

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

**AS OF AND FOR THE YEAR
ENDED JUNE 30, 2023**

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Board of Aldermen and
The Honorable Robert Amacker, Jr., Mayor
Town of Lake Providence
Lake Providence, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund, of the Town of Lake Providence (the Town), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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, and each major fund, of the Town, as of June 30, 2023, and the respective changes in financial position, 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*. 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 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's 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 and *Government 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 and *Government 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'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's 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information (pages 31-32) be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Management has omitted Management's Discussion and Analysis; the Schedule of Employer's Proportionate Share of Net Pension Liability; and the Schedule of Contributions that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary 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; the Schedule of Compensation to Town Council; and the Justice Funding Schedule – Collecting/Disbursing Entity, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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; the Schedule of Compensation to Town Council; and the Justice Funding Schedule – Collecting/Disbursing Entity 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 March 22, 2024, on our consideration of the Town'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'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's internal control over financial reporting and compliance.

BOSCH & STATHAM, LLC

Bosch & Statham, LLC

Ruston, Louisiana

March 22, 2024

BASIC FINANCIAL STATEMENTS

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**STATEMENT OF NET POSITION
AS OF JUNE 30, 2023**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,036,675	\$ 854,608	\$ 1,891,283
Cash and cash equivalents - restricted	74,832	24,600	99,432
Receivables, net of allowance for uncollectibles	77,628	198,068	275,696
Internal balances	28,430	(28,430)	-
Capital assets, net of accumulated depreciation	3,614,511	5,155,612	8,770,123
TOTAL ASSETS	4,832,076	6,204,458	11,036,534
DEFERRED OUTFLOWS			
Pension related	31,377	23,791	55,168
LIABILITIES			
Current liabilities:			
Accounts, salaries and other payables	153,476	57,720	211,196
Deposits due others	300	159,454	159,754
Noncurrent liabilities:			
Compensated absences	10,760	5,828	16,588
Due within one year	132,344	121,885	254,229
Due in more than one year	309,694	2,385,434	2,695,128
Net pension liability	141,119	106,998	248,117
TOTAL LIABILITIES	747,693	2,837,319	3,585,012
DEFERRED INFLOWS			
Pension related	7,443	5,643	13,086
NET POSITION			
Net investment in capital assets	3,322,397	2,814,176	6,136,573
Restricted net position	548,658	604,856	1,153,514
Unrestricted net position	237,262	(33,745)	203,517
TOTAL NET POSITION	\$ 4,108,317	\$ 3,385,287	\$ 7,493,604

The accompanying notes are an integral part of these financial statements.

TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS		TOTAL
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
Governmental activities:							
General government	\$ 485,319	\$ 123,573	\$ 192,001	\$ 19,958	\$ (149,787)		\$ (149,787)
Public safety	510,859	85,714	66,117	-	(359,028)		(359,028)
Highways and streets	450,214	-	35,371	14,958	(399,885)		(399,885)
Sanitation	-	-	-	119,147	119,147		119,147
Utilities	279,124	-	198,813	91,272	10,961		10,961
Cemeteries	5,482	1,491	-	-	(3,991)		(3,991)
Health and welfare	64	-	23,405	-	23,341		23,341
Culture and recreation	57,468	-	-	-	(57,468)		(57,468)
Interest expense	20,597	-	-	-	(20,597)		(20,597)
Total governmental activities	<u>1,809,127</u>	<u>210,778</u>	<u>515,707</u>	<u>245,335</u>	<u>(837,307)</u>		<u>(837,307)</u>
Business-type activities:							
General government	273,964	1,275	-	-		(272,689)	(272,689)
Highways and streets	-	63,213	-	-		63,213	63,213
Sanitation	809,162	534,278	-	-		(274,884)	(274,884)
Utilities	572,585	613,371	8,800	5,200		54,786	54,786
Interest expense on water debt	107,566	-	-	-		(107,566)	(107,566)
Total business-type activities	<u>1,763,277</u>	<u>1,212,137</u>	<u>8,800</u>	<u>5,200</u>		<u>(537,140)</u>	<u>(537,140)</u>
Total primary government	<u>\$ 3,572,404</u>	<u>\$ 1,422,915</u>	<u>\$ 524,507</u>	<u>\$ 250,535</u>	<u>(837,307)</u>	<u>(537,140)</u>	<u>(1,374,447)</u>
General revenues:							
Property taxes					248,422	-	248,422
Sales and use taxes					327,329	327,445	654,774
Other taxes, penalties and interest					116,428	-	116,428
Unrestricted investment earnings					3,445	12,663	16,108
Other					136,625	244,799	381,424
Transfers					(46,000)	46,000	-
Total general revenues and transfers					<u>786,249</u>	<u>630,907</u>	<u>1,417,156</u>
Change in net position					(51,058)	93,767	42,709
Net position at beginning of year, restated					4,159,378	3,291,520	7,450,898
Net position at end of year					<u>\$ 4,108,317</u>	<u>\$ 3,385,287</u>	<u>\$ 7,493,604</u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2023**

ASSETS	General	American Rescue Plan	Capital Project	Total Governmental Funds
Cash and cash equivalents	\$ 835,992	\$ 177,364	\$ 23,319	\$ 1,036,675
Cash and cash equivalents - restricted	74,832	-	-	74,832
Receivables	77,628	-	-	77,628
Due from other funds	28,430	-	-	28,430
TOTAL ASSETS	<u>\$ 1,016,882</u>	<u>\$ 177,364</u>	<u>\$ 23,319</u>	<u>\$ 1,217,565</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts, salaries, and other current payables	\$ 151,502	\$ -	\$ 1,974	\$ 153,476
Deposits	300	-	-	300
Total liabilities	<u>151,802</u>	<u>-</u>	<u>1,974</u>	<u>153,776</u>
Fund balances:				
Restricted	548,658	-	-	548,658
Assigned	-	-	21,345	21,345
Unassigned	316,422	177,364	-	493,786
Total fund balances	<u>865,080</u>	<u>177,364</u>	<u>21,345</u>	<u>1,063,789</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 1,016,882</u>	<u>\$ 177,364</u>	<u>\$ 23,319</u>	<u>\$ 1,217,565</u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2023**

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

Total fund balances	\$ 1,063,789
Capital assets used in governmental activities are not financial resources and, therefore, are deferred in the funds.	3,614,511
Deferred outflows - pension related	31,377
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
General obligations payable	(442,038)
Compensated absences payable	(10,760)
Net pension liability	(141,119)
Deferred inflows - pension related	<u>(7,443)</u>
Net position of governmental activities	<u>\$ 4,108,317</u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023**

	General	American Rescue Plan	Capital Project	Total Governmental Funds
Revenues:				
Taxes:				
Ad valorem	\$ 248,422	\$ -	\$ -	\$ 248,422
Sales and use	327,329	-	-	327,329
Other taxes				
Franchise taxes	116,428	-	-	116,428
Licenses and permits	110,810	-	-	110,810
Intergovernmental funds:				
Federal government grants	105	635,145	-	635,250
State government grants	78,026	-	-	78,026
State government shared revenue	24,361	-	-	24,361
State government payments in lieu	23,405	-	-	23,405
Charges for services	1,797	-	-	1,797
Fines and forfeitures	85,514	-	-	85,514
Investment earnings	2,607	838	-	3,445
Rents and royalties	12,657	-	-	12,657
Other revenues	53,427	-	-	53,427
Total revenues	<u>1,084,888</u>	<u>635,983</u>	<u>-</u>	<u>1,720,871</u>
Expenditures:				
Current:				
General government	396,379	2,555	6,706	405,640
Public safety	503,288	-	-	503,288
Highways and streets	281,436	35,371	-	316,807
Utilities	-	279,124	-	279,124
Cemeteries	5,482	-	-	5,482
Health and welfare	64	-	-	64
Culture and recreation	38,536	-	-	38,536
Debt service	85,331	-	-	85,331
Capital outlay	34,915	-	-	34,915
Total expenditures	<u>1,345,431</u>	<u>317,050</u>	<u>6,706</u>	<u>1,669,187</u>
Excess (deficiency) of revenues over expenditures	<u>(260,543)</u>	<u>318,933</u>	<u>(6,706)</u>	<u>51,684</u>
Other sources (uses):				
Operating transfers in	375,000	-	-	375,000
Operating transfers out	-	(421,000)	-	(421,000)
Total other sources (uses)	<u>375,000</u>	<u>(421,000)</u>	<u>-</u>	<u>(46,000)</u>
Net change in fund balances	114,457	(102,067)	(6,706)	5,684
Fund balances at beginning of year, restated	750,624	279,432	28,052	1,058,108
Fund balances at end of year	<u>\$ 865,080</u>	<u>\$ 177,364</u>	<u>\$ 21,345</u>	<u>\$ 1,063,789</u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS' STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Amounts reported for governmental activities

in the statement of net position are different because:

Net change in fund balances - total governmental funds **\$ 5,684**

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. This is the amount by which depreciation expense exceeded capital outlays in the current period.

Capital outlay	34,915
Depreciation expense	(185,701)

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 position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when 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.

Payments on long-term debt	64,734
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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.

Change in compensated absences payable	(3,829)
Change in net pension liability and deferred inflows and outflows	(50,059)
Town's share of nonemployer contributions to the retirement systems	83,198

Change in net position of governmental activities	<u>\$ (51,058)</u>
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The accompanying notes are an integral part of these financial statements.

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**PROPRIETARY FUND - ENTERPRISE FUND - UTILITY FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023**

ASSETS

Current assets:	
Cash and cash equivalents - unrestricted	\$ 854,608
Cash and cash equivalents - restricted	24,600
Receivables	198,068
Total current assets	<u>1,077,276</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>5,155,612</u>
TOTAL ASSETS	<u><u>6,232,888</u></u>

DEFERRED OUTFLOWS

Deferred outflows - pension related	<u>23,791</u>
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LIABILITIES

Current liabilities:	
Accounts, salaries, and other current payables	57,720
Due to other funds	28,430
Deposits	159,454
Total current liabilities	<u>245,604</u>
Noncurrent liabilities:	
Compensated absences payable	5,828
Noncurrent liabilities - due within one year	121,885
Noncurrent liabilities - due in more than one year	2,385,434
Net pension obligation	106,998
Total noncurrent liabilities	<u>2,620,145</u>
TOTAL LIABILITIES	<u><u>2,865,749</u></u>

DEFERRED INFLOWS

Deferred inflows - pension related	<u>5,643</u>
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NET POSITION

Net investment in capital assets	2,814,176
Restricted net position	604,856
Unrestricted net position	(33,745)
TOTAL NET POSITION	<u><u>\$ 3,385,287</u></u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**PROPRIETARY FUND - ENTERPRISE FUND - UTILITY FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

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Operating revenues:	
Charges for services:	
General government	\$ 1,275
Highways & streets	63,213
Sanitation	534,278
Utilities	613,371
Other revenues	244,799
Total operating revenues	<u>1,456,936</u>
Operating expenses:	
General government:	
Personal services	93,123
Operating services	103,935
Materials and supplies	5,255
Travel and other charges	71,651
Sanitation:	
Personal services	131,159
Operating services	531,409
Materials and supplies	32,378
Travel and other charges	58
Depreciation	114,158
Utilities - water:	
Personal services	85,476
Operating services	179,380
Materials and supplies	114,928
Travel and other charges	(245)
Depreciation	193,046
Total operating expenses	<u>1,655,711</u>
Operating income (loss)	<u>(198,775)</u>
Nonoperating revenues (expenses):	
Taxes:	
Sales and use	327,445
Intergovernmental revenues:	
State government grants	14,000
Investment earnings	12,663
Interest expense	<u>(107,566)</u>
Total nonoperating revenue (expenses)	<u>246,542</u>
Income (loss) before transfers	<u>47,767</u>
Interfund transfers in	96,000
Interfund transfers out	<u>(50,000)</u>
Total transfers	<u>46,000</u>
Change in net position	93,767
Net position at beginning of year, restated	<u>3,291,520</u>
Net position at end of year	<u><u>\$ 3,385,287</u></u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**PROPRIETARY FUND - ENTERPRISE FUND - UTILITY FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

Cash flows from operating activities:	
Receipts from customers and users	\$ 1,241,167
Payments to suppliers	(1,044,016)
Payments to employees	(256,445)
Other receipts	45,678
Net cash provided by operating activities	<u>(13,616)</u>
Cash flows from noncapital financing activities:	
Transfer from other funds	96,000
Transfer to other funds	(50,000)
Receipts from sales taxes	328,096
Subsidy from grants	8,800
Net cash provided by noncapital and related financing activities	<u>382,896</u>
Cash flows from capital and related financing activities:	
Subsidy from grants	5,200
Purchases of capital assets	(101,200)
Principal paid on capital debt	(109,869)
Interest paid on capital debt	(107,566)
Net cash used by capital and related financing activities	<u>(313,435)</u>
Cash flows from investing activities:	
Interest received	12,663
Net cash provided by investing activities	<u>12,663</u>
Net increase (decrease) in cash and cash equivalents	68,508
Cash and cash equivalents, beginning of year (including amounts in restricted accounts)	810,700
Cash and cash equivalents, end of year (including amounts in restricted accounts)	<u>\$ 879,208</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating income (loss)	<u>\$ (198,775)</u>
Adjustments to reconcile operating loss to cash provided by operating activities:	
Depreciation expense	307,204
Pension related income and expense	(212,737)
(Increase) decrease in accounts receivable	3,792
Increase (decrease) in accounts payable	59,546
Increase (decrease) in payroll related liabilities	(6,073)
Increase (decrease) in due to other funds	26,236
Increase (decrease) in compensated absences payable	5,828
Increase (decrease) in customer deposits	1,363
Total adjustments	<u>185,159</u>
Net cash provided by operating activities	<u>\$ (13,616)</u>
Noncash investing, capital, and financing activities:	
None	

The accompanying notes are an integral part of these financial statements.

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023.

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:

- 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.
- The entity is fiscally dependent on the Town.
- 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.

Basis of Presentation

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
LAKE PROVIDENCE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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.

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.
- 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.

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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 notes to the basic financial statements.

The major governmental funds of the Town are the General Fund, the American Rescue Plan 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 American Rescue Plan Fund accounts for funds received under the federal American Rescue Plan Act.

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
LAKE PROVIDENCE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position, Equity, or Net Fund Balances

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, 2023, taxes of 18.38 mills were levied on property with assessed valuations totaling \$13,401,473, as follows:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General	11.50	12.17	Indefinite
Fire	3.26	3.45	2027
Police	2.61	2.76	2027

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

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Ad Valorem Tax Revenue for Municipality</u>
Delta Bank	\$ 1,274,982	10%	\$ 23,434
Lansing Louisiana, LLC	1,017,156	8%	18,695
Entergy Louisiana, Inc.	1,589,430	12%	12,336
Nutrien AG Solutions, Inc.	1,588,259	12%	9,484
Atmos Energy Corporation	499,690	4%	7,188
Capital One, N.A.	371,697	3%	6,832
Lakeshore Family Homes, LP	302,804	2%	5,566
Jongs, Inc.	239,495	2%	4,402
Bell South Telecommunications	221,860	2%	1,418
Carroll Oil, Inc.	74,255	1%	1,365
Totals	<u>\$ 7,179,628</u>	<u>56%</u>	<u>\$ 90,720</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
LAKE PROVIDENCE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position, Equity, or Net Fund Balances (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, dams, 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.

