assessment of the Village's financial and operational viability.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

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VILLAGE OF POWHATAN

APPENDIX A: MANAGEMENT'S RESPONSE

VILLAGE OF POWHATAN

291 N. Railroad Street + P. O. Box 196
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318-356-0082

Jamika Neal
Mayor

Eddie Jackson
Clerk

Cherry Holden
Ezekiel Jewett Jr.
Pamela Rivers
Aldermen

Clarence White
Chief of Police

October 23, 2026

Barry Kelly
Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, La 70804-9397

Re: response to fiscal administrator's findings and recommendations for Fiscal year 23/24

Dear Mr. Kelly,

The Village of Powhatan acknowledges receipt of your report and plan to work more closely with our budget to actual financial statements and amend the budget as necessary. The Village does not minimize the importance of sound financial management.

The previous Chief's position while David Greer was here was an uncompensated role with no financial allocation implemented in the budget.

We recognize the importance of appropriate recordkeeping, financial reporting, and accounting procedures. The Plan budget allocates approximately 500 dollars per month for clerical services.

Sincerely,

Jamika Neal, Mayor