

VILLAGE OF TURKEY CREEK, LOUISIANA

Financial Report

Year Ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

* A Professional Accounting Corporation

The Honorable Bert Campbell, Mayor
and Members of the Board of Aldermen
Village of Turkey Creek, 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 Turkey Creek (Village), 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, 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 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'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 judgement 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'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'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 schedules, schedule of employer's share of net pension liability, and schedule of employer contributions, page 38 - 43, 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.

The Village has omitted management's discussion and analysis 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 Village's basic financial statements. The justice system funding schedule is presented for purposes of additional analysis and is 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 justice system funding schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the detailed budgetary comparison schedules of revenues and expenditures, and schedule of number of utility customers but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2023, on our consideration of the Village'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 Village'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 Village's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

VILLAGE OF TURKEY CREEK, LOUISIANA

Statement of Net Position

June 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and interest-bearing deposits	\$ 122,830	\$ 429,666	\$ 552,496
Receivables, net	15,910	103,909	119,819
Prepaid expenses	-	14,802	14,802
Restricted assets:			
Cash and interest-bearing deposits	-	11,251	11,251
Capital Assets:			
Capital assets, net	142,440	623,526	765,966
Right to use lease assets, net	98,248	-	98,248
Total assets	<u>379,428</u>	<u>1,183,154</u>	<u>1,562,582</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan	<u>410,905</u>	<u>138,318</u>	<u>549,223</u>
LIABILITIES			
Accounts payable	35,050	66,352	101,402
Accrued liabilities	7,254	23,641	30,895
Accrued interest	78	-	78
Customer deposits	-	11,251	11,251
Long-term liabilities:			
Due within one year -			
Lease liability	28,669	-	28,669
Due after one year -			
Lease liability	71,152	-	71,152
Net pension liability	<u>667,617</u>	<u>245,048</u>	<u>912,665</u>
Total liabilities	<u>809,820</u>	<u>346,292</u>	<u>1,156,112</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan	<u>-</u>	<u>23,381</u>	<u>23,381</u>
NET POSITION			
Net investment in capital assets	140,867	623,526	764,393
Restricted for sales tax dedication	40,917	-	40,917
Unrestricted	<u>(201,271)</u>	<u>328,273</u>	<u>127,002</u>
Total net position	<u>\$ (19,487)</u>	<u>\$ 951,799</u>	<u>\$ 932,312</u>

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

VILLAGE OF TURKEY CREEK, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2023

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
General government	\$ 277,273	\$ 16,354	\$ -	\$ (260,919)	\$ -	\$ (260,919)
Public safety	633,555	396,143	17,027	(220,385)	-	(220,385)
Public works	54,312	-	-	(54,312)	-	(54,312)
Culture and recreation	54,382	3,485	-	(50,897)	-	(50,897)
Interest on long-term debt	1,601	-	-	(1,601)	-	(1,601)
Total governmental activities	1,021,123	415,982	17,027	(588,114)	-	(588,114)
Business-type activities:						
Water and sewer	934,875	835,158	148,055	-	48,338	48,338
Total	\$1,955,998	\$1,251,140	\$165,082	(588,114)	48,338	(539,776)
General revenues:						
Taxes -						
Ad valorem taxes, levied for general purposes				14,020	-	14,020
Sales taxes, levied for general purposes				114,930	-	114,930
Franchise taxes				21,339	-	21,339
Grants and contributions not restricted to specific programs -						
State sources				3,700	-	3,700
Non-employer pension contribution				14,137	3,721	17,858
Interest and investment earnings				-	1,134	1,134
Miscellaneous				21,181	15,538	36,719
Transfers				51,543	(51,543)	-
Total general revenues				240,850	(31,150)	209,700
Change in net position				(347,264)	17,188	(330,076)
Net position, beginning				327,777	934,611	1,262,388
Net position, ending				\$ (19,487)	\$ 951,799	\$ 932,312

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Fund

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

1996 Sales Tax Fund -

To account for the receipt and use of proceeds of the Village's two percentage sales and use tax. These taxes are dedicated for the purpose of acquiring, constructing, improving, maintaining, and operating a community center for the Village and improving and maintaining public streets and drainage works in the Village, with the proceeds of the tax to be subject to funding into bonds.

Enterprise Fund

Utility Fund -

To account for the provision of water and sewerage services to residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

VILLAGE OF TURKEY CREEK, LOUISIANA

Balance Sheet - Governmental Funds

June 30, 2023

	<u>General Fund</u>	<u>1996 Sales Tax Fund</u>	<u>Total</u>
ASSETS			
Cash and interest-bearing deposits	\$ 87,817	\$ 35,013	\$ 122,830
Receivables:			
Taxes	1,341	8,870	10,211
Other	<u>5,699</u>	<u>-</u>	<u>5,699</u>
Total assets	<u>\$ 94,857</u>	<u>\$ 43,883</u>	<u>\$ 138,740</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 32,084	\$ 2,966	\$ 35,050
Accrued liabilities	<u>7,254</u>	<u>-</u>	<u>7,254</u>
Total liabilities	<u>39,338</u>	<u>2,966</u>	<u>42,304</u>
Fund balances:			
Restricted for sales tax dedication	-	40,917	40,917
Unassigned	<u>55,519</u>	<u>-</u>	<u>55,519</u>
Total fund balances	<u>55,519</u>	<u>40,917</u>	<u>96,436</u>
Total liabilities and fund balances	<u>\$ 94,857</u>	<u>\$ 43,883</u>	<u>\$ 138,740</u>

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

VILLAGE OF TURKEY CREEK, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2023

Total fund balances for the governmental funds at June 30, 2023		\$ 96,436
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. Those assets consist of:		
Buildings and improvements, net of \$480,200 accumulated depreciation	\$ 116,205	
Equipment, net of \$96,806 accumulated depreciation	3,999	
Infrastructure, net of \$281,640 accumulated depreciation	<u>22,236</u>	142,440
Right to use lease assets used in governmental activities are not financial resources, and therefore, are not reported in the fund		
Right to use lease assets, net of \$17,352 accumulated amortization		98,248
The deferred outflows of expenditures for the pension plan are not a use of current resources and, therefore, are not reported in the fund.		
		410,905
Some liabilities are not due and payable from current financial resources and, therefore, are not reported in the fund.		
Interest payable	(78)	
Lease liability	(99,821)	
Net pension liability	<u>(667,617)</u>	<u>(767,516)</u>
Net position at June 30, 2023		<u>\$ (19,487)</u>

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

VILLAGE OF TURKEY CREEK, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Governmental Funds
 For the Year Ended June 30, 2023

