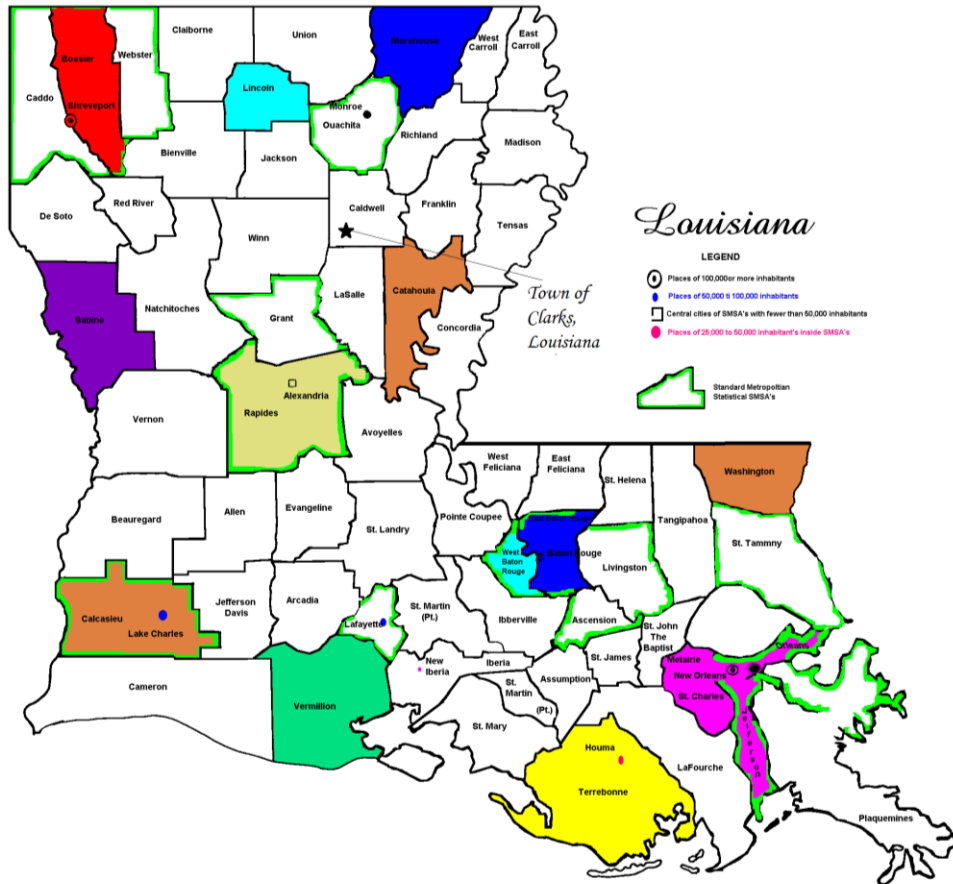


TOWN OF CLARKS, LOUISIANA

Annual Financial Statements

JUNE 30, 2022

TOWN OF CLARKS, LOUISIANA



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

**Town of Clarks, Louisiana
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June 30, 2022**

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Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

The Honorable Jessica Morris, Interim Mayor
& Members of the Board
Clarks, Louisiana

Reports on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the business-type activities of the Town of Clarks as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Clarks' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the business-type activities of the Town of Clarks, as of June 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Clarks, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Clark's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Clarks' ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Clarks’ basic financial statements. The Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer and Justice System Funding Schedule are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation of Benefits and Other Payments to Agency Head or Chief Executive Officer and Justice System Funding Schedule are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic 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 Benefits and Other Payments to Agency Head or Chief Executive Officer and Justice System Funding Schedule are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2022, on our consideration of the Town of Clarks, State of 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 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 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 Town of Clarks, Louisiana’s internal control over financial reporting and compliance.

The Vercher Group

Jena, Louisiana

November 21, 2022

Town of Clarks
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Clarks, Louisiana 71415
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MANAGEMENT’S DISCUSSION & ANALYSIS

As management of the Town, we offer readers of the Town of Clarks’ financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the Town’s financial statements.

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

FINANCIAL HIGHLIGHTS

Governmental Funds

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$1,172,000 (*net position*). This is a \$69,406 increase from last year.
- The Town had total revenue of \$225,799, in which \$156,680 came from Capital Grants. This is a \$156,680 increase from last year’s revenues, mainly due to an increase in capital contributions in the amount of \$156,680.
- The Town had total expenditures of \$98,797, which is a \$13,139 decrease from last year, mainly due to a decrease in General Government expenses in the amount of \$23,898.

