

VILLAGE OF CREOLA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023



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December 27, 2023

Independent Auditors' Report

To the Mayor and Board of Aldermen
Village of Creola, 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 Village of Creola, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village'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 Village of Creola, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Village of Creola 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 Village of Creola'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*



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Village of Creola
December 27, 2023

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 Village of Creola'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 Village of Creola'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 management's discussion and analysis and budgetary comparison information described in the accompanying table of contents 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Creola's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to the Agency Head or Chief Executive Officer, the Schedule of Per Diem Paid to Board Members, and the Justice System Funding Schedule, described as additional information in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Louisiana Community Development Block Grant Supplemental Schedule is presented for purposes of additional analysis of grant funds used to construct utility system improvements as requested by Louisiana Division of Administration, Office of Community Development, and is also not a required part of the basic financial statements.

The additional information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been

Village of Creola
December 27, 2023

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 additional information is 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 December 27, 2023 on our consideration of the Village of Creola's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of Creola's internal control over financial reporting and compliance.



Rozier, McKay & Willis
Certified Public Accountants

Village of Creola

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

This section of the annual financial report presents our discussion and analysis of the Village's financial performance during the fiscal year ended June 30, 2023.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Village's financial position and results of operations from differing perspectives which are described as follows:

Government-Wide Financial Statements

The government-wide financial statements report information about the Village as a whole using accounting methods similar to those used by private-sector companies. These financial statements report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Village's assets and all of the Village's liabilities.

The government-wide financial statements are divided into two categories, which are described as follows:

- **Governmental Activities** – Expenses incurred in connection with providing basic services including police protection and general governmental operations are reported as governmental activities. The governmental activities are financed by taxes, license fees, fines, court cost, interest, grants and contributions.
- **Business-Type Activities** – Expenses associated with providing sewer services are recovered through fees paid by the customers that utilize these services. These activities are operated in a manner similar to commercial enterprises. Accordingly, activities associated with sewer services are reported as business type activities.

Fund Financial Statements

Fund financial statements provide detailed information regarding the Village's most significant activities and are not intended to provide information for the Village as a whole. Funds are accounting devices that are used to account for specific sources of funds. The Village has two types of funds that are described as follows:

- **Governmental Funds** – These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental funds use a modified accrual basis of accounting that provides a short-term view of the Village's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.
- **Proprietary Fund** – These funds are used to account for activities that function in a manner similar to commercial enterprises, including activities associated with the Village's sewer services. Proprietary fund financial statements typically provide a more

Village of Creola

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

detail presentation of the information reported in the business-type activities portion of the government-wide financial statements.

FINANCIAL ANALYSIS OF THE VILLAGE

A comparative analysis of the government-wide data for the current and previous year is presented as follows:

Net Position

A condensed version of the government-wide Statement of Net Assets is presented as follows:

	June 30, 2023			June 30, 2022
	Governmental Activities	Business- Type Activities	Total	
<u>Assets:</u>				
Current and Other Assets	\$ 435,978	\$ 214,309	\$ 650,287	\$ 576,080
Capital Assets	871,128	745,623	1,616,751	709,220
Total Assets	<u>1,307,106</u>	<u>959,932</u>	<u>2,267,038</u>	<u>1,285,300</u>
<u>Liabilities:</u>				
Current and Other Liabilities	232,474	190,477	422,951	21,479
Long-term Liabilities	287,410	----	287,410	36,157
Total Liabilities	<u>519,884</u>	<u>190,477</u>	<u>710,361</u>	<u>57,636</u>
<u>Net Position:</u>				
Invested in Capital Assets (Net)	583,718	745,623	1,329,341	673,063
Unrestricted	203,504	23,832	227,336	554,601
Total Net Position	<u>\$ 787,222</u>	<u>\$ 769,455</u>	<u>\$ 1,556,677</u>	<u>\$ 1,227,664</u>

As the presentation appearing above demonstrates, the largest portion of the Village's net position is invested in capital assets. Net position invested in capital assets consists of land, buildings, and equipment, less any debt used to acquire the assets that remain outstanding. The Village uses these capital assets to provide services to its residents; consequently, these amounts are not available for future spending.

Changes in Net Position

A condensed version of the government-wide Statement of Changes in Net Assets is presented as follows:

Village of Creola

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

	For the Year Ended June 30, 2023			For the
	Governmental	Business-		Year Ended
	Activities	Type	Total	June 30,
		Activities		2022
Revenues:				
Program Revenue:				
Charges for Services	\$ 479,122	\$ 15,600	\$ 494,722	\$ 599,135
Operating Grants and Contributions	176,513	----	176,513	60,652
Capital Grant and Contributions	----	150,684	150,684	341,740
General Revenue:				
Property Taxes	9,898	----	9,898	5,697
Sales Taxes	186,798	----	186,798	176,494
Franchise Taxes	7,276	----	7,276	5,791
Gain/Loss on Sale of Fixed Assets	(18,469)	----	(18,469)	----
Miscellaneous	11,815	----	11,815	19,578
Total Revenue	<u>852,953</u>	<u>166,284</u>	<u>1,019,237</u>	<u>1,209,087</u>
Program Expenses:				
General Government	320,445	----	320,445	304,520
Public Safety				
Police Department	357,054	----	357,054	148,263
Sewer	----	12,725	12,725	12,775
Total Expenses	<u>677,499</u>	<u>12,725</u>	<u>690,224</u>	<u>465,558</u>
Increase in Net Position Before				
Transfers	175,454	153,559	329,013	743,529
Transfers	(46,923)	46,923	----	----
Change in Net Position	<u>128,531</u>	<u>200,482</u>	<u>329,013</u>	<u>743,529</u>
Net Position Beginning	<u>658,691</u>	<u>568,973</u>	<u>1,227,664</u>	<u>484,135</u>
Net Position Ending	<u>\$ 787,222</u>	<u>\$ 769,455</u>	<u>\$ 1,556,677</u>	<u>\$ 1,227,664</u>

Governmental activities increased the Village's net position, before transfers, by \$175,454. This increase is attributable to efficient utilization of the Village's resources.