	General Fund	1996 Sales Tax Fund	Total
Revenues:			
Taxes	\$ 35,359	\$ 114,930	\$ 150,289
Licenses and permits	16,354	-	16,354
Intergovernmental	20,727	-	20,727
Fines and forfeits	396,143	-	396,143
Miscellaneous	24,666	-	24,666
Total revenues	<u>493,249</u>	<u>114,930</u>	<u>608,179</u>
Expenditures:			
Current -			
General government	230,615	-	230,615
Public safety	491,790	-	491,790
Public works	-	48,528	48,528
Culture and recreation	22,607	-	22,607
Capital outlay	115,600	-	115,600
Debt service -			
Principal retirement	15,779	-	15,779
Interest charges	1,523	-	1,523
Total expenditures	<u>877,914</u>	<u>48,528</u>	<u>926,442</u>
Excess (deficiency) of revenues over expenditures	<u>(384,665)</u>	<u>66,402</u>	<u>(318,263)</u>
Other financing sources (uses):			
Inception of lease	115,600	-	115,600
Transfers in	218,060	-	218,060
Transfers out	(169)	(166,348)	(166,517)
Total other financing sources (uses)	<u>333,491</u>	<u>(166,348)</u>	<u>167,143</u>
Net change in fund balances	(51,174)	(99,946)	(151,120)
Fund balances, beginning	<u>106,693</u>	<u>140,863</u>	<u>247,556</u>
Fund balances, ending	<u>\$ 55,519</u>	<u>\$ 40,917</u>	<u>\$ 96,436</u>

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

VILLAGE OF TURKEY CREEK, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2023

Total net change in fund balances for year ended June 30, 2023 per the statement of revenues, expenditures, and changes in fund balances			\$ (151,120)
The change in net position reported for governmental activities in the statement of activities is different because.			
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.			
Depreciation expense			(39,138)
Right to use asset capital outlay which is considered expenditures on the statement of revenues, expenditures, and changes in fund balance			
	\$ 115,600		
Amortization expense	<u>(17,352)</u>	98,248	
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.			
Proceeds from right to use leases	(115,600)		
Repayment of lease principal	<u>15,779</u>	(99,821)	
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 the governmental funds.			
Interest payable	(78)		
Net pension liability	<u>(155,355)</u>	<u>(155,433)</u>	
Change in net position for year ended June 30, 2023 per the statement of activities			<u>\$ (347,264)</u>

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

VILLAGE OF TURKEY CREEK, LOUISIANA

Statement of Net Position
 Proprietary Fund - Enterprise Fund
 June 30, 2023

ASSETS

Current assets:	
Cash and interest-bearing deposits	\$ 429,666
Accounts receivable, net	80,269
Unbilled utility receivable	23,640
Prepaid expenses	<u>14,802</u>
Total current assets	<u>548,377</u>
Noncurrent assets:	
Restricted assets -	
Cash and interest-bearing deposits	11,251
Capital assets, net of accumulated depreciation	<u>623,526</u>
Total noncurrent assets	<u>634,777</u>
Total assets	<u>1,183,154</u>
Deferred outflows of resources related to pension plan	<u>138,318</u>

LIABILITIES

Current liabilities:	
Accounts payable	66,352
Accrued liabilities	23,641
Payable from restricted assets -	
Customers' deposits	<u>11,251</u>
Total current liabilities	101,244
Noncurrent liabilities:	
Net pension liability	<u>245,048</u>
Total liabilities	<u>346,292</u>
Deferred inflows of resources related to pension plan	<u>23,381</u>

NET POSITION

Net investment in capital assets	623,526
Unrestricted	<u>328,273</u>
Total net position	<u>\$ 951,799</u>

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

VILLAGE OF TURKEY CREEK, LOUISIANA

Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Fund - Enterprise Fund
 For the Year Ended June 30, 2023

Operating revenues:	
Charges for services	\$ 791,062
Connection fees	8,400
Penalties	17,595
Installations	11,401
Memberships	6,700
Miscellaneous	<u>15,538</u>
Total operating revenues	<u>850,696</u>
Operating expenses	
Bank charges	1,058
Depreciation	67,120
Fees and permits	3,049
Fuel and oil	23,472
Insurance	57,585
Miscellaneous	320
Office expense	35,072
Professional fees	35,480
Repairs and maintenance	184,995
Salaries and related benefits	443,014
Supplies	26,732
Telephone	2,791
Travel	416
Utilities	<u>53,771</u>
Total operating expenses	<u>934,875</u>
Operating loss	<u>(84,179)</u>
Nonoperating revenues:	
Interest income	1,134
Federal grant revenue	131,214
State grant revenue	16,841
Nonemployer pension contribution	<u>3,721</u>
Total nonoperating revenues	<u>152,910</u>
Income before transfers	<u>68,731</u>
Transfer in (out)	
Transfers in	169
Transfers out	<u>(51,712)</u>
Total transfers in (out)	<u>(51,543)</u>
Change in net position	17,188
Net position, beginning	<u>934,611</u>
Net position, ending	<u>\$ 951,799</u>

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

VILLAGE OF TURKEY CREEK, LOUISIANA

Statement of Cash Flows
 Proprietary Fund Type - Enterprise Fund
 For the Year Ended June 30, 2023

Cash flows from operating activities:	
Receipts from customers	\$ 776,957
Payments to suppliers	(355,705)
Payments to employees	(443,014)
Other receipts	<u>59,634</u>
Net cash provided by operating activities	<u>37,872</u>
Cash flows from noncapital financing activities:	
Proceeds from grants	148,055
Net change in meter deposits	1,900
Transfers from other funds	169
Transfers to other funds	<u>(51,712)</u>
Net cash provided by noncapital financing activities	<u>98,412</u>
Cash flows from investing activities:	
Interest on investments	<u>1,134</u>
Net increase in cash and cash equivalents	137,418
Cash and cash equivalents, beginning	<u>303,499</u>
Cash and cash equivalents, ending	<u>\$ 440,917</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (84,179)
Adjustments to reconcile operating loss to net cash provided by operating activities -	
Depreciation	67,120
Provision for uncollectible accounts	11,255
Pension expense	5,616
Changes in current assets and liabilities -	
Accounts receivable	(14,105)
Prepaid expenses	1,498
Accounts payable	40,429
Accrued liabilities	<u>10,238</u>
Net cash provided by operating activities	<u>\$ 37,872</u>

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

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Village of Turkey Creek (Village) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The Village of Turkey Creek was incorporated in 1956, under the provisions of the Lawrason Act. The Village operates under a Mayor-Board of Alderman form of government and provides the following services: public safety, highway and streets, water and sewer services, culture and recreation, and general administrative services.