Enterprise Funds

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$653,807 (*net position*). This is a \$30,633 increase from last year.
- The Town had total revenue of \$248,998. This is a \$2,762 decrease from last year, mainly due to a decrease in water sales in the amount of \$2,071.
- The Town had total expenses of \$260,150, including depreciation expense in the amount of \$(11,152), which is a non-cash transaction. This is a \$9,291 decrease from last year.

MD&A

OVERVIEW OF THE FINANCIAL STATEMENTS

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

FUND FINANCIAL STATEMENTS

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

USING THIS ANNUAL REPORT

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

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

REPORTING THE TOWN'S MOST SIGNIFICANT FUNDS

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

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

MD&A

Comparative Statement of Net Position Governmental Funds

The following table represents a Comparative Statement of Net Position as of June 30, 2022:

	<u>2021</u>	<u>2022</u>	<u>% Change</u>
Current Assets			
Cash & Cash Equivalents	\$ 9,768	\$ 145,902	1393.7%
Receivables (Net)	7,458	8,523	14.3%
Total Current Assets	<u>17,226</u>	<u>154,425</u>	796.5%
Non-Current Assets			
Restricted Assets	4,488	3,498	-22.1%
Capital Assets, Net of Accumulated Depreciation	<u>1,086,567</u>	<u>1,020,372</u>	-6.1%
Total Non-Current Assets	<u>1,091,055</u>	<u>1,023,870</u>	-6.2%
Total Assets	<u>1,108,281</u>	<u>1,178,295</u>	6.3%
Current Liabilities			
Accounts Payable	2,755	3,867	40.4%
Accrued Payroll/Payroll Taxes Payable	<u>2,932</u>	<u>2,423</u>	-17.4%
Total Current Liabilities	<u>5,687</u>	<u>6,290</u>	10.6%
Total Liabilities	<u>5,687</u>	<u>6,290</u>	10.6%
Net Position			
Net Investment in Capital Assets	1,086,567	1,020,375	-6.1%
Restricted	4,488	3,493	-22.2%
Unrestricted	<u>11,539</u>	<u>148,135</u>	1183.8%
Total Net Position	<u>\$ 1,102,594</u>	<u>\$ 1,172,003</u>	6.3%

MD&A

Comparative Changes in Fund Balances Governmental Funds

The following table reflects the Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2022:

	<u>2021</u>	<u>2022</u>	<u>% Change</u>
Revenues			
Fees & Charges	\$ 9,585	\$ 8,766	-8.5%
Taxes	18,656	22,008	18.0%
Fire Income	6,260	4,527	-27.7%
Rental Fees	2,725	4,158	52.6%
Intergovernmental- Operating Grants	-0-	156,680	0.0%
Miscellaneous	2,111	1,404	-33.5%
Total Revenues	<u>39,337</u>	<u>197,543</u>	402.2%
Expenditures			
General Government	94,366	70,468	-25.3%
Public Safety:			
Police Expense	10,000	19,493	94.9%
Fire Expense	7,570	8,514	12.5%
Street	-0-	322	0.0%
Capital Outlay	-0-	-0-	0.0%
Total Expenditures	<u>111,936</u>	<u>98,797</u>	-11.7%
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(72,599)</u>	<u>98,746</u>	75.0%
Other Financing Sources (Uses)			
Interest Income	1	-0-	-100.0%
Transfers	72,336	36,847	-49.1%
Total Other Financing Sources (Uses)	<u>72,337</u>	<u>36,847</u>	-49.1%
Net Change in Fund Balance	(262)	135,602	51,656.5%
Fund Balances - Beginning	<u>16,289</u>	<u>16,027</u>	-1.6%
Fund Balances - Ending	<u>\$ 16,027</u>	<u>\$ 151,629</u>	846.1%

MD&A

Comparative Statement of Net Position Enterprise Funds

The following table represents a Comparative Statement of Net Position as of June 30, 2022:

	<u>2021</u>	<u>2022</u>	<u>% Change</u>
Assets			
Cash & Investments	\$ 57,223	\$ 66,945	17.0%
Restricted Cash	47,570	25,972	-45.4%
Receivables (Net)	19,990	27,266	36.4%
Capital Assets, Net of Accumulated Depreciation	555,036	572,290	3.1%
Total Assets	<u>679,819</u>	<u>692,473</u>	1.9%
Liabilities and Net Position			
Accounts, Salaries, & Other Payables	9,075	12,694	39.9%
Customer Deposits	47,570	25,972	-45.4%
Total Liabilities	<u>56,645</u>	<u>38,666</u>	-31.7%
Net Position			
Net Investment in Capital Assets	555,036	572,290	3.1%
Unrestricted	68,138	81,517	19.6%
Total Net Position	<u>\$ 623,174</u>	<u>\$ 653,807</u>	4.9%