Business-type activities increased the Village's net position, before transfers, by \$153,559. This increase is attributable to the Village receiving monies for the ongoing sewer improvement project in the current year.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUND

For the year ended June 30, 2023, activity in governmental funds was limited to the general fund. The only differences between amounts reported by the general fund and governmental activities reported in the government-wide financial statements are attributable to including fixed assets and long-term liabilities in the government-wide presentation.

Village of Creola

MANAGEMENT'S DISCUSSION AND ANALYSIS June 30, 2023

Amounts reported for business-type activities in the Village's individual fund are identical to the business-type activities reported in the government-wide presentation.

BUDGET HIGHLIGHTS

The general fund is required to adopt budgets. Budgets were amended to address actual experiences that deviated from expectations that existed when the original budget was adopted.

CAPITAL ASSET ADMINISTRATION

For the year ended June 30, 2023, capital asset activity includes Construction in Progress for continued work on the Sewer System Improvements project and continued work on the Municipal Building, the purchase of a new Police vehicle and depreciating assets acquired during previous years.

DEBT ADMINISTRATION

For the year ended June 30, 2023, the Village entered into a new loan agreement for construction of the Village municipal building. Additional activity related to debt was limited to making scheduled payments due on existing obligations.

FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS

At the present time, management is not aware of any matters expected to have a substantial impact on future operations.

VILLAGE OF CREOLA

STATEMENT OF NET POSITION

June 30, 2023

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 413,587	\$ 213,109	\$ 626,696
Receivables (net)	22,391	1,200	23,591
Land	9,700	20,000	29,700
Construction In Progress	795,006	623,584	1,418,590
Depreciable capital assets, net	66,422	102,039	168,461
Total assets	1,307,106	959,932	2,267,038
<u>LIABILITIES</u>			
Accounts payable	232,328	159,434	391,762
Accrued expenses	146	-	146
Unearned Revenue	-	31,043	31,043
Long-term liabilities			
Notes Payable			
Due within one year	42,255	-	42,255
Due in more than one year	245,155	-	245,155
Total liabilities	519,884	190,477	710,361
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	583,718	745,623	1,329,341
Unrestricted	203,504	23,832	227,336
Total net position (deficit)	\$ 787,222	\$ 769,455	\$ 1,556,677

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

VILLAGE OF CREOLA

STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business- Type Activities	Total
<u>Governmental Activities:</u>							
General Government	\$ 320,445	\$ -	\$ 42,047	\$ -	\$ (278,398)	\$ -	\$ (278,398)
Public Safety							
Law Enforcement	357,054	479,122	134,466	-	256,534	-	256,534
Total Governmental Activities	<u>677,499</u>	<u>479,122</u>	<u>176,513</u>	<u>-</u>	<u>(21,864)</u>	<u>-</u>	<u>(21,864)</u>
<u>Business-Type Activities:</u>							
Sewer	12,725	15,600	-	150,684	-	153,559	153,559
Total Business-Type Activities	<u>12,725</u>	<u>15,600</u>	<u>-</u>	<u>150,684</u>	<u>-</u>	<u>153,559</u>	<u>153,559</u>
Total Primary Government	<u>\$ 690,224</u>	<u>\$ 494,722</u>	<u>\$ 176,513</u>	<u>\$ 150,684</u>	<u>(21,864)</u>	<u>153,559</u>	<u>131,695</u>
<u>General Revenues:</u>							
Taxes:							
Ad Valorem					9,898	-	9,898
Sales Tax					186,798	-	186,798
Franchise					7,276	-	7,276
Gain/Loss on Sale of Fixed Assets					(18,469)	-	(18,469)
Miscellaneous					11,815	-	11,815
Transfers					(46,923)	46,923	-
Total General Revenues and Transfers					<u>150,395</u>	<u>46,923</u>	<u>197,318</u>
Change in Net Position					128,531	200,482	329,013
Net Position - Beginning:					<u>658,691</u>	<u>568,973</u>	<u>1,227,664</u>
Net Position - Ending					<u>\$ 787,222</u>	<u>\$ 769,455</u>	<u>\$ 1,556,677</u>

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

VILLAGE OF CREOLA

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2023

	<u>Governmental Funds</u>
Assets	
Cash and cash equivalents	\$ 413,587
Accounts receivable	<u>22,391</u>
Total assets	<u><u>\$ 435,978</u></u>
Liabilities and Fund Balance	
<u>Liabilities</u>	
Accounts payable	\$ 232,328
Accrued expenses	<u>146</u>
Total liabilities	<u>232,474</u>
<u>Fund Balance</u>	
Unassigned	<u>203,504</u>
Total Fund Balances	<u>203,504</u>
Total Liabilities and Fund Balance	<u><u>\$ 435,978</u></u>

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Total Fund Balances - Governmental Funds	\$ 203,504
Amounts reported for governmental activities in the statement of net position are different because:	
Long term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Fund Balance Sheet	(287,410)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>871,128</u>
Net Position of Governmental Activities	<u><u>\$ 787,222</u></u>

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

VILLAGE OF CREOLA

Statement of Revenue, Expenditures and Changes in Fund Balance Governmental Funds

Year Ended June 30, 2023

	<u>Governmental Funds</u>
Revenues:	
Taxes:	
Ad valorem	\$ 9,898
Sales Tax	186,798
Franchise	7,276
Fines and Court Cost	479,122
Intergovernmental	10,240
Grants and Contributions	42,047
Detail Reimbursement	124,226
Miscellaneous	17,915
Total revenues	<u>877,522</u>
Expenditures:	
Current	
General government	320,345
Public Safety	
Law Enforcement	323,617
Capital Outlay	786,295
Debt Service	15,489
Total expenditures	<u>1,445,746</u>
Excess (deficiency) of revenues over expenditures	(568,224)
Other financing sources (uses)	
Debt Proceeds	264,568
Operating transfers in (out)	(46,923)
Total other financing sources (uses)	<u>217,645</u>
Excess (deficiency) of revenues and other resources over expenditures and other uses	(350,579)
Fund balance - beginning of year	<u>554,083</u>
Fund balance - end of year	<u>\$ 203,504</u>