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.

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position, Equity, or Net Fund Balances (Continued)

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 or 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 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.

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Classifications and Net Position (Continued)

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 resources 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.

Budgets

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

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.

Public hearings are conducted to obtain taxpayer comment.

During the month of June, the budget is legally enacted through passage of an ordinance.

Formal budgetary integration is employed as a management control device during the year for the General Fund.

Budgets are adopted on the modified accrual basis.

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets (Continued)

Appropriations lapse at the end of each fiscal year.

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

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.

At June 30, 2023, the Town has cash and cash equivalents (book balances) totaling \$1,990,715 as follows:

Cash and cash equivalents:	
Demand deposits	\$ 1,243,572
Time deposits	647,288
Other	423
Total	<u>1,891,283</u>
Cash and cash equivalents – restricted:	
Demand deposits	<u>99,432</u>
Total	<u><u>\$ 1,990,715</u></u>

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.

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 2 - CASH AND CASH EQUIVALENTS (CONTINUED)

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, 2023, \$1,106,840 of the Town's bank balances of \$2,006,667 was exposed to custodial credit risk as follows:

Insured by FDIC	<u>\$ 899,827</u>
Uninsured and uncollateralized	-
Collateralized by pledged securities not in the Town's name	<u>1,106,840</u>
Total balances exposed to custodial credit risk	<u>1,106,840</u>
Total bank balances	<u><u>\$ 2,006,667</u></u>

NOTE 3 – RECEIVABLES

The following is a summary of receivables at June 30, 2023:

	<u>General</u>	<u>Utility</u>	<u>Total</u>
Receivables:			
Taxes	\$ 45,365	\$ 25,238	\$ 70,603
Intergovernmental	29,915	-	29,915
Accounts and other	<u>2,348</u>	<u>172,830</u>	<u>175,178</u>
Net total receivables	<u><u>\$ 77,628</u></u>	<u><u>\$198,068</u></u>	<u><u>\$ 275,696</u></u>

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**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 4 – CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2023, follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 218,340	\$ -	\$ -	\$ 218,340
Total capital assets not being depreciated	<u>218,340</u>	<u>-</u>	<u>-</u>	<u>218,340</u>
Capital assets being depreciated:				
Buildings	778,257	-	-	778,257
Building improvements	908,569	-	-	908,569
Infrastructure	5,248,713	-	-	5,248,713
Furniture and equipment	354,321	29,915	-	384,236
Vehicles	728,420	5,000	-	733,420
Total capital assets being depreciated	<u>8,018,280</u>	<u>34,915</u>	<u>-</u>	<u>8,053,195</u>
Less accumulated depreciation for:				
Buildings	358,474	18,345	-	376,819
Building improvements	477,607	35,855	-	513,462
Infrastructure	2,558,799	125,452	-	2,684,251
Furniture and equipment	349,856	3,383	-	353,239
Vehicles	726,587	2,666	-	729,253
Total accumulated depreciation	<u>4,471,323</u>	<u>185,701</u>	<u>-</u>	<u>4,657,024</u>
Total capital assets being depreciated	<u>3,546,957</u>	<u>(150,786)</u>	<u>-</u>	<u>3,396,171</u>
Governmental activities, capital assets, net	<u>\$ 3,765,297</u>	<u>\$ (150,786)</u>	<u>\$ -</u>	<u>\$ 3,614,511</u>

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**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 4 – CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 61,545	\$ -	\$ -	\$ 61,545
Total capital assets not being depreciated	<u>61,545</u>	<u>-</u>	<u>-</u>	<u>61,545</u>
Capital assets being depreciated:				
Buildings	148,905	-	-	148,905
Building improvements	23,689	96,000	-	119,689
Infrastructure	11,511,685	-	-	11,511,685
Furniture and equipment	309,008	-	-	309,008
Vehicles	360,293	5,200	-	365,493
Total capital assets being depreciated	<u>12,353,580</u>	<u>101,200</u>	<u>-</u>	<u>12,454,780</u>
Less accumulated depreciation for:				
Buildings	92,692	2,794	-	95,486
Building improvements	23,689	-	-	23,689
Infrastructure	6,278,791	300,618	-	6,579,409
Furniture and equipment	298,044	2,925	-	300,969
Vehicles	360,293	867	-	361,160
Total accumulated depreciation	<u>7,053,509</u>	<u>307,204</u>	<u>-</u>	<u>7,360,713</u>
Total capital assets being depreciated	<u>5,300,071</u>	<u>(206,004)</u>	<u>-</u>	<u>5,094,067</u>
Business-type activities - total, capital assets, net	<u>\$ 5,361,616</u>	<u>\$ (206,004)</u>	<u>\$ -</u>	<u>\$ 5,155,612</u>

Depreciation expense was charged as follows:

Governmental activities:

General government	\$ 29,300
Public safety	5,019
Highways and streets	132,450
Culture and recreation	18,932
Total	<u>\$ 185,701</u>

Business-type activities:

Sanitation	\$ 114,158
Utility	193,046
Total	<u>\$ 307,204</u>

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 5 – INTERFUND BALANCES AND TRANSFERS

Interfund balances and transfers during the year ended June 30, 2023, were as follows:

		Due To		
		General		
Due From	Utility	\$ 28,430		
Total		\$ 28,430		

		Transfers out		
		American		Total
		Rescue Plan	Utility	
Transfers in	General	\$ 325,000	\$ 50,000	\$ 375,000
	Utility	96,000	-	96,000
Total		\$ 421,000	\$ 50,000	\$ 471,000

Balances are due to electronic transfers from grantors, bills paid by other funds, or errors. Transfers are used to move unrestricted revenues 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 projects. In addition, transfers included amounts transferred for reserve fund requirements for revenue bonds.

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**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 6 – LONG-TERM OBLIGATIONS

Bonds payable at June 30, 2023, are comprised of the following:

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 23, 2009, through October 23, 2049; interest payable at a rate of 4.25%. The General Fund services this debt. \$ 292,114

USDA Utility Revenue Bond: \$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%. The Utility Enterprise Fund services this debt. \$2,341,436

The annual requirements to amortize all certificated of indebtedness outstanding at June 30, 2023, are as follows:

Year Ended June 30,	Governmental Activities				Business-type Activities			
	Community Center - Public Improvement Bonds, Series 2008		Capital Lease(s)		Utility Revenue Bonds, Series 2003		Capital Lease(s)	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 6,193	\$ 12,296	\$ 106,151	\$ 1,362	\$ 74,742	\$ 98,082	\$ 47,143	\$ 4,838
2025	6,461	12,027	-	-	77,980	94,843	118,739	332
2026	6,741	11,747	-	-	81,360	91,464	-	-
2027	7,033	11,455	-	-	84,886	87,938	-	-
2028	7,338	11,150	-	-	88,564	84,259	-	-
2029-2033	41,745	50,697	-	-	503,835	360,285	-	-
2034-2038	51,609	40,833	-	-	622,891	241,229	-	-
2039-2043	63,805	28,637	-	-	807,178	90,488	-	-
2044-2048	78,882	13,560	-	-	-	-	-	-
2049	22,307	634	-	-	-	-	-	-
Total	<u>\$ 292,114</u>	<u>\$ 193,037</u>	<u>\$ 106,151</u>	<u>\$ 1,362</u>	<u>\$2,341,436</u>	<u>\$1,148,588</u>	<u>\$ 165,883</u>	<u>\$ 5,169</u>

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 6 – LONG-TERM OBLIGATIONS (CONTINUED)