MD&A

Comparative Changes in Net Position Enterprise Funds

The following table reflects the Comparative Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2022:

	2021	2022	% Change
Operating Revenues			
Charges for Services	\$ 247,023	\$ 244,952	-0.8%
Miscellaneous Revenue	4,737	4,046	-14.6%
Total Operating Revenues	<u>251,760</u>	<u>248,998</u>	-1.1%
Operating Expenses			
Cost of Sales & Services	174,748	211,462	21.0%
Depreciation	56,569	48,766	-13.8%
Total Operating Expenses	<u>231,317</u>	<u>260,288</u>	12.5%
Operating Income (Loss)	<u>20,443</u>	<u>(11,230)</u>	-154.6%
Other Financing Sources (Uses)			
Interest Income	39	-0-	0.0%
Transfers In (Out)	(72,336)	(36,847)	150.9%
Total Other Financing Sources (Uses)	<u>(72,297)</u>	<u>(36,847)</u>	-150.9%
Capital Contributions	44,900	52,457	16.8%
Increase (Decrease) in Net Position	(6,954)	4,380	37.0%
Prior Period Adjustment	-0-	26,253	100.0%
Beginning Net Position	<u>630,128</u>	<u>623,174</u>	-1.1%
Ending Net Position	<u>\$ 623,174</u>	<u>\$ 653,807</u>	4.9%

CAPITAL ASSETS

Capital Assets – Governmental Fund

At June 30, 2022, the Town had \$1,020,372 invested in capital assets, including the following:

Capital Assets at Year-End

	2021	2022
Land*	\$ 1,700	\$ 1,700
Buildings	61,000	61,000
Vehicles & Equipment	494,180	494,180
Improvements	1,216,122	1,216,122
Total Fixed Assets	<u>1,773,002</u>	<u>1,773,002</u>
Accumulated Depreciation	(686,435)	(752,630)
Total Fixed Assets (Net)	<u>\$ 1,086,567</u>	<u>\$ 1,020,372</u>

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

MD&A

Capital Assets – Enterprise Fund

At June 30, 2022, the Town had \$572,290 invested in capital assets, including the following:

	2021	2022
Land*	\$ 1,500	\$ 1,500
Water System & Improvements	1,902,438	1,968,458
Sewer System & Improvements	1,484,988	1,484,988
Equipment	158,023	158,023
Total Fixed Assets	<u>3,546,949</u>	<u>3,612,969</u>
Accumulated Depreciation	<u>(2,991,913)</u>	<u>(3,040,679)</u>
Total Fixed Assets (Net)	<u>\$ 555,036</u>	<u>\$ 572,290</u>

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

CONTACTING THE TOWN'S FINANCIAL MANGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional information, contact Interim Mayor Jessica Morris, phone number (318) 649-7218.

Basic Financial Statements

Town of Clarks, Louisiana
Statement of Net Position
June 30, 2022

	PRIMARY GOVERNMENT		TOTAL
	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	
CURRENT ASSETS			
Cash & Cash Equivalents	\$ 145,902	\$ 66,945	\$ 212,847
Receivables	8,523	27,266	35,789
TOTAL CURRENT ASSETS	<u>154,425</u>	<u>94,211</u>	<u>248,636</u>
NON-CURRENT ASSETS			
Restricted Assets	3,493	25,972	29,465
Capital Assets (Net of Accumulated Depreciation)	1,020,372	572,290	1,592,662
TOTAL NON-CURRENT ASSETS	<u>1,023,865</u>	<u>598,262</u>	<u>1,622,127</u>
TOTAL ASSETS	<u>1,178,290</u>	<u>692,473</u>	<u>1,870,763</u>
CURRENT LIABILITIES			
Accounts Payable	3,867	8,728	12,595
Accrued Payroll/Payroll Taxes Payable	2,423	3,966	6,389
TOTAL CURRENT LIABILITIES	<u>6,290</u>	<u>12,694</u>	<u>18,984</u>
NON-CURRENT LIABILITIES			
Customer Deposits	-0-	25,972	25,972
TOTAL NON-CURRENT LIABILITIES	<u>-0-</u>	<u>25,972</u>	<u>25,972</u>
TOTAL LIABILITIES	<u>6,290</u>	<u>38,666</u>	<u>44,956</u>
NET POSITION			
Net Investment in Capital Assets	1,020,372	572,290	1,592,662
Restricted	3,493	-0-	3,493
Unrestricted	148,135	81,517	229,652
TOTAL NET POSITION	<u>\$ 1,172,000</u>	<u>\$ 653,807</u>	<u>\$ 1,825,807</u>

The accompanying notes are an integral part of this statement.