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Net change in fund balances of Governmental Funds	\$ (350,579)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period	730,363
Repayment of capital lease obligations are an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.	<u>(251,253)</u>
Change in net assets of governmental activities	<u>\$ 128,531</u>

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

VILLAGE OF CREOLA

Statement of Net Position

Proprietary Funds

June 30, 2023

	<u>Business-Type Activities</u>
	<u>Enterprise Funds</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and cash equivalents	\$ 213,109
Receivables (net)	<u>1,200</u>
Total current assets	<u>214,309</u>
Noncurrent Assets:	
Capital Assets:	
Land	20,000
Construction in Progress	623,584
Depreciable capital assets, net	<u>102,039</u>
Total noncurrent assets	<u>745,623</u>
Total assets	<u>959,932</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts payable	159,434
Unearned Revenue	<u>31,043</u>
Total current liabilities	<u>190,477</u>
Total liabilities	<u>190,477</u>
<u>NET POSITION:</u>	
Invested in capital assets, net of related debt	745,623
Unrestricted	<u>23,832</u>
Total net position (deficit)	<u>\$ 769,455</u>

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

VILLAGE OF CREOLA

Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds Year Ended June 30, 2023

	Business-Type Activities <u>Enterprise Funds</u>
<u>Operating revenues:</u>	
Charges for services	\$ 15,600
Miscellaneous Income	-
Total Operating Revenues	<u>15,600</u>
<u>Operating expenses:</u>	
Professional fees	8,950
Repairs and Maintenance	-
Depreciation	<u>3,775</u>
Total operating expenses	<u>12,725</u>
Operating Income (Loss)	2,875
<u>Transfers and Contributions:</u>	
Other sources - Grant Proceeds	150,684
Other sources (uses) - operating transfers in (out)	<u>46,923</u>
Change in net position	200,482
Total net position - beginning	<u>568,973</u>
Total net position - ending	<u><u>\$ 769,455</u></u>

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

VILLAGE OF CREOLA

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2023

	Business-Type Activities
	<u>Enterprise Funds</u>
<u>Cash flow from operating activities:</u>	
Cash received from customers	\$ 15,600
Cash payments to suppliers of goods and services	<u>180,777</u>
Net cash provided (used) by operating activities	<u>196,377</u>
<u>Cash flows from non-capital financing activities:</u>	
Operating transfers	<u>46,923</u>
Net cash provided (used) by non-capital financing activities	<u>46,923</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital Grants	150,684
Construction in Progress	(180,943)
Capital Expenditures	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(30,259)</u>
Net increase (decrease) in cash	213,041
Beginning cash balance	<u>68</u>
Ending cash balance	<u><u>\$ 213,109</u></u>
<u>Reconciliation of operating income (loss) to net cash</u>	
Operating income (loss)	\$ 2,875
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	3,775
(Increase) decrease in accounts receivable	-
(Decrease) increase in accounts payable	158,684
(Decrease) increase in unearned revenue	<u>31,043</u>
Net cash provided (used) by operating activities	<u><u>\$ 196,377</u></u>

Supplemental disclosures of cash flow information:

For the year ended June 30, 2023, there were no operating, financing, or investing activities that did not result in cash receipts or payments.

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

Village of Creola

NOTES TO FINANCIAL STATEMENTS **June 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Creola (the Village) was incorporated under the provisions of the Lawrason Act. The Village is governed by a Mayor and a Board of Aldermen consisting of three (3) members. Services provided by the Village include police protection and general administrative functions. The Village also operates a sewer system.

The accompanying policies conform to generally accepted accounting principles for governmental units.

Financial Reporting Entity

As the municipal governing authority, for reporting purposes, the Village is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the Village), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board establishes criteria for determining which component units should be considered part of the Village of Creola for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criterion includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Village to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Village.
2. Organizations for which the Village does not appoint a voting majority but are fiscally dependent on the Village.
3. Organizations for which the Village's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based upon application of these criteria, there were no potential component units and all of the Village's activities were included in the primary government reporting entity.

Village of Creola

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize activities as either governmental activities or business-type activities, which are described as follows:

- Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.
- Business-type activities rely on fees and charges for support and operate in a manner similar to private sector enterprises.

The government-wide and fund financial statements present the Village's financial position and results of operations from differing perspectives which are described as follows:

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Village as a whole. The effect of most interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude any fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with governmental service or business-type activity. Program revenues include any charges for services, fines, court cost, contributions associated with a particular function and most grants.

Fund Financial Statements

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Separate financial statements are provided for governmental funds and proprietary funds. In addition, separate financial statements are presented for any fiduciary activities. Major individual funds are reported as separate columns in the fund financial statements. The Village's major funds are described as follows:

- Governmental Funds – The general fund is the Village's only active major governmental fund. The general fund is the primary operating fund and is used to account for all governmental activities except those required to be reported in another fund.
- Proprietary Funds – Are used to account for business type activities. The operations of the Village's Sewer System utilize a proprietary fund. Revenue earned in exchange for providing services is reported as operating income and revenue from other sources is reported as non-operating. Since proprietary funds operate in a manner similar to business enterprises, these funds follow certain pronouncements that are developed by the Financial Accounting Standards Board

Village of Creola

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

(FASB) for business enterprises. However, the Village only applies those FASB pronouncements that were issued on or before November 30, 1989.

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

<u>Financial Statement Presentation</u>	<u>Basis of Accounting</u>	<u>Measurement Focus</u>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements:		
Governmental Funds	Modified Accrual Basis	Current Financial Resources
Proprietary Funds	Accrual Basis	Economic Resources
Fiduciary Funds	Accrual Basis	Economic Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end. In addition, expenses are generally recorded when a liability has been incurred. Furthermore, when the current financial resources measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are reported as another financing source and repayment of long-term debt is reported as an expenditure.

Non-Exchange Transactions

Revenue from certain non-exchange transactions cannot be properly measured prior to collection. Furthermore, it is not practical to determine the probability of collection resulting from certain non-exchange transactions such as traffic citations. Consequently, revenue from franchise taxes, fines and court cost is not recognized until it is collected.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Budget Practices

The Mayor prepares annual budgets for the Village's general fund. The budget is submitted to the Board of Aldermen and the approved budget is adopted before the beginning of each fiscal year. Amended budgets are prepared prior to the conclusion of each fiscal year. The amended budgets are prepared and approved in the same manner as the original budget.