Long-term obligation activity for the year ended June 30, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Public Improvements Bonds, Series 2008	\$ 298,049	\$ -	\$ (5,935)	\$ 292,114	\$ 6,193
Capital lease(s)	208,723	-	(58,799)	149,924	126,151
Compensated absences	6,931	3,829	-	10,760	-
Net Pension Liability - MERS	93,353	47,766	-	141,119	-
Governmental activity long-term liabilities	<u>\$ 607,056</u>	<u>\$ 51,595</u>	<u>\$ (64,734)</u>	<u>\$ 593,917</u>	<u>\$ 132,344</u>
Business-type activities:					
Utility Revenue Bonds, Series 2003	\$2,405,713	\$ -	\$ (64,277)	\$2,341,436	\$ 74,742
Capital lease(s)	211,475	-	(45,592)	165,883	47,143
Compensated absences	2,342	3,486	-	5,828	-
Net Pension Liability - MERS	62,235	44,763	-	106,998	-
Business-type activity long-term liabilities	<u>\$2,681,765</u>	<u>\$ 48,249</u>	<u>\$(109,869)</u>	<u>\$2,620,145</u>	<u>\$ 121,885</u>

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**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 7 – RETIREMENT SYSTEMS

Municipal Employees' Retirement System of Louisiana (System)

Plan Description

The Town of Lake Providence contributes to the Municipal Employees' Retirement System of Louisiana (System) which is a cost sharing multiple employer 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:

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.

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.

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 7 – RETIREMENT SYSTEMS (CONTINUED)

Municipal Employees' Retirement System of Louisiana (System) (Continued)

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2023, the actual employer contribution rate was 15.50% 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, 2023, were \$60,298.

NOTE 8 – ON-BEHALF PAYMENTS

Certain employees in the Town's police department 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 \$41,756. The related expenditures of \$41,756 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.

At June 30, 2023, the Town was involved in litigation. However, based on consultation with legal counsel, management estimates there to be no losses.

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.

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 11 – STEWARDSHIP

For the year ended June 30, 2023, the following funds’ total expenditures and other uses exceeded final budgeted amounts:

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
American Rescue Plan	\$ -	\$ -	\$ 738,050	\$ (738,050)

NOTE 12 – NEW ACCOUNTING STANDARDS

GASB Statement No. 99, *Omnibus 2022*. The requirements of this Statement are effective as follows: The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62* was issued June 2022. The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 101, *Compensated Absences* was issued June 2022. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 13 – PRIOR PERIOD ADJUSTMENT

The current administration took office in January 2023. Management discovered that bookkeeping and bank reconciliations were behind. Additionally, the audit for the fiscal year ended June 30, 2022, which was due December 31, 2022, had not been completed. When the audit was issued, it included a disclaimer of opinion. During the process of updating the books and reconciling bank accounts, management identified several posting errors that affected beginning fund balance. The adjustments affected the beginning fund balance in all funds and beginning net position for both governmental activities and business-type activities in the government-wide financial statements.

Government-wide Financial Statements

The following provides a summary of the change in beginning net position as of June 30, 2022, in the government-wide financial statements:

	Beginning Balance, as <u>Previously Stated</u>	Prior Period <u>Adjustment</u>	Beginning Balance, as <u>Restated</u>
Governmental Activities	\$ 4,281,512	\$ (122,134)	\$ 4,159,378
Business-Type Activities	\$ 3,745,202	\$ (453,682)	\$ 3,291,520

Fund Financial Statements

The following provides a summary of the change in beginning fund balance as of June 30, 2022, in the fund financial statements:

	Beginning Balance, as <u>Previously Stated</u>	Prior Period <u>Adjustment</u>	Beginning Balance, as <u>Restated</u>
General Fund	\$ 969,613	\$ (218,989)	\$ 750,624
American Rescue Plan Act	\$ -	\$ 279,432	\$ 279,432
Capital Projects	\$ 2,875	\$ 25,177	\$ 28,052
Utility Fund	\$ 3,745,202	\$ (453,682)	\$ 3,291,520

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
Revenues:				
Taxes:				
Ad valorem	\$ 228,629	\$ 247,366	\$ 248,422	\$ 1,056
Sales and use	350,000	355,000	327,329	(27,671)
Other taxes				
Franchise taxes	77,299	113,100	116,428	3,328
Licenses and permits	11,850	81,660	110,810	29,150
Intergovernmental funds:				
Federal government grants	250,000	325,000	325,105	105
State government grants	117,181	68,855	78,026	9,171
State government shared revenue	11,200	24,500	24,361	(139)
State government payments in lieu	21,200	48,900	23,405	(25,495)
Charges for services	7,150	1,800	1,797	(3)
Fines and forfeitures	141,000	86,500	85,514	(986)
Investment earnings	300	1,800	2,607	807
Rents and royalties	14,407	12,457	12,657	200
Other revenues	38,314	31,975	53,427	21,452
Total revenues	1,272,030	1,398,913	1,409,888	10,975
Expenditures:				
Current:				
General government:	324,643	437,531	396,379	(41,152)
Public safety	532,735	503,040	503,288	248
Highways and streets	239,500	277,240	281,436	4,196
Cemeteries	7,850	2,350	5,482	3,132
Health and welfare	2,000	100	64	(36)
Culture and recreation	24,302	38,385	38,536	151
Debt service	96,300	96,650	85,331	(11,319)
Capital outlay	600	1,910	34,915	33,005
Total expenditures	1,227,930	1,357,206	1,345,431	(11,775)
Excess (deficiency) of revenues over expenditures	44,100	41,707	64,457	22,750
Other sources (uses):				
Operating transfers in	50,000	50,000	50,000	-
Proceeds from the sale of assets	1,375	-	-	-
Total other sources (uses)	51,375	50,000	50,000	-
Net change in fund balances	95,475	91,707	114,457	22,750
Fund balances at beginning of year	969,613	969,613	750,624	(218,989)
Fund balances at end of year	\$ 1,065,088	\$ 1,061,320	\$ 865,080	\$ (196,239)

Revenues per budget statement above	\$ 1,409,888
Less grant funds transferred in from the American Rescue Plan Fund	(325,000)
Revenues per Statement of Revenues, Expenditures, and Changes in Fund Balance	<u>\$ 1,084,888</u>

Transfers in per budget statement above	\$ 50,000
Plus grant funds transferred in from the American Rescue Plan Fund	325,000
Transfers in per Statement of Revenues, Expenditures, and Changes in Fund Balance	<u>\$ 375,000</u>

Note: This schedule is prepared on the modified accrual basis.

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**SPECIAL REVENUE FUND – AMERICAN RESCUE PLAN ACT
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
Revenues:				
Federal government grants	\$ -	\$ -	\$ 635,145	\$ 635,145
Investment earnings	-	-	838	838
Total revenues	<u>-</u>	<u>-</u>	<u>635,983</u>	<u>635,983</u>
Expenditures:				
Current:				
General government:	-	-	2,555	2,555
Highways and streets	-	-	35,371	35,371
Utilities	-	-	279,124	279,124
Total expenditures	<u>-</u>	<u>-</u>	<u>317,050</u>	<u>317,050</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>318,933</u>	<u>318,933</u>
Other sources (uses):				
Operating transfers out	<u>-</u>	<u>-</u>	<u>(421,000)</u>	<u>(421,000)</u>
Net change in fund balances	-	-	(102,067)	(102,067)
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>279,432</u>	<u>279,432</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 177,364</u>	<u>\$ 177,365</u>

Note: This schedule is prepared on the modified accrual basis.