This report includes all funds and activities that are controlled by the Village as an independent political subdivision of the State of Louisiana. There are no component units required to be reported in conformity with generally accepted accounting principles.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The government-wide financial statements provide operational accountability information for the Village as an economic unit. The government-wide financial statements report the Village's ability to maintain service levels and continue to meet its obligations as they come due. The statements include all governmental activities and all business-type activities of the Village.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Village and for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

Fund Financial Statements (FFS)

The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, expenditures/expenses, and transfers. The minimum number of funds is maintained consistent with legal and managerial requirements.

Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The funds of the Village are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

The General Fund is always a major governmental fund. Other individual major governmental and enterprise funds are determined as funds whose revenues, expenditures/expenses, assets and deferred outflows of resources, or liabilities and deferred inflows of resources, are at least ten percent of the corresponding totals for all funds of that category or type (total governmental or enterprise fund) and at least five percent of the corresponding total for all governmental fund and enterprise funds combined or funds designated as major at the discretion of the Village. Funds not classified as a major fund are aggregated and presented in a single column in the fund financial statements.

Governmental Funds -

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The Village reports these major governmental funds and fund types:

The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of government grants or other specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects of the Village. The Village's major special revenue fund is the 1996 Sales Tax Special Revenue Fund. This fund is used to account for the proceeds of a two percent sales and use tax that is legally restricted to expenditures for specific purposes.

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

Proprietary Fund - Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Village's enterprise fund is the Utility Fund.

C. Measurement Focus and Basis of Accounting

Measurement Focus

The measurement focus determines the accounting and financial reporting treatment applied to a fund.

The governmental and business-type activities within the government-wide statement of net position and statement of activities are presented using the economic resources measurement focus. The economic resources measurement focus meets the accounting objectives of determining net income, net position, and cash flows.

The fund financial statements use either the current financial resources measurement focus or the economic resources measurement focus as appropriate. Governmental funds use the current financial resources measurement focus. This measurement focus is based upon the receipt and disbursement of current available financial resources rather than upon net income. The measurement focus of the proprietary fund type, the flow of economic resources, is based upon determination of net income, net position, and cash flows.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. An exception to this is grants collected on a reimbursement basis. Those reimbursable grants are recognized as revenue when reimbursable expenditures are made. Property tax revenues are recognized in the period for which levied provided they are also available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used.

Program revenues

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the Village's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Village's general revenues.

Allocation of indirect expenses

The Village reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the statement of activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the statement of activities.

Revenues

Ad valorem taxes are recorded in the year taxes are due and payable. Interest income on deposits is recorded as revenues when earned. Sales taxes, franchise fees, and intergovernmental revenues are recorded when the Village is entitled to the funds. Substantially all other revenues are recorded when received.

Operating Revenues and Expenses

In the propriety funds, operating revenues and expenses are those that result from providing services and producing and delivering goods and or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

Expenditures Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities. Interest on long-term debt is considered an indirect expense and is reported separately on the statement of activities. In the fund financial statements, expenditures are classified by character for governmental funds and by operating and nonoperating for proprietary funds. In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Village. For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit with an original maturity of three months or less when purchased.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem taxes, sales and use taxes, and franchise taxes. Business-type activities report customer utility service receivables as their major receivable. Uncollectible ad valorem taxes and utility service receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2023, an allowance for ad valorem taxes was considered unnecessary due to immateriality. The allowance for uncollectibles for customer utility receivables was \$102,673 at June 30, 2023. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables."

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items are recorded as expenditures-expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include buildings and improvements, equipment and vehicles, utility system and improvements, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The Village maintains a threshold level of \$5,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	30 years
Equipment and vehicles	5 years
Utility system and improvements	20-40 years
Infrastructure	20 years

In the fund financial statements, the acquisition of capital assets used in governmental fund operations is accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Compensated Absences

Employees of the Village earn 80 hours of sick leave and 80 hours of vacation leave per year. Sick leave does not accumulate and is not payable upon termination or retirement. Vacation leave does not accumulate, and any unused vacation leave will be paid to the employee at the employee's current rate of pay.

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The Village's long-term debt at June 30, 2023 consists of lease liabilities.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. At June 30, 2023, the Village's deferred outflows of resources and deferred inflows of resources on the government-wide statement and proprietary fund enterprise fund statement are attributable to its pension plans.

Pensions

The net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense (See Note 9), have been determined using the flow of economic resources measurement focus and full accrual basis of accounting. Member's earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Non-employer contributions are recognized as revenue in the government-wide financial statements. In the governmental fund financial statements contributions are recognized as expenditures when made.

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets
- b. Restricted net position consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or law through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets. It is the Village's policy to use restricted net position prior to the use of unrestricted net position when both restricted and unrestricted net position are available for an expense which has been incurred. At June 30, 2023, the Village reported \$40,917 of restricted net position, which was restricted by enabling legislation.
- c. Unrestricted net position consists of all other net position that that does not meet the definition of "restricted" or "net investment in capital assets."

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. Nonspendable includes amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed includes amounts that can be used only for specific purposes determined by a formal decision of the Village's Mayor and Board of Aldermen, which is the highest level of decision-making authority for the Village.
- d. Assigned includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Village's adopted policy, only the Mayor and Board of Aldermen may assign amounts for specified purposes.
- e. Unassigned includes fund balance amounts which have not been classified within the above-mentioned categories.

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

It is the Village's policy to use restricted amounts first when both restricted and unrestricted fund balance is available unless prohibited by legal or contractual provisions. Additionally, the Village uses committed, assigned, and lastly unassigned amounts of fund balance in that order when expenditures are made. Propriety fund equity is classified the same as in the government-wide statements.

E Use of Estimates

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

(2) Cash and Interest-Bearing Deposits

Under state law, the Village may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Village may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2023, the Village has cash and interest-bearing deposits (book balances) as follows:

Demand deposits	\$ 253,777
Time and savings deposits	<u>309,970</u>
Total	<u>\$ 563,747</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Village's deposits may not be recovered or the collateral securities that are in the possession of an outside party will not be recovered. 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 similar federal security 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 bank. 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. Deposit balances (bank balances) at June 30, 2023 were secured as follows:

Bank balances	\$ 591,134
Federal deposit insurance	500,000
Pledged securities	<u>91,134</u>
Total	<u>\$ 591,134</u>

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

Deposits in the amount of \$91,134 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institutions' trust department or agent, but not in the Village's name. The Village does not have a policy for custodial credit risk.