Village of Creola

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

The general fund budget presents revenue and expenditures on a basis which is consistent with generally accepted accounting principles. No annual budget is required for the Village's Sewer Fund.

Capital Assets

Capital assets include significant acquisitions of equipment that are expected to remain in service for a period of years. Capital assets are reported in the government-wide financial statements but are excluded from the fund financial statements. Instead, the funds report the acquisition of capital assets as expenditures rather than asset acquisitions.

All capital assets are reported at historical cost less accumulated depreciation. Depreciation is computed using the straight-line method and estimated useful lives that are based on the expected durability of the particular asset. Useful lives typically range from five to forty years.

Cash and Cash Equivalents

Amounts reported as cash and cash equivalents include all cash on hand, cash in bank accounts, certificates of deposit, and highly liquid investments. Credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by State Law.

Internal Balances:

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without expectation of repayment, the transaction is reported as a transfer. Transfers are treated as a source of income by the recipient and as an expense or expenditure by the provider. If repayment is eventually expected to occur, interfund receivables and payables are recorded.

In preparing the government-wide financial statements, transfers are eliminated to present net transfers for governmental activities and business-type activities. In addition, interfund receivables and payables are eliminated to present a net internal balance for each type of activity.

NOTE 2-CASH AND CASH EQUIVALENTS

Deposits are stated at cost, which approximates market value. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2023, the Village has \$629,840 in deposits (collected bank balance). These deposits are secured from risk by \$471,712 of federal deposit insurance and \$250,013 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Village of Creola

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Even though the pledged securities are considered uncollateralized, Louisiana law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the pledging bank has failed to pay deposited funds upon demand.

NOTE 3 - TAXES

Ad Valorem Taxes

The Village bills and collects its own property taxes using the assessed property values determined by the Parish Tax Assessor. Property taxes are limited to an assessment for general alimony as permitted by State Law. Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. For the year ended June 30, 2023, the Village levied 6.69 mills. Revenues from ad valorem taxes are recognized as revenue in the year billed.

Sales Taxes

Sales and use taxes are collected on behalf of the Village by the Grant Parish and Rapides Parish Sheriff's Offices and remitted the month subsequent to collection. Revenues from sales taxes are reported on the accrual basis. For the year ended June 30, 2023, the Village sales tax rate is two percent. The sales tax rate has no expiration date.

NOTE 4 - RECEIVABLES

Receivables at June 30, 2023, are summarized as follows:

	<u>Governmental Activities</u>	<u>Business- Type</u>	<u>Total</u>
Sales Tax	\$ 22,174	\$ ----	\$ 22,174
Franchise Tax	217	----	217
Utilities Income	----	1,200	1,200
Total Receivables	<u>\$ 22,391</u>	<u>\$ 1,200</u>	<u>\$ 23,591</u>

NOTE 5 – CAPITAL ASSETS

A summary of the Village's capital assets is provided as follows:

	<u>Non-Depreciable Capital Assets</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Construction in Progress	\$ 37,611	\$ 757,395	\$ ----	\$ 795,006
Land	9,700	----	----	9,700
Total Governmental Activities	<u>47,311</u>	<u>757,395</u>	<u>----</u>	<u>804,706</u>

Village of Creola

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Business-Type Activities

Construction in Progress	442,641	180,943	----	623,584
Land	20,000	----	----	20,000
Total Business-Type Activities	<u>462,641</u>	<u>180,943</u>	<u>----</u>	<u>643,584</u>
Total	<u>\$ 509,952</u>	<u>\$ 938,338</u>	<u>\$ ----</u>	<u>\$ 1,448,290</u>

Depreciable Capital Assets

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Equipment	\$ 182,030	\$ 28,900	\$ ----	\$ 210,930
Building	42,390	----	(42,390)	----
Furniture & Fixtures	1,860	----	----	1,860
Accumulated Depreciation	(132,826)	(31,363)	17,821	(146,368)
Total Governmental Activities	<u>93,454</u>	<u>(2,463)</u>	<u>(24,569)</u>	<u>66,422</u>
<u>Business-Type Activities</u>				
Sewer System	151,003	----	----	151,003
Accumulated Depreciation	(45,189)	(3,775)	----	(48,964)
Total Business-Type Activities	<u>105,814</u>	<u>(3,775)</u>	<u>----</u>	<u>102,039</u>
Total	<u>\$ 199,268</u>	<u>\$ (6,238)</u>	<u>\$ (24,569)</u>	<u>\$ 168,461</u>

NOTE 6 - LONG-TERM LIABILITIES

The Village's long-term debt is summarized as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Total long-term debt	\$ 287,410	\$ ----	\$ 287,410
Due within one year	(42,255)	----	(42,255)
Due in more than one year	<u>\$ 245,155</u>	<u>\$ ----</u>	<u>\$ 245,155</u>

The following changes occurred in liabilities reported in the Governmental Activities during the year ended June 30, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Installment Purchase Agreement	\$ 36,157	\$ ----	\$ 10,721	\$ 25,436
Long-Term Debt	----	264,568	2,594	261,974
Total long-term debts	<u>\$ 36,157</u>	<u>\$ 264,568</u>	<u>\$ 13,315</u>	<u>\$ 287,410</u>

Village of Creola

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Installment Purchase Agreement

Details regarding installment purchase agreements outstanding at June 30, 2023 are as follows:

An installment purchase agreement in the amount of \$38,395 for the purchase of a new Police vehicle. The agreement has an interest rate of 3.67% and is due in 48 monthly installments of \$861 with the final payment due March of 2026. \$ 25,436

Long-Term Debt

Details regarding long-term debt outstanding at June 30, 2023 are as follows:

Long-term debt in the amount of \$264,568 for the construction of a new municipal building. The debt has an interest rate of 3.50% for the first 36 months and 5.50% for the remaining months and is due in 180 monthly installments of \$3,431 with the final payment due December of 2030. \$ 261,974