OTHER SUPPLEMENTARY SCHEDULES

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS, REIMBURSEMENTS
AND OTHER PAYMENTS TO OR ON BEHALF OF AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2023**

Jerry Bell, Mayor		
Salary		\$ 24,331
Benefits:		
Retirement		3,488
Misc.		981
		<u>\$ 28,799</u>

Robert Amacker, Mayor		
Salary		\$ 22,805
Benefits:		
Retirement		3,535
		<u>\$ 26,340</u>

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**SCHEDULE OF COMPENSATION TO TOWN COUNCIL
FOR THE YEAR ENDED JUNE 30, 2023**

Catherine Middlebrook	\$ 4,800
Donald "Donnie" Meadows	5,815
Jason Condrey	9,969
Karl Magee, Mayor Pro Tem	10,569
Patricia Roberson	9,969
Sucletter Brown "Crye"	9,969
Total	\$ 51,093

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**SCHEDULE OF ALDERMEN
FOR THE YEAR ENDED JUNE 30, 2023**

<u>Name</u>	<u>Address</u>	<u>Phone</u>
Catherine Middlebrook	1102 Lake Street, Lake Providence, LA 71254	206-257-8566
Donald "Donnie" Meadows	1604 Lake Street, Lake Providence, LA 71254	318-282-8847
Jason Condrey	468 N. Hood Street, Lake Providence, LA 71254	318-282-8976
Karl Magee, Mayor Pro Tem	423 Schneider Lane, Lake Providence, LA 71254	318-282-1373
Patricia Roberson	1212 Davis Street, Lake Providence, LA 71254	318-282-7589
Sucletter Brown "Crye"	1607 First Street, Lake Providence, LA 71254	318-418-3403

**Town of Lake Providence
 Justice System Funding Schedule - Collecting/Disbursing Entity
 As Required by Act 87 of the 2020 Regular Legislative Session
 FYE 6/30/2023**

	First Six Month Period Ended 12/31/2022	Second Six Month Period Ended 6/30/2023
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	-	-
Add: Collections		
Criminal Fines - Other	48,853	36,662
Subtotal Collections	48,853	36,662
Less: Disbursements To Governments & Nonprofits: <i>(Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.)</i>		
<i>Town of Lake Providence, Criminal Fines - Other</i>	42,785	31,973
<i>DHH THSCI / CRIME VICTIMS FUND</i>	40	4
<i>Louisiana Supreme Court</i>	89	375
<i>Treasurer, State of Louisiana- CMIS</i>	121	95
<i>LA Commission on Law Enforcement</i>	18	575
<i>North Louisiana Criminalistics Laboratory Commission</i>	5,800	3,640
Subtotal Disbursements/Retainage	48,853	36,662
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	-	-

OTHER REPORTS

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*

To the Honorable Members of the Board of Aldermen and
The Honorable Robert Amacker, Jr., Mayor
Town of Lake Providence
Lake Providence, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, the business-type activities, and each major fund, of the Town of Lake Providence (the Town), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated March 22, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2023-001, 2023-002, and 2023-003, that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town'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 financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2023-002, 2023-003, 2023-004, and 2023-005.

The Town's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Town's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, it is issued by the Louisiana Legislative Auditor as a public document.

BOSCH & STATHAM, LLC

Bosch & Statham, LLC

Ruston, Louisiana

March 22, 2024

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2023**

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the Town of Lake Providence, Louisiana were prepared in accordance with GAAP.
2. Three material weaknesses are reported in the 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*.
3. Four instances of noncompliance material to the financial statements of the Town of Lake Providence, Louisiana, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

FINDINGS – FINANCIAL STATEMENTS AUDIT

2023-001 Inadequate Internal Control over Financial Reporting

Year First Reported

2020

Type

Material Weakness

Criteria

“Standards for Internal Control in the Federal Government (the “Green Book”), sets the standards for an effective internal control system for federal agencies and provides the overall framework for designing, implementing, and operating an effective internal control system.

An entity uses the Green Book to help achieve its objectives related to operations, reporting, and compliance.”

The Green Book is also generally accepted as the standard for local government.

“OV2.04 The five components represent the highest level of the hierarchy of standards for internal control in the federal government. The five components of internal control must be effectively designed, implemented, and operating, and operating together in an integrated manner, for an internal control system to be effective. The five components of internal control are as follows:

- Control Environment - The foundation for an internal control system. It provides the discipline and structure to help an entity achieve its objectives.
- Risk Assessment - Assesses the risks facing the entity as it seeks to achieve its objectives. This assessment provides the basis for developing appropriate risk responses.
- Control Activities - The actions management establishes through policies and procedures to achieve objectives and respond to risks in the internal control system, which includes the entity's information system.
- Information and Communication - The quality information management and personnel communicate and use to support the internal control system.
- Monitoring - Activities management establishes and operates to assess the quality of performance over time and promptly resolve the findings of audits and other reviews.

OV2.05 The 17 principles support the effective design, implementation, and operation of the associated components and represent requirements necessary to establish an effective internal control system.”

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2023**

Figure 3: The Five Components and 17 Principles of Internal Control

Control Environment

1. The oversight body and management should demonstrate a commitment to integrity and ethical values.
2. The oversight body should oversee the entity's internal control system.
3. Management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives.
4. Management should demonstrate a commitment to recruit, develop, and retain competent individuals.
5. Management should evaluate performance and hold individuals accountable for their internal control responsibilities.

Risk Assessment

6. Management should define objectives clearly to enable the identification of risks and define risk tolerances.
7. Management should identify, analyze, and respond to risks related to achieving the defined objectives.
8. Management should consider the potential for fraud when identifying, analyzing, and responding to risks.
9. Management should identify, analyze, and respond to significant changes that could impact the internal control system.

Control Activities

10. Management should design control activities to achieve objectives and respond to risks.
11. Management should design the entity's information system and related control activities to achieve objectives and respond to risks.
12. Management should implement control activities through policies.

Information and Communication

13. Management should use quality information to achieve the entity's objectives.
14. Management should internally communicate the necessary quality information to achieve the entity's objectives.
15. Management should externally communicate the necessary quality information to achieve the entity's objectives.

Monitoring

16. Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.
17. Management should remediate identified internal control deficiencies on a timely basis.

Source: GAO. | GAO-14-704G

Condition

During the fiscal year beginning July 1, 2022, and ending June 30, 2023, two administrations were in control for each half. The current administration took office in January 2023. Upon entering office, management identified many deficiencies, including, but not limited to the following:

1. There was an improper segregation of duties. The former Mayor was also the bookkeeper. The Town Clerk did not function as a Town Clerk under the Lawrason Act. Additionally, the Mayor appeared to initiate and authorize purchases of materials and services without anyone else's input or approval.
2. Minutes of meetings of the Board were not available for the first six months of the fiscal year, nor were they published.
3. Financial reports were not provided to the Board.
4. Financial records are in disarray. Many documents could not be located.
5. There were multiple notices for unpaid bills and payroll taxes and for failure to properly file payroll tax returns.
6. Multiple bank accounts had not been reconciled for more than a year.
7. The audit for fiscal year ended June 30, 2022, had not been submitted though it was due to the Louisiana Legislative Auditor by December 31, 2022.
8. When the audit for the fiscal year 2022 was submitted, in early 2023, the auditor disclaimed an opinion.
9. It appeared that the former Mayor may have paid himself and other employees for accrued leave in violation of Town policy and, in some cases, via an accounts payable check instead of a payroll check and without withholding any payroll taxes.

Cause

The former Mayor did not follow written policies and procedures or common practices. The Board's attempts to compel him to do so were unsuccessful.

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2023**

Effect

We noted the following effects:

1. Town affairs could not have been properly managed without timely accurate financial statements.
2. Town funds may have been misappropriated due to the increased risk created by the lack of segregation of duties.
3. The Town may have violated state and/or federal laws.
4. The audited financial statements were not issued by the state audit law deadline.
5. The financial statements did not receive an unqualified opinion due to the errors in bookkeeping.
6. The Town incurred penalties and interest on payroll taxes due to late filing and payment.
7. Due to the failure to reconcile bank accounts, many transactions were not recorded, and many were duplicated.
8. The Town did not properly withhold and pay income taxes, Social Security, and Medicare, on supplemental pay received by its police officers and firefighters.
9. The audits for the 2022 and 2023 fiscal years took substantially more time to complete. It was necessary to request an extension for the 2023 audit. Since professionals bill based on the time spent on the engagement, the audits cost the Town more than they should have.
10. It was necessary to retain the services of another CPA firm to correct the above errors and conditions and bring the books up to date.