**Town of Clarks, Louisiana
Statement of Activities
For the Year Ended June 30, 2022**

	PROGRAM REVENUES				NET (EXPENSES) REVENUE	NET REVENUES (EXPENSES) & CHANGES OF PRIMARY GOVERNMENT		TOTAL
	EXPENSES	CHARGES FOR SERVICES	CAPITAL GRANTS & CONTRIBUTIONS	OPERATING GRANTS & CONTRIBUTIONS		GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	
GOVERNMENTAL ACTIVITIES								
General Government	\$ (88,014)	\$ 12,934	\$ -0-	\$ 156,680	\$ 81,600	\$ 81,600		\$ 81,600
Public Safety:								
Police	(19,493)	-0-	-0-	-0-	(19,493)	(19,493)		(19,493)
Fire	(21,094)	-0-	-0-	-0-	(21,094)	(21,094)		(21,094)
Street	(36,393)	-0-	-0-	-0-	(36,393)	(36,393)		(36,393)
Interest	-0-	-0-	-0-	-0-	-0-	-0-		-0-
TOTAL GOVERNMENTAL ACTIVITIES	<u>(164,994)</u>	<u>12,934</u>	<u>-0-</u>	<u>156,680</u>	<u>4,620</u>	<u>4,620</u>		<u>4,620</u>
BUSINESS-TYPE ACTIVITIES								
Water & Sewer	(260,228)	248,998	52,457	-0-	41,227		\$ 41,227	41,227
TOTAL BUSINESS-TYPE ACTIVITIES	<u>(260,228)</u>	<u>248,998</u>	<u>52,457</u>	<u>-0-</u>	<u>41,227</u>		<u>41,227</u>	<u>41,227</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ (425,222)</u>	<u>\$ 261,932</u>	<u>\$ 52,457</u>	<u>\$ 156,680</u>	<u>\$ 45,847</u>			<u>45,847</u>
			GENERAL REVENUES					
			Taxes:					
				Ad Valorem Tax		6,515	-0-	6,515
				Sales Tax		4,204	-0-	4,204
				Franchise Tax		11,289	-0-	11,289
				Miscellaneous		5,931	-0-	5,931
				Interest Income		-0-	-0-	-0-
				Transfers In/(Out)		36,847	(36,847)	-0-
				TOTAL GENERAL REVENUES & TRANSFERS		<u>64,786</u>	<u>(36,847)</u>	<u>27,939</u>
				CHANGE IN NET POSITION		69,406	4,380	73,786
				PRIOR PERIOD ADJUSTMENT		-0-	26,253	26,253
				NET POSITION-BEGINNING		<u>1,102,594</u>	<u>623,174</u>	<u>1,725,768</u>
				NET POSITION-ENDING		<u>\$ 1,172,000</u>	<u>\$ 653,807</u>	<u>\$ 1,825,807</u>

The accompanying notes are an integral part of this statement.

Town of Clarks, Louisiana
Balance Sheet, Governmental Funds
June 30, 2022

	GENERAL FUND
ASSETS	
Cash & Cash Equivalents	\$ 145,902
Restricted Cash	3,493
Receivables	8,523
TOTAL ASSETS	157,918
 LIABILITIES	
Accounts Payable	3,867
Accrued Payroll/Payroll Taxes Payable	2,423
TOTAL LIABILITIES	6,290
 FUND BALANCES	
Unassigned	148,135
Restricted	3,493
TOTAL FUND BALANCES	151,628
 TOTAL LIABILITIES & FUND BALANCE	 \$ 157,918

The accompanying notes are an integral part of this statement.

Town of Clarks, Louisiana
Reconciliation of the Government Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
June 30, 2022

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

Fund Balance, Total Governmental Funds (Statement C)	\$ 151,628
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.	1,020,372
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.	Long-Term Debt ----- -0- ----- -0-
Net Position of Governmental Activities (Statement A)	\$ <u>1,172,000</u>

The accompanying notes are an integral part of this statement.