Long-term debt maturities are scheduled as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Installment Purchase</u> <u>Agreement</u>		<u>Long-Term Debt</u>		<u>Total</u>	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 9,562	\$ 774	\$ 32,693	\$ 8,484	\$ 42,255	\$ 9,258
2025	9,918	417	33,701	7,476	43,619	7,893
2026	5,956	73	32,731	8,447	38,687	8,520
2027	----	----	33,044	8,134	33,044	8,134
2028	----	----	34,898	6,280	34,898	6,280
2029-2031	----	----	94,907	6,808	94,907	6,808
Total	<u>\$ 25,436</u>	<u>\$ 1,264</u>	<u>\$ 261,974</u>	<u>\$ 45,629</u>	<u>\$ 287,410</u>	<u>\$ 46,893</u>

NOTE 7 – ACCOUNTS PAYABLE

Accounts payable at June 30, 2023 consists of the following:

	<u>Governmental</u> <u>Activities</u>	<u>Business-</u> <u>Type</u>	<u>Total</u>
Payable to Vendors	\$ 29,940	\$ 750	\$ 30,690
Grant Payable	166,303	158,684	324,987
Retainage Payable	36,085	----	36,085
Total Accounts Payable	<u>\$ 232,328</u>	<u>\$ 159,434</u>	<u>\$ 391,762</u>

Village of Creola

NOTES TO FINANCIAL STATEMENTS **June 30, 2023**

NOTE 8 – ACCRUED EXPENSES

Accrued expenses at June 30, 2023 consist of payroll liabilities with an overpayment of \$2,527 and accrued payroll of \$2,673.

NOTE 9 – UNEARNED REVENUE

Funding was received in the current year from the Louisiana Division of Administration, Office of Community Development for a Louisiana Community Development Block Grant in the amount of \$181,727 for a continued sewer improvement project. Due to the contractor defaulting on the project, only \$150,684 of the amount received was paid to subcontractors for outstanding liens. Management does not consider these amounts to be earned until expenditures meeting certain requirements have been completed. Accordingly, the remaining amount collected of \$31,043 has been reported as unearned revenue.

NOTE 10 – INTERFUND TRANSFERS

In the ordinary course of business, the Village routinely transfers resources between its funds to utilize resources where needed. These amounts are reported in the financial statements as operating transfers.

NOTE 11 - RISK AND CONTINGENCIES

The Village is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors and omissions; and natural disasters.

The Village insures against these risks by participating in a public entity risk pool that operates as a common insurance program and by purchasing commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage.

NOTE 12- ON BEHALF PAYMENTS

The State of Louisiana provides supplemental pay for public safety employees that meet certain requirements. Amounts reported as revenue and expenditures in connection with State Supplemental Pay are presented as follows:

Police Department	\$	10,240
-------------------	----	--------

VILLAGE OF CREOLA

Statement of Revenue, Expenditures and Changes in Fund Balance - General Fund Budget and Actual Year Ended June 30, 2023

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues:				
Taxes:				
Ad valorem	\$ 7,000	\$ 10,000	\$ 9,898	\$ (102)
Sales Tax	170,000	185,000	186,798	1,798
Franchise	6,500	5,000	7,276	2,276
Fines and Court Cost	550,000	545,000	479,122	(65,878)
Intergovernmental	-	2,500	10,240	7,740
Detail Reimbursement	-	45,000	124,226	79,226
Miscellaneous	15,250	21,200	17,915	(3,285)
State Grants	-	42,000	42,047	47
Total revenues	<u>748,750</u>	<u>855,700</u>	<u>877,522</u>	<u>21,822</u>
Expenditures:				
Current				
General government	301,100	338,600	320,345	18,255
Public Safety				
Law Enforcement	300,000	410,932	323,617	87,315
Capital Outlay	-	928,900	786,295	142,605
Debt Service	10,335	13,766	15,489	(1,723)
Total expenditures	<u>611,435</u>	<u>1,692,198</u>	<u>1,445,746</u>	<u>246,452</u>
Excess (deficiency) of revenues over expenditures	137,315	(836,498)	(568,224)	268,274
Other sources (uses)				
Operating transfers in (out)	(30,000)	(100,000)	(46,923)	53,077
Proceeds from Debt	-	480,000	264,568	(215,432)
Total other sources (uses)	<u>(30,000)</u>	<u>380,000</u>	<u>217,645</u>	<u>(162,355)</u>
Excess (deficiency) of revenues and other resources over expenditures and other uses	107,315	(456,498)	(350,579)	105,919
Fund balance - beginning of year	<u>554,083</u>	<u>554,083</u>	<u>554,083</u>	<u>-</u>
Fund balance - end of year	<u>\$ 661,398</u>	<u>\$ 97,585</u>	<u>\$ 203,504</u>	<u>\$ 105,919</u>

VILLAGE OF CREOLA

Schedule of Per Diem Paid to Board Members For the year ended June 30, 2023

Danny Moore, Mayor	9,000
Calvin Vogel, Alderman	3,000
Brandon Randall, Alderman	6,000
Aimee White, Alderman	6,000
Alyssa Carbo, Alderman	<u>1,500</u>
Total	<u><u>\$ 25,500</u></u>

VILLAGE OF CREOLA

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer For the year ended June 30, 2023

Agency Head (Mayor) - Danny Moore

Compensation	\$	9,000
Benefits		-
Reimbursements		-
Total	\$	<u>9,000</u>

VILLAGE OF CREOLA

Justice System Funding Schedule - Collecting / Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session -
Cash Basis Presentation
For the Year Ended June 30, 2023

	First Six Month Period Ended December 31, 2022	Second Six Month Period Ended June 30, 2023
Beginning Balance of Amounts Collected	\$ -	\$ -
Add: Collections		
Criminal/Costs/Fees	237,306	241,816
Subtotal Collections	<u>237,306</u>	<u>241,816</u>
Less: Disbursements to Governments & Nonprofits		
Criminal Court Costs / Fees		
Central Louisiana Juvenile Detention Facility	7,605	6,195
CMIS Collections	1,020	822
DHH- TH/SCI T.F.	3,595	2,685
Louisiana Commission On Law Enforcement	8,124	5,969
Louisiana Supreme Court	510	411
North Louisiana Crime Laboratory	26,740	20,120
Less: Amounts Retained by the Village of Creola		
Criminal Court Costs / Fees	<u>189,712</u>	<u>205,614</u>
Subtotal Disbursements / Retainage	<u>237,306</u>	<u>241,816</u>
Ending Balance of Amounts Collected but not Disbursed	<u>\$ -</u>	<u>\$ -</u>