Recommendation

Current management immediately began correcting the deficiencies upon taking office. We recommend that management continually evaluate the internal control system to identify deficiencies and weaknesses and to take corrective action when feasible.

Management's Response

See Management's Corrective Action Plan.

2023-002 Failed to Properly File and Remit Payroll Taxes

Year First Reported

2022

Type

Material Weakness, Noncompliance

Criteria

Federal and state regulations regulate the withholding of employee taxes and the remitting of employee and employer portions of taxes. These regulations dictate the amount of the taxes, the process for collection and remittance, and the due dates for the returns and remittances.

Condition

Current management identified federal and state payroll tax returns that had not been filed timely or not at all. Additionally, management identified penalties and interest incurred for late filing and/or late payments.

Cause

The internal control system did not ensure that payroll tax returns and related payments were filed/paid in a timely manner. It appears that the former Mayor was attempting to function as bookkeeper as well. There was no oversight as there would have been in a properly functioning office with a Mayor supervising a Town Clerk.

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2023**

Effect

The Town issued a check to the IRS for \$18,305 dated September 18, 2023, for prior periods. In November 2023, the Town received an IRS statement indicating payment due for Forms 941 for periods from the third quarter of 2020 through the fourth quarter of 2022 totaling \$25,501.

Recommendation

The Town's contracted CPA firm has been working to identify liabilities, obtain waivers for amounts due, file delinquent payroll tax returns, and pay outstanding balances. We recommend that the plan of action continue.

Management's Response

See Management's Corrective Action Plan.

2023-003 Questionable Expenditures

Year First Reported

2023

Type

Material Weakness, Noncompliance

Criteria

Article VII, Section 14 of the Louisiana Constitution prohibits using Town funds for purposes that are not allowable, not obligations of the Town, or excessive considering the goods or services received.

The American Rescue Plan Act dictates how the funds may be used.

Condition

We question whether the following transactions were liabilities of the Town and/or were allowable under state and federal laws:

1. Three accounts payable checks totaling \$981 were issued to the former Mayor in September and October 2022. Current management was unable to locate supporting documents.
2. A payroll check including \$198 for accrued leave was issued to the former Mayor on December 29, 2022, against policy.
3. The former Town Clerk was paid \$170 for accrued vacation with an accounts payable check against policy on December 29, 2022.
4. Other employees received more than 80 hours for the pay period that included vacation pay. Per Town Policy, employees do not receive accrued vacation upon termination.
5. Two accounts payable checks totaling \$454 were issued to Milton Burks from the General Fund. Checks totaling \$60,817 and \$35,183, respectively, were issued from the American Rescue Plan Act Fund (ARPA) to Milton Burks and Central Fence Company. The fence was not built to the specifications designed by the engineer. The projects do not appear to have been approved by the board. For the fiscal year, \$96,000 was capitalized for the fence.
6. Several checks totaling more than \$25,000, were issued to individuals for cleaning up lots, repairing the community center, and working at the cemetery. These checks appear to have been issued by the Mayor alone without respect for policies.

Cause

See finding 2023-001.

Effect

The expenditures may not have been valid expenditures or allowable.

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2023**

Recommendation

We recommend that management consult legal counsel.

Management's Response

See Management's Corrective Action Plan.

2023-004 Minutes not Properly Recorded or Published

Year First Reported

2023

Type

Noncompliance

Criteria

The following are excerpts from the Louisiana Open Meetings Law (emphasis added):

“§14. Meetings of public bodies to be open to the public

A. Every meeting of any public body...

B. Each public body shall be prohibited from utilizing any manner of proxy voting procedure, secret balloting, or any other means to circumvent the intent of this Chapter.

C. All votes made by members of a public body shall be viva voce and **shall be recorded in the minutes, journal, or other official, written proceedings of the body, which shall be a public document.**”

“§20. Written minutes

A. All public bodies shall **keep written minutes of all of their open meetings.** The minutes to be kept by the legislature and legislative committees and subcommittees shall be governed by the provisions of R.S. 42:21. The minutes of all other public bodies **shall include** but need not be limited to:

(1) The date, time, and place of the meeting.

(2) The members of the public body recorded as either present or absent.

(3) The substance of all matters decided, and, at the request of any member, a record, by individual member, of any votes taken.

(4) Any other information that the public body requests be included or reflected in the minutes.

B.(1) **The minutes shall be public records** and shall be available within a reasonable time after the meeting, except where such disclosures would be inconsistent with R.S. 42:16, 17, and 18, or rules adopted under the provisions of R.S. 42:21.”

R.S. 43:143 states, “§143. Newspaper selected to be known as official journal; duties; The newspaper selected shall be known as the official journal of the parish, town, city or school board, and it shall publish all minutes, ordinances, resolutions, budgets and other official proceedings of the police jury, town or city councils, or the school board.”

Condition

When current management took office, they discovered that there were no minutes for July 2022, through December 2022, in the minute book. They requested publication records from the official journal and found that the minutes were also not published in the official journal.

Cause

See finding 2023-001.

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2023**

Effect

The Town appears to have violated the Open Meetings Law. The Town cannot utilize the minutes to document approval of important decisions such as budgets.

Penalty per R. S. 42§28:

“Any member of a public body who knowingly and wilfully participates in a meeting conducted in violation of this Chapter shall be subject to a civil penalty not to exceed five hundred dollars per violation. The member shall be personally liable for the payment of such penalty. A suit to collect such penalty must be instituted within sixty days of the violation.”

Penalty per R. S. 43§144.

“The official of any municipal corporation, police jury, or school board by law responsible for the preparing and recording of the official proceedings who, within twenty days from the date of any meeting at which the official proceedings were had, wilfully neglects or fails to furnish the official journal with a copy of the minutes, ordinances, resolutions, budgets, and proceedings for publication, shall be fined not less than twenty-five dollars nor more than five hundred dollars, or be imprisoned for not less than ten days nor more than six months, or both.”

Recommendation

Current management recorded, retained, and published minutes for the second half of the fiscal year. We recommend that management continue to comply with the law.

Management’s Response

See Management’s Corrective Action Plan.

2023-005 Debt Reserve Requirements Not Met

Year First Reported

2023

Type

Noncompliance

Criteria

The Town’s debt agreements require certain bank accounts to be established and funded.

Condition

The Town’s reserve accounts were underfunded by \$69,543 for the Public Improvement Bonds and by \$4,204 for the Utility Revenue Bonds at June 30, 2023.

Cause

See finding 2023-001.

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2023**

Effect

The Town has not complied with its debt agreements which subjects the Town to consequences provided for in the debt agreements.

Recommendation

We recommend that management design a plan to fully fund the accounts.

Management's Response

See Management's Corrective Action Plan.

**TOWN OF LAKE PROVIDENCE
LAKE PROVIDENCE, LOUISIANA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

PRIOR AUDIT FINDINGS – FINANCIAL STATEMENTS AUDIT

2022-001 Late Submission of Audit Report to LLA

The finding is resolved.

2022-002 Inadequate Controls over Financial Reporting

The finding is not resolved. See 2023-001.

2022-003 Inadequate Design of internal Controls over Financial Statement Preparation

The finding is resolved.

2022-004 Written Policies and Procedures Not Complete

The finding is resolved.