Town of Clarks, Louisiana
Statement of Revenues, Expenditures &
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

		<u>GENERAL FUND</u>
REVENUES		
Fees & Charges	\$	8,776
Taxes:		
Ad Valorem Tax		6,515
Sales Tax		4,204
Franchise Tax		11,289
Fire Income		4,527
Rental Fees		4,158
Intergovernmental – Operating Grants		156,680
Miscellaneous		1,404
TOTAL REVENUES		<u>197,553</u>
EXPENDITURES		
General Government		70,469
Public Safety:		
Police		19,493
Fire		8,514
Street		322
Capital Outlay		-0-
TOTAL EXPENDITURES		<u>98,798</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)		
EXPENDITURES		<u>98,755</u>
OTHER FINANCING SOURCES (USES)		
Transfers In/(Out)		36,847
Interest Income		-0-
TOTAL OTHER FINANCING SOURCES (USES)		<u>36,847</u>
NET CHANGE IN FUND BALANCE		135,602
FUND BALANCES - BEGINNING		<u>16,027</u>
FUND BALANCES - ENDING	\$	<u>151,629</u>

The accompanying notes are an integral part of this statement.

Town of Clarks, Louisiana
Reconciliation of the Statement of Revenues, Expenditures,
& Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2022

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

Net Change in Fund Balances, Total Governmental Funds, Statement E	\$	135,602
--	----	---------

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

	-0-		
Capital Outlay	-0-		
Depreciation Expense	(66,196)		(66,196)

The issuance of short-term and long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when is issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

	-0-		
Principal Paid	-0-		
Loan Proceeds	-0-		

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

		-0-
Changes in Net Position of Governmental Activities, Statement B	\$	69,406

The accompanying notes are an integral part of this statement.

Town of Clarks, Louisiana
Statement of Net Position, Proprietary Funds
June 30, 2022

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS	
(MAJOR ENTERPRISE FUNDS)	
	ENTERPRISE FUND
ASSETS	
CURRENT ASSETS	
Cash	\$ 66,945
Receivables	27,266
TOTAL CURRENT ASSETS	94,211
NON-CURRENT ASSETS	
Restricted Assets	25,972
Capital Assets (Net of Accumulated Depreciation)	572,290
TOTAL NON-CURRENT ASSETS	598,262
TOTAL ASSETS	692,473
LIABILITIES	
CURRENT LIABILITIES	
Account Payable	8,728
Accrued Payroll	3,966
TOTAL CURRENT LIABILITIES	12,694
NON-CURRENT LIABILITIES	
Customer Deposits	25,972
TOTAL NON-CURRENT LIABILITIES	25,972
TOTAL LIABILITIES	38,666
NET POSITION	
Net Investment in Capital Assets	572,290
Unrestricted	81,517
TOTAL NET POSITION	\$ 653,807

The accompanying notes are an integral part of this statement.

Town of Clarks, Louisiana
Statement of Revenues, Expenses & Changes in Net Position
Proprietary Fund
June 30, 2022

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUND	
(MAJOR ENTERPRISE FUND)	
	ENTERPRISE FUND
OPERATING REVENUES	
Charges for Services	\$ 244,952
Other Income	4,046
TOTAL OPERATING REVENUES	248,998
OPERATING EXPENSES	
Cost of Sales & Services	211,462
Depreciation	48,766
TOTAL OPERATING EXPENSES	260,228
OPERATING INCOME (LOSS)	(11,230)
OTHER FINANCING SOURCES (USES)	
Interest Income	-0-
Transfers In (Out)	(36,847)
TOTAL OTHER FINANCING SOURCES (USES)	(36,847)
CAPITAL CONTRIBUTIONS	52,457
CHANGE IN NET POSITION	4,380
PRIOR PERIOD ADJUSTMENT	26,253
TOTAL NET POSITION - BEGINNING	623,174
TOTAL NET POSITION - ENDING	\$ 653,807

The accompanying notes are an integral part of this statement.

Town of Clarks, Louisiana
Statement of Cash Flows
Proprietary Fund
June 30, 2022

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUND	
(MAJOR ENTERPRISE FUND)	
	ENTERPRISE FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers & Users	\$ 241,722
Payments to Suppliers & Employees	(203,188)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>38,534</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from (to) Other Funds	(36,847)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(36,847)</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES	
Capital Contributions	52,457
Addition of Capital Assets	(66,020)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>(13,563)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and Dividends Received	-0-
NET CASH PROVIDED (USED) FROM INVESTING ACTIVITIES	<u>-0-</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(11,876)
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	<u>104,793</u>
CASH & CASH EQUIVALENTS, END OF YEAR	<u><u>92,917</u></u>
RECONCILIATION TO BALANCE SHEET	
Cash and Cash Equivalents	66,945
Restricted Cash	25,972
TOTAL CASH & CASH EQUIVALENTS	<u>\$ 92,917</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	\$ (11,230)
Depreciation Expense	48,766
(Increase) Decrease in Accounts Receivable	(7,276)
Increase (Decrease) in Accounts Payables	3,584
Increase (Decrease) in Accrued Payroll	35
Increase (Decrease) in Customer Deposits	4,655
TOTAL ADJUSTMENTS	<u>49,764</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 38,534</u>

The accompanying notes are an integral part of this statement.