VILLAGE OF CREOLA

Louisiana Community Development Block Grant Supplemental Schedule

Statement of Net Position - Community Development Block Grant - Regulatory Basis (Included in Proprietary Fund) - June 30, 2023

ASSETS:

Current Assets:

Cash	\$	-
Grant Revenue Receivable		-
Due from Other Funds		-
Total assets		<u>-</u>

LIABILITIES:

Current Liabilities:

Accounts Payable		-
Contracts Payable		-
Due to Other Funds		-
Retainage Payable		-
Total liabilities		<u>-</u>

NET POSITION:

Unrestricted		-
Total net position	\$	<u>-</u>

Statement of Revenues, Expenses and Changes in Net Position - Regulatory Basis Community Development Block Grant (Included in Proprietary Funds) - June 30, 2023

REVENUES:

Intergovernmental Revenues	\$	-
LCDBG Program Revenue		150,684
Local Revenue		-
Total Revenues		<u>150,684</u>

EXPENDITURES:

Administration		-
Acquisition		-
Engineering		-
Construction		150,684
Clearance/Demolition		-
Planning		-
Total Expenditures		<u>150,684</u>

Excess (Deficiency) of Revenues over Expenditures	\$	<u>-</u>
----------------------------------------------------------	----	----------

The schedules appearing above are presented to comply with the Division of Administration's requirements for the Louisiana Community Development Block Grant Program. The figures are presented on a regulatory basis of accounting prescribed by the Division of Administration for this program.



December 27, 2023

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

To the Mayor and Board of Aldermen
Village of Creola, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village of Creola's basic financial statements, and have issued our report thereon dated December 27, 2023.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Village of Creola'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 Village of Creola's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Creola'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Village of Creola'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 two instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002.



Rozier, McKay & Willis
Certified Public Accountants
Voice: 318.442.1608

1407 Peterman Drive
Alexandria, Louisiana 71301
Online: CenlaCPAs.com

Village of Creola
December 27, 2023

THE VILLAGE OF CREOLA'S RESPONSE TO FINDINGS

Government Auditing Standards requires the auditor to perform limited procedures on the Village of Creola's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Village of Creola'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.



Rozier, McKay & Willis
Certified Public Accountants

Village of Creola

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2023

PART I - SUMMARY OF AUDITOR'S RESULTS:

- The Independent Auditors' Report on the financial statements of the Village of Creola as of June 30, 2023 and for the year then ended expressed an unmodified opinion.
- No control deficiencies were disclosed during the audit of the financial statements. Accordingly, there were no material weaknesses.
- The results of the audit did disclose two instances (2023-001 and 2023-002) of noncompliance that are considered to be material to the financial statements of the Village of Creola.

PART II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:

Finding 2023-001 – Noncompliance with Louisiana Bond Commission Approval

- *Condition:* The Village entered into a long-term debt agreement without the approval of the State Bond Commission.
- *Criteria:* The Louisiana Constitution prohibits municipalities from incurring any long-term indebtedness without the approval of the State Bond Commission.
- *Cause:* The Village did not request State Bond Commission approval when entering into long-term debt for the construction of the municipal building.
- *Effect:* The Village was not in compliance with the Louisiana Constitution.
- *Recommendation:* We recommend that the Village implement policies and procedures to ensure that the Village is in compliance with all debt restriction laws in the future.

Finding 2023-002 – Budget Violation

- *Condition:* The General Fund debt proceeds had budget variances outside of the 5% range required by State Law.
- *Criteria:* The Louisiana Government Budget Act requires actual revenues and other sources to be no less than 5% of budgeted amounts and actual expenditures and other uses to be no more than 5% of budgeted amounts.
- *Cause:* Though the budget was properly amended, actual debt proceeds were less than budgeted amounts.
- *Effect:* The Police Jury was not in compliance with the Louisiana Government Budget Act.
- *Recommendation:* The Police Jury should implement policies and procedures to ensure that the budget is amended whenever variances exceed amounts allowed by the Louisiana Government Budget Act.

Village of Creola

Management's Corrective Action Plan

For the Year Ended June 30, 2023

SECTION I	
INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
<p><u>2023-001: Noncompliance with Louisiana Bond Commission Approval</u></p> <p>The Village entered into a long-term debt agreement without the approval of the State Bond Commission. The Louisiana Constitution prohibits municipalities from incurring any long-term indebtedness without the approval of the State Bond Commission.</p>	<p><u>2023-001: Response</u></p> <p>We will implement policies and procedures to ensure that the Village is in compliance with all debt restriction laws in the future.</p>
<p><u>2023-002: Budget Violation</u></p> <p>The General Fund reported unfavorable budget variances that exceeded the 5% permitted by State Law. In the future, we suggest enhanced monitoring to prevent excessive budget variances.</p>	<p><u>2023-002: Response</u></p> <p>In the future, monitoring of revenues and expenditures near year end will be emphasized to prevent variances exceeding amounts permitted by Law.</p>
SECTION II	
MANAGEMENT LETTER	
<p>No management letter was issued.</p>	<p>Response – N/A</p>

Village of Creola
Schedule of Prior Year Findings
For the Year Ended June 30, 2023

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
<p><u>2022-001: Payroll Reporting</u> In the current year, a clerical error was made, resulting in an employee receiving compensation for hours not worked. The Louisiana Constitution prohibits municipalities from loaning, pledging, or donating anything of value to any person, public or private, without a reasonable expectation of receiving something real and substantial in exchange.</p>	<p><u>Resolved</u></p>
SECTION II MANAGEMENT LETTER	
<p>No management letter was issued.</p>	<p>Response – N/A</p>

APPENDIX A
Statewide Agreed-Upon Procedures



Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the Village of Creola and
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Village of Creola (the Entity) 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.