Town of Lake Providence

Robert N. Amacker, Jr.
Mayor

Lee Ann W. Clement
Certified Municipal Clerk

EXECUTIVE DEPARTMENT
201 SPARROW STREET
LAKE PROVIDENCE, LOUISIANA 71254
TELEPHONE: 318-559-2288
FAX: 318-559-3442

Aldermen:
Jason Condrey
Sucletter Brown-Crye
Patricia Foster Roberson
Karl Magee
Catherine Middlebrook
Attorney: Kenneth
"Andy" Brister, Jr.

March 22, 2024

Bosch & Statham, LLC
Post Office Box 2377
Ruston, Louisiana 71273-2377

In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUPs), for the fiscal period **July 1, 2022, through June 30, 2023**, we confirm, to the best of our knowledge and belief, the following representations made to you during your engagement.

1. We acknowledge that we are responsible for the C/C areas identified in the SAUPs, including written policies and procedures; board or finance committee; bank reconciliations; collections; non-payroll disbursements; credit/debit/fuel/purchasing cards; travel and travel-related expense reimbursement; contracts; payroll and personnel; ethics; debt service; and other areas (*should be customized by entity, as applicable*).

Yes No

2. For the fiscal period **July 1, 2022, through June 30, 2023**, the C/C areas were administered in accordance with the best practices criteria presented in the SAUPs.

Yes No

3. We are responsible for selecting the criteria and procedures and for determining that such criteria and procedures are appropriate for our purposes.

Yes No

4. We have provided you with access to all records that we believe are relevant to the C/C areas and the agreed-upon procedures.

Yes No

5. We have disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.

Yes No



6. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between **June 30, 2023**, and **March 22, 2024**.
- Yes No
7. We represent that the listing of bank accounts for the fiscal period that we provided to you is complete. We also represent that we have identified and disclosed to you our main operating account.
- Yes No
8. We represent that the listing of deposit sites for the fiscal period that we provided to you is complete.
- Yes No
9. We represent that the listing of collection locations for the fiscal period that we provided to you is complete.
- Yes No
10. We represent that the listing of locations that process payments for the fiscal period that we provided to you is complete.
- Yes No
11. We represent that the non-payroll disbursement transaction population for each location that processes payments for the fiscal period that we provided to you is complete.
- Yes No
12. We represent that the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards, that we provided to you is complete.
- Yes No
13. We represent that the listing of all travel and travel-related expense reimbursements during the fiscal period that we provided to you is complete.
- Yes No
14. We represent that the listing of all agreements/contracts (or active vendors) for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period that we provided to you is complete.

Yes No

15. We represent that the listing of employees/elected officials employed during the fiscal period that we provided to you is complete.

Yes No

16. We represent that the listing of employees/officials that received termination payments during the fiscal period that we provided to you is complete.

Yes No

17. We represent that the employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines during the fiscal period.

Yes No

18. We represent that the listing of bonds/notes issued during the fiscal period that we provided to you is complete.

Yes No

19. We represent that the listing of bonds/notes outstanding at the end of the fiscal period that we provided to you is complete.

Yes No

20. We represent that the listing of misappropriations of public funds and assets during the fiscal period that we provided to you is complete.

Yes No

21. We are not aware of any material misstatements in the C/C areas identified in the SAUPs.

Yes No

22. We have disclosed to you any matters we are aware of that are related to the matters listed above or to compliance with state laws.

Yes No

23. We have responded fully to all inquiries made by you during the engagement.

Yes No

24. We have disclosed to you all known events that have occurred subsequent to **June 30, 2023**, that would have a material effect on the C/C areas identified in the SAUPs, or would require adjustment to or modification of the results of the agreed-upon procedures.

Yes No

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

Signature Robert N. Amodeo

Title Mayor

Signature [Handwritten Signature]

Title Town Clerk

Independent Accountant's Report
on Applying Agreed-Upon Procedures

To the Town of Lake Providence
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by Town of Lake Providence (the Town) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022, through June 30, 2023. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and related exceptions obtained are described in the attachment to this report:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

We obtained and inspected the Town's policies and procedures.

- i) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

We noted no exceptions.

- ii) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

We noted no exceptions.

**TOWN OF LAKE PROVIDENCE
REPORT ON STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2023**

- iii) **Disbursements**, including processing, reviewing, and approving.

We noted no exceptions.

- iv) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

The policy did not include management's actions to determine the completeness of all collections.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

- v) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

We noted no exceptions.

- vi) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

The policy did not include element (2).

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

- vii) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

We noted no exceptions.

- viii) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

The policy did not include elements (1), (4), and (5).

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

- ix) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

The policy did not include any of the required elements.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

**TOWN OF LAKE PROVIDENCE
REPORT ON STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2023**

- x) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

We noted no such policy.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

- xi) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

We noted no such policy.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

- xii) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

The policy did not include elements (2) and (3).

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

We obtained the minutes for 2023. The new administration could not locate board minutes in the minute books or in the official journal, for July 2022 through December 2022, the prior administration's final period.

- i) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

The council met at least monthly with a quorum in 2023. See 2A.

- ii) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

For the months that we were able to inspect the minutes, we observed the minutes referenced or included monthly budget-to-actual comparisons for all funds, known as "financial statements".

**TOWN OF LAKE PROVIDENCE
REPORT ON STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2023**

- iii) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

We obtained the prior year audit report and observed a positive unrestricted fund balance in the all the funds.

- iv) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

We found no evidence of written updates of the progress of resolving audit findings.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

We obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the entity's main operating account. We selected the entity's main operating account and 4 additional accounts. We selected one month from the fiscal period and obtained and inspected the corresponding bank statement and reconciliation for each selected account.

- i) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

The selected test month was March 2023, which was the current Administration's term. We noted no exceptions.

- ii) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

The selected test month was March 2023, which was the current Administration's term. We noted no exceptions.

**TOWN OF LAKE PROVIDENCE
REPORT ON STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2023**

- iii) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

We noted no exceptions.

4) Collections

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Management did not provide a list of deposits sites.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

We obtained a listing of collection locations and management's representation that the listing is complete. We selected one collection location and obtained the policies and procedures.

- i) Employees responsible for cash collections do not share cash drawers/registers.

We noted no exceptions.

- ii) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

We noted no exceptions.

- iii) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

When the cashiers enter collections for utilities (water, sewer, and garbage), the software posts the collections to the customer accounts. The utility billing clerk posts the collections to the general ledger. When the cashiers enter collections of ad valorem taxes, the software posts collections to the property tax software. The Town Clerk posts collections to the general ledger.

Exceptions: None

**TOWN OF LAKE PROVIDENCE
REPORT ON STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2023**

- iv) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

We noted no exceptions.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

We obtained a copy of the bonds and insurance policies. We observed that the bonds and policies were in force during the fiscal period.

Exceptions: None

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3A above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

We selected two deposit dates for each bank account selected under procedure #3. We obtained the supporting documentation and noted the following.

- i) Observe that receipts are sequentially pre-numbered.

Receipts for fines and ad valorem taxes are prenumbered, completed by hand and issued in paper form. Receipts for payments on utility accounts are computer-generated.

- ii) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

We noted one exception. The deposit slip and daily recap included \$43 more than the property tax collection report.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

- iii) Trace the deposit slip total to the actual deposit per the bank statement.

We noted no exceptions.

- iv) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

We noted no exceptions.

- v) Trace the actual deposit per the bank statement to the general ledger.

We noted one exception. We selected a November 2022 deposit, which is within the previous administration's term. At that time, deposits to the occupational licenses account were made almost daily but are recorded once a month.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

TOWN OF LAKE PROVIDENCE
REPORT ON STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2023

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

We obtained a listing of locations that process payments and noted one listed.

Exceptions: None

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

For the one location listed, we obtained the policies and procedures and observed the following.

- i) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

We noted no exceptions.

- ii) At least two employees are involved in processing and approving payments to vendors.

We noted no exceptions.

- iii) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

The current Administration has put controls in place prohibiting employees from adding/modifying vendor files.