(3) Receivables

Receivables at June 30, 2023 consist of the following:

	Governmental Activities	Business-type Activities	Total
Accounts, net	\$ -	\$ 80,269	\$ 80,269
Unbilled utility	-	23,640	23,640
Ad valorem tax	1,341	-	1,341
Beer tax	162	-	162
Franchise tax	5,537	-	5,537
Sales tax	8,870	-	8,870
Total	<u>\$ 15,910</u>	<u>\$ 103,909</u>	<u>\$ 119,819</u>

(4) Capital Assets

Capital asset activity for the year ended June 30, 2023 follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Buildings and improvements	\$ 596,405	\$ -	\$ -	\$ 596,405
Equipment	102,505	-	1,700	100,805
Vehicles	23,000	-	-	23,000
Infrastructure	303,876	-	-	303,876
Totals	<u>1,025,786</u>	<u>-</u>	<u>1,700</u>	<u>1,024,086</u>
Less accumulated depreciation				
Buildings and improvements	451,699	28,501	-	480,200
Equipment	95,286	3,220	1,700	96,806
Vehicles	23,000	-	-	23,000
Infrastructure	274,223	7,417	-	281,640
Total accumulated depreciation	<u>844,208</u>	<u>39,138</u>	<u>1,700</u>	<u>881,646</u>
Governmental activities, capital assets, net	<u>\$ 181,578</u>	<u>\$ (39,138)</u>	<u>\$ -</u>	<u>\$ 142,440</u>

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 14,400	\$ -	\$ -	\$ 14,400
Other capital assets:				
Building and improvements	25,219	-	-	25,219
Water system	1,387,058	-	-	1,387,058
Sewer system	976,535	-	-	976,535
Office equipment	6,754	-	6,754	-
Machinery and equipment	167,588	-	-	167,588
Vehicles	<u>119,918</u>	<u>-</u>	<u>-</u>	<u>119,918</u>
Totals	<u>2,697,472</u>	<u>-</u>	<u>6,754</u>	<u>2,690,718</u>
Less accumulated depreciation				
Building and improvements	23,457	449	-	23,906
Water system	1,136,528	23,450	-	1,159,978
Sewer system	608,005	24,950	-	632,955
Office equipment	6,754	-	6,754	-
Machinery and equipment	156,491	4,799	-	161,290
Vehicles	<u>75,591</u>	<u>13,472</u>	<u>-</u>	<u>89,063</u>
Total accumulated depreciation	<u>2,006,826</u>	<u>67,120</u>	<u>6,754</u>	<u>2,067,192</u>
Business-type activities, capital assets, net	<u>\$ 690,646</u>	<u>\$ (67,120)</u>	<u>\$ -</u>	<u>\$ 623,526</u>

Depreciation expense was charged to governmental activities as follows.

General government	\$ 433
Public safety	1,147
Public works	5,784
Culture and recreation	<u>31,774</u>
Total depreciation expense	<u>\$ 39,138</u>

Lease asset activity for the year ended June 30, 2023 follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Right of use lease assets -				
Vehicles	-	\$115,600	\$ -	\$ 115,600
Less accumulated amortization	<u>-</u>	<u>17,352</u>	<u>-</u>	<u>17,352</u>
Governmental activities, lease assets, net	<u>\$ -</u>	<u>\$ 98,248</u>	<u>\$ -</u>	<u>\$ 98,248</u>

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

Amortization expense in the amount of \$17,352 was charged to the general government and public safety law enforcement governmental activities.

(5) Restricted Assets – Proprietary Fund Type (Enterprise Fund)

Restricted assets consist of customers' deposits in the amount of \$11,251 at June 30, 2023.

(6) Long-Term Liabilities

The following is a summary of long-term liability transactions for the year ended June 30, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Lease liability	\$ -	\$ 115,600	\$ 15,779	\$ 99,821	\$ 28,669

Leased Assets:

During the year ending June 30, 2023, the Village entered into an agreement to lease patrol cars and other vehicles at various terms. The Village recognized a lease liability and an intangible right to use lease asset in the government-wide financial statements. The aggregate values of the right to use assets and the related accumulated amortization are disclosed in Note 4.

The future principal and interest payments for leases as of June 30, 2023, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 28,669	\$ 2,225
2025	29,411	1,484
2026	28,405	724
2027	13,336	134
	<u>\$ 99,821</u>	<u>\$ 4,567</u>

(7) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1st of each year. Taxes are levied in October and billed to the taxpayers in December. Billed taxes are due by December 31st and become delinquent on January 1st of the following year.

For the year ended June 30, 2023, taxes of 6.60 mills were levied on property with assessed valuations totaling \$2,093,960. Total taxes levied were \$13,820.

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Dedication of Proceeds and Flow of Funds – 2 Percent Sales and Use Tax

Proceeds of a two percent sales and use tax (accounted for in the 1996 Sales Tax Fund - a special revenue fund) levied by the Village of Turkey Creek (2023 collections \$114,930) are dedicated for the purpose of acquiring, constructing, improving, mantaining and operating a community center for the Village and improving and maintaining public streets and drainage works in the Village.

(9) Pension Plans

The Village of Turkey Creek participates in two cost-sharing defined benefit plans, each administered by separate public employee retirement systems. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all plans admnistered by these public employee retirement systems to the State Legislature. These plans are not closed to new entrants. Substantially all City employees participate in one of the following retirement systems:

Plan Descriptions

Municipal Employees' Retirement System (MERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:1731. The Village participates in Plan A.

State of Louisiana - Municipal Police Employees' Retirement System (MPERS) provides retirement, disability, and survivor benefits to ehgible employees and their beneficiaries as defined in LRS 11.2211 - 11:2233.

The systems' financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Interest income is recognized when earned. Ad valorem taxes and revenue sharing monies are recognized in the year collected by the tax collector.

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

A brief summary of eligibility and benefits of the plans are provided in the following table:

	<u>MERS</u>	<u>MPERS</u>
Final average salary	Highest 60 months	Highest 36 months or 60 months ²
Years of service required and or age eligible for benefits	25 years of any age; 10 years age 60; 20 years any age ¹	25 years of any age; 20 years age 50; 12 years age 55; 20 years any age ¹ 30 years any age ³ ; 25 years age 55 ² ; 10 years age 60 ²
Benefit percent per years of service	3.00%	2.50 - 3.33% ³

¹ With actuarial reduced benefits

² Under non hazardous duty sub plan commencing January 1, 2013

³ Membership commencing January 1, 2013 non hazardous duty plan 2.5%, hazardous duty plan 3.0%, membership prior to January 1, 2013 3.33%.

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. In addition, MERS receives a percentage of ad valorem taxes and MPERS receives a percentage of insurance premium taxes collected by parishes. These entities are not participating employers in the pension systems and are considered to be nonemployer contributing entities.