The entity has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period described above. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

We were engaged 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 entity 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.

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December 27, 2023



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Village of Creola

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Written Policies and Procedures		
Agreed-Upon Procedure	Results	Managements' Response
<p>1 Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories.</p> <ul style="list-style-type: none">• Budgeting• Purchasing• Disbursements• Receipts• Payroll/Personnel• Contracting• Credit Cards• Travel and expense reimbursements• Ethics• Debt Service• Disaster Recovery / Business Continuity• Sexual Harassment	<p>The Village does not have any written procedures regarding the following functions:</p> <ul style="list-style-type: none">• Disaster Recovery / Business Continuity	<p><i>Due to the small size operation & limited staff, job duties are clearly understood despite the absence of written details. We will consider whether adopting formal written procedures would be beneficial.</i></p>

Village of Creola

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
<p>2 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:</p> <p>a) 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.</p> <p>b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. <i>Alternately, for those entities reporting on the non-profit 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.</i></p> <p>c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes</p>	<p>The Board did not meet during one month of the year.</p> <p>The necessary budget to actual comparisons were included.</p> <p>For previous year, the general fund reported a positive unrestricted fund balance.</p>	<p><i>The meeting was cancelled due to a lack of quorum. All documents and reports for this meeting were readily available at the Municipal Complex during this month.</i></p> <p><i>No findings or criticisms were reported.</i></p> <p><i>No findings or criticisms were reported.</i></p>

Village of Creola

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund. d) 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.	Written discussions regarding the internal control for payroll functions were not observed.	<i>Policies were reviewed and communicated to the applicable personnel regarding the finding.</i>

Village of Creola

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Bank Reconciliations		
Agreed-Upon Procedure	Results	Managements' Response
<p>3 Obtain a listing of client 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 selected each account, and observe that:</p> <p>a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);</p> <p>b) 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</p> <p>c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.</p>	<p>Reconciliations were completed within a 2-month period.</p> <p>Evidence of review by an appropriate party was present.</p> <p>No items were outstanding for more than 12 months.</p>	<p><i>No findings or criticisms were reported.</i></p> <p><i>No findings or criticisms were reported.</i></p> <p><i>No findings or criticisms were reported.</i></p>

Village of Creola

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Collections (excluding EFTs)		
Agreed-Upon Procedure	Results	Managements' Response
b) 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.	The Clerk collects and prepares deposits, but the absence of segregation is mitigated by the non-acceptance of cash.	<i>No findings or criticisms were reported.</i>
c) 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.	The Clerk posts collection entries to the general and reconciles postings; however, this risk is mitigated by review of the financial statements by the mayor and their no-cash policy.	<i>No findings or criticisms were reported.</i>
d) 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 verifies the reconciliation.	The Clerk reconciles collections; however, this risk is mitigated by review of the financial statements by the mayor and their no-cash policy.	<i>No findings or criticisms were reported.</i>
6 Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.	Appropriate coverage has been maintained.	<i>No findings or criticisms were reported.</i>
7 Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" 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	RMW randomly selected two deposit dates for each of the accounts tested.	<i>No findings or criticisms were reported.</i>

Village of Creola

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Collections (excluding EFTs)		
Agreed-Upon Procedure	Results	Managements' Response
<p>a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:</p> <p>a. Observe that receipts are sequentially pre-numbered.</p> <p>b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.</p> <p>c. Trace the deposit slip total to the actual deposit per the bank statement.</p> <p>d. Observe that 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).</p> <p>e. Trace the actual deposit per the bank statement to the general ledger.</p>	<p>N/A – The Village does not accept currency as a form of payment and typical collections arrive by mail or through electronic forms of payment.</p> <p>Collection documentation agreed to the deposit slip where applicable.</p> <p>Deposits on the bank statement agreed with the deposit slip or remote-capture details for direct deposit.</p> <p>Deposits were remitted with a single business day.</p> <p>Deposits appearing on the bank statement agree with the general ledger.</p>	<p><i>No findings or criticisms were reported.</i></p> <p><i>No findings or criticisms were reported.</i></p> <p><i>No findings or criticisms were reported.</i></p> <p><i>No findings or criticisms were reported.</i></p> <p><i>No findings or criticisms were reported.</i></p>

Village of Creola

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
8 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).	All transactions are processed at the Village's Municipal Complex.	<i>No findings or criticisms were reported.</i>
9 For each location selected under #8 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:		
a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.	At least two employees are involved.	<i>No findings or criticisms were reported.</i>
b) At least two employees are involved in processing and approving payments to vendors.	At least two employees are involved.	<i>No findings or criticisms were reported.</i>
c) 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.	Due to the nature of the accounting system and the size of the operation, it is not practical to limit access to particular components. This limitation is mitigated by requiring each check to be signed by two parties.	<i>No findings or criticisms were reported.</i>
d) Either the employee/official responsible for signing checks mails the payment or gives	Due to the limited size of staff, it is not practical to limit mailing duties.	<i>No findings or criticisms were reported.</i>

Village of Creola

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
<p>the signed checks to an employee to mail who is not responsible for processing payments.</p> <p>10 For each location selected under #8 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:</p> <p>a. Observe that the disbursement matched the related original invoice/billing statement.</p> <p>b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.</p> <p>11 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</p>	<p>Disbursements selected were supported by documentation.</p> <p>Evidence of segregation of duties was present.</p> <p>Invoices were available for each electronic disbursement tested; however, there was no indication of approval by an authorized signer.</p>	<p><i>No findings or criticisms were reported.</i></p> <p><i>No findings or criticisms were reported.</i></p> <p><i>Non-payroll electronic disbursements are limited to automatic subscription-based purchases. In the future, we will document that these payments were approved.</i></p>

Village of Creola

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
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.		