**Notes To The Basic
Financial Statements**

TOWN OF CLARKS, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The following is a summary of certain significant accounting policies:

A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

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

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

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

TOWN OF CLARKS, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

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

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

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

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

The municipality reports the following major governmental funds:

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

The municipality reports the following major proprietary fund:

- Water Activities
- Sewer Activities

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

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

TOWN OF CLARKS, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

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

C. EQUITY CLASSIFICATIONS

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

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

Restricted Net Position - Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

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

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

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

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

TOWN OF CLARKS, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

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

D. FIXED ASSETS & LONG-TERM LIABILITIES

For the year ended June 30, 2022, no interest costs were capitalized for construction of fixed assets. The Town of Clarks has a capitalization policy of \$1,500.

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

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

E. CASH & INVESTMENTS

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

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

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

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

TOWN OF CLARKS, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

At June 30, 2022, the Town of Clarks' bank balance was \$248,559. Amounts on deposit are secured by the following pledges:

<u>Description</u>	<u>Market Value</u>
FDIC (Category 1)	\$ 248,559
Securities (Category 2)	-0-
Total	\$ 248,559

Deposits were fully secured as of June 30, 2022.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

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

F. RECEIVABLES & PAYABLES

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

G. INVENTORIES

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

H. SALES TAXES

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

TOWN OF CLARKS, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

I. COMPENSATED ABSENCES

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

Upon termination, resignation, or retirement, employees shall be paid at their current rate of pay, for accumulated annual and sick leave combined from 90 to 105 days based on years of service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the Water Fund financial statements, which is the fund that pays the salaries of the Town's permanent full-time employees. The valuation of accrued leave benefits is calculated in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*. The Town's total accrued compensated absences liability at June 30, 2022, was zero.

J. LONG-TERM OBLIGATIONS

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

K. FUND EQUITY

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

L. RESTRICTED NET POSITION

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

Restricted for Road Maintenance

This amount represents \$3,493 restricted for repairs and maintenance of the Town roads.

TOWN OF CLARKS, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

(2) RESTRICTED ASSETS

A. GOVERNMENTAL FUNDS

Cash in the amount of \$3,493 that was received under a federal grant program and restricted for street repairs is reported as restricted cash with a corresponding restriction of net position/fund balance.

B. PROPRIETARY FUND

At June 30, 2022, restricted assets of the Enterprise funds were invested in either interest bearing checking accounts or time deposits and were restricted for the following purposes:

		<u>Water</u>
Customer Deposits	\$	<u>25,972</u>
Total	\$	<u><u>25,972</u></u>

(3) AD VALOREM TAX

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

Property Tax Calendar

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

For the year ended June 30, 2022, taxes of 6.18 mills were levied against property having a valuation of some \$1,221,282 which produced some \$7,548 in revenue.

Ad Valorem Taxes are broken down as follows:

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

TOWN OF CLARKS, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

(4) RECEIVABLES

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

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

	Governmental	Business
	General	Enterprise
	Fund	Fund
Sales Tax	\$ 652	\$ -0-
Franchise Tax	339	-0-
Ad Valorem Tax	17	-0-
Occupational Licenses	2,988	-0-
Other	4,527	-0-
Customer	-0-	27,266
Allowance for Bad Debts	-0-	-0-
Total	\$ 8,523	\$ 27,266

(4) FIXED ASSETS

GOVERNMENTAL FUND

A summary of general fund property, plant, and equipment at June 30, 2022, is as follows:

	Balance	Additions	(Deletions)	Balance
	6-30-2021			6-30-2022
Land*	\$ 1,700	\$ -0-	\$ -0-	\$ 1,700
Building	61,000	-0-	-0-	61,000
Vehicles & Equipment	494,180	-0-	-0-	494,180
Improvements	1,216,122	-0-	-0-	1,216,122
Total Fixed Assets	1,773,002	-0-	-0-	1,773,002
Accumulated Depreciation	(686,435)	(66,195)	-0-	(752,630)
Total Fixed Assets (Net)	\$ 1,086,567	\$ (66,195)	\$ -0-	\$ 1,020,372

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

TOWN OF CLARKS, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

Depreciation expense was charged to governmental functions as follows:

General	\$	12,924
Police		-0-
Fire		12,580
Street		40,691
Total Depreciation	\$	<u>66,195</u>

ENTERPRISE FUND

A summary of enterprise fund property, plant, and equipment at June 30, 2022, is as follows:

	Balance		Additions		(Deletions)		Balance
	6-30-2021	\$		\$		\$	6-30-2022
Land*	1,500	\$	-0-	\$	-0-	\$	1,500
Water System & Improvements	1,902,438		66,020		-0-		1,968,458
Sewer System & Improvements	1,484,988		-0-		-0-		1,484,988
Equipment	158,023		-0-		-0-		158,023
Total Fixed Assets	<u>3,546,949</u>		<u>66,020</u>		<u>-0-</u>		<u>3,612,969</u>
Accumulated Depreciation	(2,991,913)		(48,766)		-0-		(3,040,679)
Total	<u>\$ 555,036</u>	\$	<u>17,254</u>	\$	<u>-0-</u>	\$	<u>572,290</u>

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

(5) ACCOUNTS, SALARIES, AND OTHER PAYABLES

General Fund

The payables of \$6,290 at June 30, 2022, are as follows:

Accounts Payable	\$	3,867
Accrued Payroll		2,423
Total	\$	<u>6,290</u>

Enterprise Fund

The payables of \$12,694 at June 30, 2022, are as follows:

Accounts Payable	\$	8,728
Accrued Payroll		3,966
Total	\$	<u>12,694</u>

TOWN OF CLARKS, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

(6) ELECTED OFFICIAL'S SALARIES

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

(7) USE OF ESTIMATES

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

(8) RETIREMENT PLANS

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

(9) TRANSFERS

<u>Transfers From/To Other Funds</u>			
<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Total</u>
General	\$ 36,847	\$ -0-	\$ 36,847
Enterprise	-0-	(36,847)	(36,847)
Total	\$ 36,847	\$ (36,847)	\$ -0-

The transfers were made to help pay for operational expenses.

(10) RISK MANAGEMENT AND CONTINGENT LIABILITIES

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

TOWN OF CLARKS, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

(11) FEDERAL GRANT CONTINGENCIES

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

(12) SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the Statement of Net Position date though, November 21, 2022, of the independent auditor's report for potential recognition or disclosure in the financial statements. The following item is reported as a subsequent event.

(13) PRIOR PERIOD ADJUSTMENT

A prior period adjustment in the amount of \$26,253 was made to correct custom water deposit liability which included a nonrefundable portion due to the Town.

**Required Supplemental
Information**

Town of Clarks, Louisiana
Statement of Revenues, Expenditures, & Changes in Fund Balance
Budget & Actual
General Fund
For the Year Ended June 30, 2022

	BUDGET AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	BUDGET TO ACTUAL DIFFERENCES FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Fees & Charges	\$ 9,500	\$ 13,900	\$ 12,934	\$ (966)
Taxes	19,600	21,500	22,008	508
Intergovernmental – Operating Grants	-0-	-0-	156,680	156,680
Miscellaneous	12,500	15,900	5,931	(9,969)
TOTAL REVENUES	41,600	51,300	197,553	146,253
EXPENDITURES				
General Government	93,700	114,500	70,469	44,031
Public Safety:				
Police Expense	10,000	18,600	19,493	(893)
Fire Expense	8,000	8,600	8,514	86
Street Expense	1,500	300	322	(22)
Capital Outlay	-0-	-0-	-0-	-0-
TOTAL EXPENDITURES	113,200	142,000	98,798	43,202
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(71,600)	(90,700)	98,755	189,455
OTHER FINANCING SOURCES (USES)				
Transfers In/(Out)	75,000	90,000	36,847	53,153
Interest Income	-0-	-0-	-0-	-0-
TOTAL OTHER FINANCING SOURCES (USES)	\$ 75,000	\$ 90,000	36,847	\$ 53,153
NET CHANGE IN FUND BALANCE				
FUND BALANCES – BEGINNING			16,027	
FUND BALANCES – ENDING			\$ 151,629	

See independent auditor's report.

Supplemental Information

Town of Clarks, Louisiana
Schedule of Compensation Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended June 30, 2022

Honorable Chad Coates, Mayor

Purpose	Amount
Salary	\$ 3,300
Benefits-Insurance	-0-
Benefits-Retirement	-0-
Benefits (Expense Allowance)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	-0-
Travel	341
Registration Fees	-0-
Conference Travel	-0-
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

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

See independent auditor's report.