Contributions of employees, employers, and non-employer contributing entities effective for the year ended June 30, 2023, for the defined benefit pension plans in which the primary government is a participating employer were as follows:

<u>Plan</u>	<u>Active Member Contribution Percentage</u>	<u>Employer Contribution Percentage</u>	<u>Amount from Nonemployer Contributing Entities</u>	<u>Amount of Government Contributions</u>
MERS	10.00%	29.50%	\$ 7,443	\$72,272
MPERS	10.00%	31.25%	10,415	48,007

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

Net Pension Liability

The Village's net pension liability at June 30, 2023 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the Village is a participating employer. The Village's net pension liability for each plan was measured as of the plan's measurement date (June 30, 2022) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Village's proportionate share of the net pension liability for each of the plans in which it participates was based on the Village's required contributions in proportion to total required contributions for all employers.

As of the most recent measurement date, the Village's proportion for each plan and the change in proportion from the prior measurement date were as follows:

Plan	Proportionate Share of Net Pension Liability	Proportionate Share (%) of Net Pension Liability	Increase (Decrease) from Prior Measurement Date
MERS	\$ 434,092	0.104519%	-0.005366%
MPERS	478,573	0.046819%	0.011785%
Total	<u>\$ 912,665</u>		

Since the measurement date of the net pension liability was June 30, 2022, the net pension liability is based upon fiduciary net position for each of the plans as of that date. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the Village's net pension liability is available in the separately issued plan financial reports for fiscal year 2022. The financial report for each plan may be accessed on their website as follows:

MERS - <http://www.mersla.com/>

MPERS - <http://lampers.org/>

Actuarial Assumptions

The following table provides information concerning actuarial assumptions used in the determination of the total pension liability for each of the defined benefit plans in which the Village is a participating employer:

	MERS	MPERS
Date of experience study on which significant assumptions are based	7/1/2013 - 6/30/2018	7/1/2014 - 6/30/2019
Expected remaining service lives	3	4
Inflation Rate	2.50%	2.50%
Projected salary increases	4.5% - 6.4%	4.7% - 12.3%
Projected benefit changes including COLAs	None	None
Source of mortality assumptions	(1), (2), (3)	(4), (5), (6)

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

- (1) PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales
- (2) PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales
- (3) PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with full generational MP2018 scale.
- (4) Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection MP2019 scale.
- (5) The Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females each with full generational projection MP2019 scale.
- (6) Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection MP2019 scale.

Cost of Living Adjustments

The pension plans in which the Village participates have the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis.

Pursuant to LRS 11:242(B), the power of the Board of Trustees of the statewide systems of MERS and MPERS to grant a COLA, is effective in calendar years that the legislature fails to grant a COLA, unless in the legislation granting a COLA, the legislature authorizes the Board of Trustees to provide an additional COLA. The authority to grant a COLA by the Board is subject to the funded status and interest earnings. The effects of the benefit changes made as a result of the COLAs is included in the measurement of the total pension liability as of the measurement date at which the ad hoc COLA was granted and the amount is known and reasonably estimable.

Discount Rate

The discount rates used to measure the Village’s total pension liability for each plan and the significant assumptions used in the determination of the discount rate for each plan are as follows:

	<u>MERS</u>	<u>MPERS</u>
Discount rate	6.85%	6.75%
Change in discount rate from prior valuation	0.000%	0.000%
Plan cash flow assumptions	(1)	(1)
Rates incorporated in the Discount Rate:		
Long-term Rate of Return	6.85%	6.75%
Periods applied	All	All
Municipal Bond Rate	N/A	N/A

*Plan Cash Flow Assumptions:

- 1) Plan member contributions will be made at the current contributions rates and sponsor contributions will be made at the actuarially determined rates.

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

The target allocation and best estimates of arithmetic/geometric real rates of return for each major asset class are summarized for each plan in the following tables:

Asset Class	MERS*		MPERS*	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Public equity	53%	2.31%	55.50%	3.60%
Public fixed income	38%	1.65%	30.50%	0.85%
Alternative Investments	9%	0.39%	14.00%	0.95%
Total	<u>100%</u>	<u>4.35%</u>	<u>100%</u>	<u>5.40%</u>
Inflation		<u>2.60%</u>		<u>2.66%</u>
Nominal return		<u>6.95%</u>		<u>8.06%</u>

*Arithmetic real rates of return

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended June 30, 2023, the Village recognized \$120,279 in pension expense related to all defined benefit plans in which it participates. MERS recognized revenues for ad valorem taxes and MPERS recognized revenues for insurance premium taxes, collected from non-employee contributing entities. The pension expense and revenues are summarized by plan in the following table:

Plan	Pension Expense	Revenues
MERS	\$ 118,996	\$ 7,443
MPERS	<u>176,391</u>	<u>10,415</u>
	<u>\$ 295,387</u>	<u>\$ 17,858</u>

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

At June 30, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

MERS	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between expected and actual experience	\$ 513	\$ 1,662
Change of assumptions	4,206	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	47,311	12,501
Net differences between projected and actual earnings on plan investments	72,230	-
Contributions subsequent to the measurement date	<u>72,272</u>	<u>-</u>
Total	<u>\$ 196,532</u>	<u>\$ 14,163</u>
MPERS	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between expected and actual experience	\$ 2,360	\$ 3,901
Change of assumptions	16,508	3,560
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	200,376	1,757
Net differences between projected and actual earnings on plan investments	85,440	-
Contributions subsequent to the measurement date	<u>48,007</u>	<u>-</u>
Total	<u>\$ 352,691</u>	<u>\$ 9,218</u>

Deferred outflows of resources of \$120,279 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year Ended	<u>MERS</u>	<u>MPERS</u>
June 30:		
2024	\$ 61,018	\$ 117,729
2025	7,528	105,240
2026	6,912	27,687
2027	<u>34,639</u>	<u>44,810</u>
	<u>\$ 110,097</u>	<u>\$ 295,466</u>

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

Sensitivity of the Village’s Proportional Share of the Net Pension Liabilities to Changes in the Discount Rate

The following presents the Village’s proportionate shares of the net pension liabilities of the plans, calculated using their respective discount rates, as well as what the Village’s proportionate shares of the net pension liabilities would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Plan	Current Discount Rate	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
MERS	6.85%	\$ 577,427	\$ 434,092	\$ 312,978
MPERS	6.75%	669,911	478,573	318,743
Total		<u>\$1,247,338</u>	<u>\$912,665</u>	<u>\$631,721</u>

Payables to the Pension Plans

The Village recorded accrued liabilities to each of the pension plans for the year ended June 30, 2023 for the contractually required contributions for the month of June 2023. The amounts are included in liabilities under the amounts reported as accounts and other payables. The amounts due to each plan at June 30, 2023 are as follows:

MERS	\$ 10,473
MPERS	<u>4,803</u>
	<u>\$ 15,276</u>

(10) On-behalf Payments for Salaries

The Village receives on-behalf payments from the State of Louisiana for police salaries. On-behalf payments to the Village totaled \$17,027 for the fiscal year ending June 30, 2023. Such payments are recorded as intergovernmental revenues and as public safety and general government expenditures in the government-wide and General Fund financial statements

(11) Compensation of Village Officials

A detail of compensation paid to the Board of Aldermen for the year ended June 30, 2023 follows:

Joey Ducote, Aldermen	\$ 2,400
Billy King, Jr, Aldermen	4,800
Jessie Johnson, Alderman	2,400
William Chapelle, Alderman	2,400
Carolyn Stewart, Aldermen	<u>2,400</u>
Total	<u>\$ 14,400</u>

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Basic Financial Statements (Continued)

(12) Compensation, Benefits, and Other Payments to Agency Head

A detail of compensation, benefits, and other payments to Mayor, Phillip Cavins and Mayor Bert Campbell for the year ended June 30, 2023 follows:

<u>Purpose</u>	<u>Phillip Cavins 7-1-22 - 12-31-22</u>	<u>Bert Campbell 1-1-23 - 6-30-23</u>
Salary	\$ 5,600	\$ 4,000
Payroll taxes	470	398
Cell phone	350	250
Mileage	-	269
	<u>\$ 6,420</u>	<u>\$ 4,917</u>

(13) Interfund Transfers

Transfers consist of the following at June 30, 2023.

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 218,060	\$ 169
1996 Sales Tax Special Revenue Fund	-	166,348
Total governmental funds	218,060	166,517
Proprietary fund:		
Enterprise Fund	169	51,712
Total	<u>\$ 218,229</u>	<u>\$ 218,229</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the utility fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(14) Risk Management

The Village is exposed to risks of loss in the areas of general and auto liability, property hazards, and workers' compensation. All these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(15) Pending Litigation

At June 30, 2023, the Village was not involved in any lawsuits that would have a material adverse effect on the Village's financial position.

**REQUIRED
SUPPLEMENTARY INFORMATION**

VILLAGE OF TURKEY CREEK, LOUISIANA

General Fund
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 33,333	\$ 34,930	\$ 35,359	\$ 429
Licenses and permits	12,115	14,778	16,354	1,576
Intergovernmental	3,824	23,921	20,727	(3,194)
Fines and forfeits	393,614	321,184	396,143	74,959
Miscellaneous	14,676	20,764	24,666	3,902
Total revenues	<u>457,562</u>	<u>415,577</u>	<u>493,249</u>	<u>77,672</u>
Expenditures:				
Current -				
General government	64,961	116,993	230,615	(113,622)
Public safety	514,546	478,359	491,790	(13,431)
Culture and recreation	6,504	13,921	22,607	(8,686)
Capital outlay	-	256,108	115,600	140,508
Debt service -				
Principal	-	-	15,779	(15,779)
Interest	-	-	1,523	(1,523)
Total expenditures	<u>586,011</u>	<u>865,381</u>	<u>877,914</u>	<u>(12,533)</u>
Deficiency of revenues over expenditures	<u>(128,449)</u>	<u>(449,804)</u>	<u>(384,665)</u>	<u>65,139</u>
Other financing sources (uses):				
Inception of lease	-	129,387	115,600	(13,787)
Transfers in	59,150	237,656	218,060	(19,596)
Transfers out	-	(125)	(169)	(44)
Total other financing sources (uses)	<u>59,150</u>	<u>366,918</u>	<u>333,491</u>	<u>(33,427)</u>
Net change in fund balance	(69,299)	(82,886)	(51,174)	31,712
Fund balance, beginning	<u>129,398</u>	<u>106,693</u>	<u>106,693</u>	<u>-</u>
Fund balance, ending	<u>\$ 60,099</u>	<u>\$ 23,807</u>	<u>\$ 55,519</u>	<u>\$ 31,712</u>

The accompanying notes are an integral part of this schedule.

VILLAGE OF TURKEY CREEK, LOUISIANA

1996 Sales Tax Special Revenue Fund
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales taxes	\$ 100,170	\$ 106,802	\$ 114,930	\$ 8,128
Expenditures:				
Current -				
Public works	<u>45,560</u>	<u>58,467</u>	<u>48,528</u>	<u>9,939</u>
Excess of revenue over expenditures	54,610	48,335	66,402	18,067
Other financing uses:				
Transfers out	<u>-</u>	<u>(185,403)</u>	<u>(166,348)</u>	<u>19,055</u>
Net change in fund balance	54,610	(137,068)	(99,946)	
Fund balance, beginning	<u>50,733</u>	<u>140,863</u>	<u>140,863</u>	<u>-</u>
Fund balance, ending	<u>\$ 105,343</u>	<u>\$ 3,795</u>	<u>\$ 40,917</u>	<u>\$ 37,122</u>

The accompanying notes are an integral part of this schedule.

VILLAGE OF TURKEY CREEK, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2023

* Year Ended June 30.	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Municipal Employees' Retirement System of Louisiana:					
2023	0.104519%	\$ 434,092	\$ 202,164	214.7%	67.87%
2022	0.109885%	305,646	217,589	140.5%	77.82%
2021	0.072940%	315,349	139,414	226.2%	64.52%
2020	0.059159%	247,205	108,916	227.0%	64.68%
2019	0.051093%	211,559	93,302	226.7%	65.60%
2018	0.043904%	183,669	79,731	230.4%	62.49%
2017	0.044090%	180,712	78,760	229.4%	62.11%
2016	0.038643%	138,039	76,880	179.6%	66.18%
2015	0.048667%	124,901	73,566	169.8%	74.00%
Municipal Police Employees' Retirement System:					
2023	0.046819%	\$ 478,573	\$ 144,538	331.1%	70.80%
2022	0.035034%	186,750	106,193	175.9%	84.09%
2021	0.006985%	64,558	21,993	293.5%	70.94%

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

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

The accompanying notes are an integral part of this schedule.

VILLAGE OF TURKEY CREEK, LOUISIANA

Schedule of Employer Contributions
For the Year Ended June 30, 2023

Year ended June 30.	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
Municipal Employees' Retirement System of Louisiana:					
2023	\$ 72,272	\$ 72,272	\$ -	\$ 244,991	29.50%
2022	59,638	59,638	-	202,164	29.50%
2021	64,189	64,189	-	217,589	29.50%
2020	38,687	38,687	-	139,414	27.75%
2019	28,318	28,318	-	108,916	26.00%
2018	23,092	23,092	-	93,302	24.75%
2017	18,139	18,139	-	79,731	22.75%
2016	15,555	15,555	-	78,760	19.75%
2015	15,184	15,184	-	76,880	19.75%
Municipal Police Employees' Retirement System:					
2023	\$ 48,007	\$ 48,007	\$ -	\$ 153,622	31.25%
2022	43,000	43,000	-	144,538	29.75%
2021	35,840	35,840	-	106,193	33.75%

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

The accompanying notes are an integral part of this schedule.