Exceptions: None.

- iv) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

The current Administration has a separate courier that comes to the Town Hall and picks up signed checks from the outgoing mailbox and delivers to the Post Office. We noted no exceptions.

Exceptions: None.

**TOWN OF LAKE PROVIDENCE
REPORT ON STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2023**

- v) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Electronic disbursements are not addressed within the Town's policies. There is no set procedure concerning how electronic disbursements are approved and how the approval is documented.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

We obtained the population and management's representation that the listing is complete. We selected five disbursements and obtained the related documentation.

- i) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

We noted two exceptions.

- ii) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

We noted one exception.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Using the main operating account and the subsequent month from that selected under procedure #3A, we selected the only non-payroll related electronic disbursement shown, which was the reorder of deposit slips by the 3rd party Sales Tax Collector. We noted no documented approval. Management states they will begin to require prior authorization and approval by the required number of authorized signer's per the Town's policy.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

**TOWN OF LAKE PROVIDENCE
REPORT ON STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2023**

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Management asserted there were no active cards during the fiscal year.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

See procedure 6A.

- i) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
- ii) Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection)¹⁷. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

See procedure 6A.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

We obtained the general ledgers and management's representation they were complete. We were able to locate four expenses that appeared to be travel related. We selected those expenses and obtained the related supporting documentation. Management was unable to provide the support for one of the disbursements due to the prior administration's poor filing of documents. Two of the selected expenses were payments made on behalf of the employee and not reimbursements.

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- i) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

For the one reimbursement tested, we noted no exception.

- ii) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

For the one reimbursement tested, we noted no exception.

- iii) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and.

For the one reimbursement tested, we noted no exception.

- iv) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

For the one reimbursement tested, we noted no exception.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

Management did not provide a listing. We created a listing by reviewing the general ledger. We selected all four contracts/agreements listed. All four agreements were entered into during the prior year.

- i) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

See procedure 8A.

- ii) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

See procedure 8A.

- iii) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

See procedure 8A.

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- iv) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

We selected one payment for each agreement. Three of the four payments tested were paid per the lease schedule and did not include an invoice/notice to pay. The fourth payment tested included an invoice; however, management could not provide the original agreement for comparison. The original agreement appears to have been entered into during the prior administration's term.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

We obtained a listing from management and management's representation for completeness. We selected 5 employees/officials and obtained the personnel files. We agreed the paid rate to authorized rate noting no exceptions.

Exceptions: None

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

We selected one pay period during the fiscal period and obtained attendance records and leave documentation.

- i) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

We noted no exceptions.

- ii) Observe whether supervisors approved the attendance and leave of the selected employees or officials;

We noted no exceptions.

- iii) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

We noted no exceptions.

- iv) Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

We noted no exceptions.

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- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

We obtained a listing from management and management's representation for completeness. We selected 1 employee and 1 official and obtained the relevant documentation. We did not identify a termination payment for the official. We noted the pay rate used for the employee matched the authorized rate. However, per Town policy, the employee was not entitled to payment for accrued vacation. The check date was 12/29/2022 ..and paid for 63.44 hours totaling \$1,055. This was done by the outgoing Administration whose term ended on 12/31/2022.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

The current administration took office January 1, 2023. They asserted that such payments have been made timely since they took office. They noted that such payments had not been made before January 1, 2023.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, we obtained the ethics documentation from management.

- i) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

We noted 2 out of 5 employees did not have the training.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

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- ii) Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

We observed no changes to the ethics policy. However, the former administration (7/1/2022-12/31/22) did not maintain a minute book or publish minutes.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170

See 10Aii. We were unable to determine whether anyone was appointed as ethics designee.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Management did not provide a listing.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Management did not provide a listing.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

We obtained a listing from management. We selected all listed and obtained the supporting documentation. Current management discussed the suspected misappropriations with the LLA but did not commit them to writing. Management did not inform the District Attorney.

Exceptions: See above.

Management's Response: See Management's Corrective Action Plan

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

The town does not appear to own or operate a website. The notice was properly posted on the premises.

Exceptions: None

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”

We performed the procedure and discussed the results with management.

- i) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
 - ii) Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii) Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Management was unable to provide documentation due to lack of response from the IT firm.

Exceptions: See above.

Management’s Response: See Management’s Corrective Action Plan

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

We obtained the sexual harassment training documentation for those selected under procedure #9A. We noted there was no documentation of training for any of the selected employees.

Exceptions: See above.

Management’s Response: See Management’s Corrective Action Plan

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- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

The Town does not have an active website because the former administration did not pay the host. We did not observe a policy posted anywhere.

Exceptions: See above.

Management’s Response: See Management’s Corrective Action Plan

- C. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i) Number and percentage of public servants in the agency who have completed the training requirements;
 - ii) Number of sexual harassment complaints received by the agency;
 - iii) Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v) Amount of time it took to resolve each complaint.

Current management was unable to prepare the report because the former administration did not document any of the required information.

Exceptions: See above.

Management’s Response: See Management’s Corrective Action Plan

We were engaged by the Town of Lake Providence to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Town of Lake Providence and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

BOSCH & STATHAM, LLC
Bosch & Statham
Ruston, Louisiana
March 22, 2024

Town of Lake Providence

Robert N. Amacker, Jr.
Mayor

Lee Ann W. Clement
Certified Municipal Clerk

EXECUTIVE DEPARTMENT
201 SPARROW STREET

LAKE PROVIDENCE, LOUISIANA 71254

TELEPHONE: 318-559-2288

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Aldermen:
Jason Condrey
Sucletter Brown-Crye
Patricia Foster Roberson
Karl Magee
Catherine Middlebrook

Attorney: Kenneth
"Andy" Brister, Jr.

April 1, 2024

Bosch & Statham, CPA
Attention: Mrs. Melissa Bosch, CPA
Post Office Box 2377
Ruston, Louisiana 71273-2377

Re: Town of Lake Providence Financial Statements Audit FY ending 6/30/23
Corrective Action Plan
SAUP'S FY Ending June 30, 2023

Dear Mrs. Bosch:

In reference to the above, below you will find our Correction Action Plan:

2023-001 – Inadequate Internal Control over Financial Reporting
Year First Reported: 2020

Corrective Action Plan: Management began in January 1, 2023 correcting deficiencies upon taking office. Management will continually evaluate the internal control system to identify deficiencies and weaknesses and take correction action when feasible.

2023-002 – Failed to Property File and Remit Payroll Taxes
First Year Reported: 2022

Corrective Action Plan: Current Management will continue to make monthly payments for payroll liabilities, file quarterly reports and use a local CPA Firm to oversee activities.

2023-003 – Questionable Expenditures
First Year Reported : 2023

Corrective Action Plan: Current Management will consult legal council as deemed necessary.



**2023-004 – Minutes and properly Recorded or Published
First Year Reported: 2023**

Corrective Action Plan: Current management have recorded, retained, and published minutes for the send half of the fiscal year. Current management will continue to comply with the law.

**2023-005 – Debt Reserves Not met
Year First Reported: 2023**

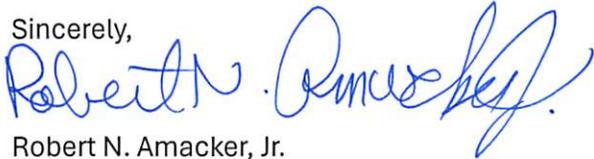
Correction Action Plan: Current management will design a plan to fully fund these accounts according to debt agreements.

SAUP'S FY ending June 30, 2023

Response - "We will take the results under advisement and take action as deemed necessary and feasible".

If you need additional information, please do not hesitate to contact me, as I am,

Sincerely,

A handwritten signature in blue ink that reads "Robert N. Amacker, Jr." with a stylized flourish at the end.

Robert N. Amacker, Jr.
Mayor