Town of Clarks, Louisiana
Justice System Funding Schedule – Collecting/Disbursing Entity
Year Ended June 30, 2022

	<u>First Six Months Ended 12/31/2021</u>	<u>Second Six Months Ended 06/30/2022</u>
Beginning Balance of Amounts Collected	\$ -0-	\$ -0-
Add: Collections		
Criminal Court Costs/Fees	-0-	-0-
Criminal Fines – Contempt	-0-	-0-
Criminal Fines – Other	-0-	-0-
Subtotal Collections	-0-	-0-
Less: Disbursements to Governments & Nonprofits		
LA Judicial College	-0-	-0-
LA Traumatic Head & Spinal Cord Injury Trust Fund	-0-	-0-
Bond Forfeitures & Fees Collected Central LA Juvenile Detention Facility	-0-	-0-
CMIS Trial Court Case Management Information System	-0-	-0-
LA Commission on Law Enforcement Transmittal of Statutory Dedicated Funds	-0-	-0-
Less: Amounts Retained by Collecting Agency		
Amounts Self-Disbursed Criminal Fines – Other	-0-	-0-
Less: Disbursements to Individuals/3rd Party Collection or Processing Agency		
nCourt Processing Agency	-0-	-0-
Subtotal Disbursements/Retainage	-0-	-0-
Total: Ending Balance of Amounts Collected but not Disbursed/Retained	-0-	-0-
Ending Balance of “Partial Payments” Collected but not Disbursed	-0-	-0-
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected	-0-	-0-
Total Waivers During the Fiscal Period	\$ -0-	\$ -0-

See independent auditor’s report.

Other Reports

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

Jessica Morris, Interim Mayor
& Members of the Board
Clarks, Louisiana

We have audited, 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, the financial statements of the governmental activities and the business-type activities of the Town of Clarks, Louisiana, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements and have issued our report thereon dated November 21, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Clark’s internal control over financial reporting as a basis for designing our auditing procedures 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 Clark’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Clark’s internal control over financial reporting.

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 weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we identified deficiencies in internal control that we consider to be material weaknesses [**2022-3 Reconciling billed revenue with collections per book**]. We also identified certain deficiencies in internal control, described in the

accompanying schedule of findings and questioned costs that we consider to be significant deficiencies (2022-1 Small Size of Entity and 2022-2 Old Outstanding Checks and Deposits).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Clark's financial statements are free of 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 did not disclose instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Town of Clark's Response to Findings

The Town of Clark's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Cost. The Town of Clark'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.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

The Vercher Group

Jena, Louisiana

November 21, 2022

TOWN OF CLARKS, LOUISIANA

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended June 30, 2022**

We have audited the basic financial statements of the Town of Clarks, Louisiana, as of and for the year ended June 30, 2022, and have issued our report thereon dated November 21, 2022. We conducted our audit in accordance with generally accepted auditing standards 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.

Section I - Summary of Auditor's Results

Our audit of the financial statements as of June 30, 2022, resulted in an unmodified opinion.

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes

Significant Deficiencies Yes

Compliance

Compliance Material to Financial Statements Yes

b. Federal Awards (Not Applicable)

Internal Control

Material Weaknesses Yes

Other Conditions Yes

Type of Opinion on Compliance Unmodified

Qualified

For Major Programs Disclaimer

Adverse

Are the finding required to be reported in accordance with Uniform Guidance?

Yes No

c. Identification of Major Programs:

CFDA Number (s)

Name of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 750,000

Is the auditee a 'low-risk' auditee, as defined by OMB Uniform Guidance? Yes No

TOWN OF CLARKS, LOUISIANA

**SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2022**

Section II Financial Statement Findings

2022-1 Small Size of Entity (Internal Control)

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

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

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

Effect of Condition: Significant deficiency in internal controls.

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

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

Contact Person: Jessica Morris, Interim Mayor

Anticipated Completion Date: N/A

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

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

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

Cause of Condition: Not reviewing and correcting the bank reconciliations.

Effect of Condition: Understatement or overstatement of cash in the financial statements.

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

TOWN OF CLARKS, LOUISIANA

**SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2022**

Section II Financial Statement Findings

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

Contact Person: Jessica Morris, Interim Mayor

Anticipated Completion Date: June 30, 2023

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

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

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

Cause of Condition: No reconciliation procedure established.

Potential effect on condition: A material internal control weakness.

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

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

Contact Person: Jessica Morris, Interim Mayor

Anticipated Completion Date: June 30, 2023

Section III Federal Awards Findings and Questioned Costs

Not applicable.

TOWN OF CLARKS, LOUISIANA

MANAGEMENT LETTER COMMENTS

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

CURRENT YEAR MANAGEMENT LETTER COMMENTS

No items identified.

TOWN OF CLARKS, LOUISIANA

MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

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

The management of the Town of Clarks, Louisiana, has provided the following action summaries relating to review findings brought to their attention as a result of their financial compilation for the year ended June 30, 2021.

PRIOR YEAR FINDINGS

No Prior Year Findings.