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Required Supplementary Information

(1) Budget and Budgetary Accounting

The Village Clerk prepares and submits the proposed budget to the Mayor and Board of Aldermen prior to the fifteenth day of the fiscal year for which the budget is to be applicable. A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted. All budgetary appropriations lapse at the end of each fiscal year. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Village of Turkey Creek.

(2) Excess of Expenditures Over Appropriations

The General Fund incurred expenditures in excess of appropriations in the amount of \$12,533 for the year ended June 30, 2023.

VILLAGE OF TURKEY CREEK, LOUISIANA

Notes to Required Supplementary Information (Continued)

(3) Pension Plans

Changes of Benefit Terms –

There were no changes of benefit terms.

Changes of assumptions –

*					
Year Ended June 30,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase
Municipal Employees' Retirement System of Louisiana:					
2023	6.850%	6.850%	2.500%	3	4.5% to 6.4%
2022	6.850%	6.850%	2.500%	3	4.5% to 6.4%
2021	6.950%	6.950%	2.500%	3	4.5% to 6.4%
2020	7.000%	7.000%	2.500%	3	4.5% to 6.4%
2019	7.275%	7.275%	2.600%	3	5.00%
2018	7.400%	7.400%	2.775%	3	5.00%
2017	7.500%	7.500%	2.875%	3	5.00%
2016	7.500%	7.500%	2.875%	3	5.00%
2015	7.750%	7.750%	2.750%	3	5.75%
Municipal Police Employees' Retirement System of Louisiana:					
2023	6.750%	6.750%	2.500%	4	4.7% to 12.3%
2022	6.750%	6.750%	2.500%	4	4.7% to 12.3%

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

OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF TURKEY CREEK, LOUISIANA

General Fund
 Budgetary Comparison Schedule - Revenues
 For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Taxes:				
Ad valorem	\$ 12,026	\$ 12,707	\$ 14,020	\$ 1,313
Franchise fees	21,307	22,223	21,339	(884)
Total taxes	<u>33,333</u>	<u>34,930</u>	<u>35,359</u>	<u>429</u>
Occupational licenses	<u>12,115</u>	<u>14,778</u>	<u>16,354</u>	<u>1,576</u>
Intergovernmental:				
State of Louisiana -				
Beer taxes	824	877	700	(177)
Highway maintenance	3,000	3,000	3,000	-
On-behalf payments	-	16,044	17,027	983
State grants	-	4,000	-	(4,000)
Total intergovernmental	<u>3,824</u>	<u>23,921</u>	<u>20,727</u>	<u>(3,194)</u>
Fines and forfeits	<u>393,614</u>	<u>321,184</u>	<u>396,143</u>	<u>74,959</u>
Miscellaneous:				
Rent income	-	8,548	7,517	(1,031)
Lil Dega Speedway	600	3,000	3,485	485
Other sources	14,076	9,216	13,664	4,448
Total miscellaneous	<u>14,676</u>	<u>20,764</u>	<u>24,666</u>	<u>3,902</u>
Total revenues	<u>\$457,562</u>	<u>\$415,577</u>	<u>\$493,249</u>	<u>\$77,672</u>

VILLAGE OF TURKEY CREEK, LOUISIANA

General Fund
 Budgetary Comparison Schedule - Expenditures
 For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Current:				
General government -				
Advertising	\$ 2,209	\$ 3,323	\$ 3,930	\$ (607)
Fees and permits	588	7,063	5,886	1,177
Insurance	-	11,195	-	11,195
Miscellaneous	1,271	4,257	4,009	248
Office expenditures	802	1,106	3,403	(2,297)
Professional fees	14,322	16,061	15,974	87
Repairs and maintenance	9,492	15,457	140,543	(125,086)
Salaries and related benefits	31,068	49,611	47,732	1,879
Supplies	318	3,456	2,345	1,111
Telephone	4,704	3,084	3,370	(286)
Travel	-	390	459	(69)
Utilities	187	1,990	2,964	(974)
Total general government	<u>64,961</u>	<u>116,993</u>	<u>230,615</u>	<u>(113,622)</u>
Public safety - Police				
Fuel and supplies	35,288	29,158	27,737	1,421
Insurance	59,125	44,543	44,737	(194)
Miscellaneous	140,097	115,674	116,755	(1,081)
Repairs and maintenance	35,366	15,960	20,903	(4,943)
Salaries and related benefits	243,765	272,202	280,755	(8,553)
Telephone	905	822	863	(41)
Office expense	-	-	40	(40)
Total public safety - police	<u>514,546</u>	<u>478,359</u>	<u>491,790</u>	<u>(13,431)</u>

VILLAGE OF TURKEY CREEK, LOUISIANA

General Fund
 Budgetary Comparison Schedule - Expenditures (Continued)
 For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Current:				
Parks and recreation -				
Miscellaneous	966	513	427	86
Materials and supplies	2,126	9,684	18,028	(8,344)
Utilities	3,412	3,724	4,152	(428)
Total parks and recreation	<u>6,504</u>	<u>13,921</u>	<u>22,607</u>	<u>(8,686)</u>
Capital outlay	<u>-</u>	<u>256,108</u>	<u>115,600</u>	<u>140,508</u>
Debt service -				
Principal	-	-	15,779	(15,779)
Interest	-	-	1,523	(1,523)
Total debt service	<u>-</u>	<u>-</u>	<u>17,302</u>	<u>(17,302)</u>
Total expenditures	<u>\$ 586,011</u>	<u>\$ 865,381</u>	<u>\$ 877,914</u>	<u>\$ (12,533)</u>

VILLAGE OF TURKEY CREEK, LOUISIANA

Enterprise Fund - Utility Fund
Schedule of Number of Utility Customers
June 30, 2023

Records maintained by the Village indicated the following number of customers were being serviced during the month of June 2023:

<u>Department</u>	
Water (metered)	1,740
Sewer	139

VILLAGE OF TURKEY CREEK, LOUISIANA

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

	First Six Month Period Ended <u>12/31/2022</u>	Second Six Month Period Ended <u>6.30.2023</u>
Cash Basis Presentation		
Beginning balance of amounts collected	<u>\$ 38,013</u>	<u>\$ 16,406</u>
Add: Collections		
Criminal fines - other	<u>183,523</u>	<u>212,620</u>
Subtotal Collections	<u>183,523</u>	<u>212,620</u>
Less Disbursements to Governments & Nonprofits		
LA Traumatic Head and Spinal Cord Injury		
Trust Fund Criminal Fines - Other	3,650	2,995
LA Commission of Law Enforcement/Criminal Fines - Other	1,430	1,173
LA Supreme Court/Criminal Fines - Other	365	300
Treasurer, State of Louisiana Criminal Fines - Other	730	599
Acadiana Crimnahlstics Laboratory Criminal Fines - Other	21,900	17,970
Amount "self-disbursed" to collecting agency		
Criminal Fines - Other	<u>177,055</u>	<u>134,138</u>
Subtotal Disbursements/Retainage	<u>205,130</u>	<u>157,175</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ 16,406</u>	<u>\$ 71,851</u>