Village of Creola

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	Results	Managements' Response
<p>12 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.</p>	<p>The requested information was provided.</p>	<p><i>No findings or criticisms were reported.</i></p>
<p>13 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:</p> <p>a. Observe that 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) was reviewed and approved, in writing, by someone other than the authorized card holder.</p>	<p>Evidence of review and approval was present.</p>	<p><i>No findings or criticisms were reported.</i></p>
<p>b. Observe that finance charges and late fees were not assessed on the selected statements.</p>	<p>No finance charges or late fees were assessed.</p>	<p><i>No findings or criticisms were reported.</i></p>

Village of Creola

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	Results	Managements' Response
14 Using the monthly statements or combined statements selected under #12 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 (i.e. each card should have 10 transactions subject to testing). 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).	All transactions selected were supported by invoices and were evident of business purposes. No meals were served.	<i>No findings or criticisms were reported.</i>

Village of Creola

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Travel and Expense Reimbursement		
Agreed-Upon Procedure	Results	Managements' Response
<p>15 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, 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:</p> <p>a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).</p> <p>b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.</p> <p>c. 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 policy (procedure #1h).</p>	<p>Reimbursements for mileage were computed using an outdated rate.</p> <p>Supporting documentation was not available for the transaction that was reimbursed using actual cost.</p> <p>Of the \$641.22 tested, 77.70% had supporting documentation for business purposes.</p>	<p><i>We will update the reimbursement forms and properly reimburse our employees going forward.</i></p> <p><i>Documentation for the reimbursement was reviewed for authorization; however, the file was misplaced when the Municipal Complex location was moved. We will review our policies on recordkeeping with the appropriate personnel.</i></p> <p><i>See above.</i></p>

Village of Creola

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Travel and Expense Reimbursement		
Agreed-Upon Procedure	Results	Managements' Response
d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.	Approval by someone other than the recipient was evident.	<i>No findings or criticisms were reported.</i>

Contracts		
Agreed-Upon Procedure	Results	Managements' Response
16 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. Alternately, 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 has provided a list.	<i>No findings or criticisms were reported.</i>
a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.	Contracts did not require a public bid.	<i>No findings or criticisms were reported.</i>
b. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).	Documentation was sufficient.	<i>No findings or criticisms were reported.</i>

Village of Creola

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Contracts		
Agreed-Upon Procedure	Results	Managements' Response
c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.	Contracts were not amended.	<i>No findings or criticisms were reported.</i>
d. 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.	Documentation was sufficient.	<i>No findings or criticisms were reported.</i>

Village of Creola

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
17 Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.	The list was provided.	<i>No findings or criticisms were reported.</i>
18 Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:		
a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).	Attendance was properly documented.	<i>No findings or criticisms were reported.</i>
b. Observe that supervisors approved the attendance and leave of the selected employees/officials.	N/A – There is no policy for annual leave.	<i>No findings or criticisms were reported.</i>
c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.	N/A – There is no policy for annual leave.	<i>No findings or criticisms were reported.</i>
19 Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination	N/A – There is no policy for annual leave.	<i>No findings or criticisms were reported.</i>

Village of Creola

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
20 Obtain management's representation that 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.	Management has asserted that all relevant payments have been made and forms filed.	<i>No findings or criticisms were reported.</i>

Village of Creola

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Ethics		
Agreed-Upon Procedure	Results	Managements' Response
<p>21 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:</p> <p>a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.</p> <p>b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.</p>	<p>No documentation was available for the selected employees during the fiscal period.</p> <p>No documentation was available for the selected employees during the fiscal period.</p>	<p><i>We will review files to ensure that all employees complete the ethics training during the fiscal year.</i></p> <p><i>We believe that all employees are familiar with ethic policies, but we will review files to ensure that signature verification is provided by every member of the staff.</i></p>
<p>22 Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.</p>	<p>The Clerk serves as the ethics designee.</p>	<p><i>No findings or criticisms were reported.</i></p>

Village of Creola

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Debt Service		
Agreed-Upon Procedure	Results	Managements' Response
23 Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.	State Bond Commission approval was not obtained for the long-term debt incurred in the current year for construction of the municipal building.	<i>Management will implement policies and procedures to ensure that the Village is in compliance with all debt restriction laws in the future. See audit finding 2023-001.</i>
25 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.	N/A – Debt was limited to agreements with no significant covenants.	<i>No findings or criticisms were reported.</i>

Village of Creola

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Fraud Notice		
Agreed-Upon Procedure	Results	Managements' Response
23 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.	No misappropriations were reported.	<i>No findings or criticisms were reported.</i>
26 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 necessary postings were present.	<i>No findings or criticisms were reported.</i>

Village of Creola

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Information Technology Disaster Recovery /Business Continuity		
Agreed-Upon Procedure	Results	Managements' Response
<p>27 Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."</p> <p>a. 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.</p> <p>b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.</p> <p>c. 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.</p>	<p>We performed the procedure and discussed the results with management.</p> <p>We performed the procedure and discussed the results with management.</p> <p>We performed the procedure and discussed the results with management.</p>	<p>No findings or criticisms were reported.</p> <p>No findings or criticisms were reported.</p> <p>No findings or criticisms were reported.</p>
<p>28 Randomly select 5 terminated employees (or all terminated employees if less than 5) using</p>	<p>We performed the procedure and discussed the results with management.</p>	<p>No findings or criticisms were reported.</p>

Village of Creola

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Information Technology Disaster Recovery /Business Continuity		
Agreed-Upon Procedure	Results	Managements' Response
the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.		

Village of Creola

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Sexual Harassment		
Agreed-Upon Procedure	Results	Managements' Response
<p>29 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.</p>	<p>No evidence for sexual harassment training was available for the employees selected during the current fiscal period.</p>	<p><i>We will review files to ensure that all employees complete the sexual harassment training during the fiscal year.</i></p>
<p>30 Observe 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).</p>	<p>The policy is included in the Policies and Procedures Manual, but not posted on the premises.</p>	<p><i>We will consider posting the sexual harassment policy and complaint procedures on our premises.</i></p>
<p>31 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 it includes the applicable requirements of R.S. 42:344:</p> <ul style="list-style-type: none"> a. Number and percentage of public servants in the agency who have completed the training requirements; b. Number of sexual harassment complaints received by the agency; c. Number of complaints which resulted in a finding that sexual harassment occurred; d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and e. Amount of time it took to resolve each complaint. 	<p>A report was not completed the fiscal year.</p>	<p><i>We will consider completing an annual sexual harassment report in the future.</i></p>