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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

The Honorable Bert Campbell, Mayor
and Members of the Board of Aldermen
Village of Turkey Creek, 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 of the Village of Turkey Creek (Village), 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 and have issued our report thereon dated October 23, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Village of Turkey Creek's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the findings identified in our audit and described in the accompanying schedule of current and prior year audit findings and management's corrective action plan. The Village'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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
October 23, 2023

VILLAGE OF TURKEY CREEK, LOUISIANA

Schedule of Current and Prior Year Audit Findings and Management's Corrective Action Plan
For the Year Ended June 30, 2023

Part I. Current Year Findings relating to an audit in accordance with *Government Auditing Standards*:

A. Internal Control

2023-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: 2006

CONDITION: The Village did not have adequate segregation of functions within the accounting system.

CRITERIA. AU-C §315.04, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, defines internal control as follows:

"Internal control is a process, effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations."

CAUSE: The cause of the condition is the fact that the Village does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and or detected.

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities. (1) authorization; (2) custody; (3) recordkeeping, and (4) reconciliation.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Village has determined that it is not cost effective to achieve complete segregation of duties within the accounting functions.

B. Compliance

There were no compliance findings noted.

VILLAGE OF TURKEY CREEK, LOUISIANA

Schedule of Current and Prior Year Audit Findings and Management's Corrective Action Plan
For the Year Ended June 30, 2023 (Continued)

Part II: Prior Year Findings relating to an audit in accordance with *Government Auditing Standards*:

A. Internal Control

2022-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: 2006

CONDITION: The Village did not have adequate segregation of functions within the accounting system.

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities. (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

CURRENT STATUS: See finding 2023-001.

B. Compliance

2022-002 Compliance with Budget Act

Fiscal year finding initially occurred: 2020

CONDITION: Actual expenditures exceeded budgeted expenditures by five percent or more in the General Fund.

RECOMMENDATION: We recommend the Village comply with the requirements of RS 39:1311, the Local Government Budget Act.

CURRENT STATUS: Resolved.

VILLAGE OF TURKEY CREEK
Statewide Agreed-Upon Procedures Report
Year Ended June 30, 2023

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Members of the Board of Aldermen
of the Village of Turkey Creek
and the Louisiana Legislative Auditor:

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

The Village of Turkey Creek 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 July 1, 2022 through June 30, 2023. 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.

The procedures and associated findings are as follows:

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:

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

No exceptions were found as a result of this procedure.

- 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.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- 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 how deposits are recorded
- 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) rates of pay or approval and maintenance of pay rate schedules.
The policy did not include how payroll is processed, the approval process for employee(s) rate of pay, or approval and maintenance of pay rate schedules
- 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 the types of services requiring written contracts, or standard terms and conditions.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
No exceptions were found as a result of this procedure.
- viii. **Credit Cards (and debit cards, fuel cards, purchase 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 entity did not have a policy for this category.
- 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 contain a system to monitor possible ethics violations or a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
The entity did not have a policy for this category.
- 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.
The entity did not have a policy for this category
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
The entity did not have a policy for this category.

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:
- 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.
No exceptions were found as a result of this procedure.
 - 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
No exceptions were found as a result of this procedure.
 - 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
No exceptions were found as a result of this procedure.
 - 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
Written updates on the progress of audit findings were not provided to the board.

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:
- Obtained the listing of entity bank accounts for the fiscal period and management's representation that the listing is complete.*
- 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):
No exceptions were found as a result of this procedure.
 - ii. Bank reconciliations include written evidence that a member of management or a 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
Bank reconciliations did not indicate the date of a member of management's review
 - 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.
No exceptions were found as a result of this procedure.

4) Collections (excluding electronic funds transfers)

- 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).

Obtained the listing of collection locations and management's representation that the listing is complete.

- 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:
- i. Employees responsible for cash collections do not share cash drawers registers;
 - 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;
 - iii. Each employee responsible for collecting cash is not also 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; and
 - 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, is (are) not responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exceptions were found as a result of procedures i – iv

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

No exceptions were found as a result of this procedure.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). Obtain supporting documentation for each of the 10 deposits and:

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure

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

No exceptions were found as a result of this procedure

- 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).

Three of the deposits selected were not made within one business day of receipt.

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

No exceptions were found as a result of this procedure

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).

Obtained the listing of locations that process payments and management's representation that the listing is complete.

- 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:

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- 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 employees responsible for processing payments can add/modify vendor files.

- 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; and

No exceptions were found as a result of this procedure.

- 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.

No exceptions were found as a result of this procedure.

- C. For each location selected under procedure #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:

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity; and

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

No exceptions were found as a result of procedures i - ii.

- 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.

No exceptions were found as a result of this procedure.

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 purchase 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.

Obtained the listing of active credit cards, bank debit cards, fuel cards, and purchase cards (cards) and management's representation that the listing is complete.

- 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
- 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.

No exceptions were found as a result of procedures i – ii.

- 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 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). 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.

No exceptions were found as a result of this procedure.

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:

Obtained the listing of travel and travel-related reimbursements and management's representation that the listing is complete.

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

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

No exceptions were found as a result of procedures i - iv.

8) Contracts – N/A the Village of Turkey Creek did not have contracts that were initiated or renewed during the fiscal period.

- 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. *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:
 - 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;
 - 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);
 - 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, was documented approval); and
 - 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.

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.

Obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete.
- 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
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exceptions were found as a result of procedures i – iv.

- 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.

No employees or officials received termination payments during the fiscal period

- 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.

No exceptions were found as a result of this procedure

10) Ethics

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

No exceptions were found as a result of procedures i – ii.

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

The entity has not appointed an ethics designee as required by R.S. 42.1170.

11) Debt Service – N/A the Village of Turkey Creek does not have any debt.

- 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.
- 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).

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.

No exceptions were found as result of this procedure

- B. Observe 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.

No exceptions were found as a result of this procedure.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures:

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if 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.

We performed the procedure and discussed the results with management.

- 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.

We performed the procedure and discussed the results with management.

- 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.

We performed the procedure and discussed the results with management.

- 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.

No exceptions were found as a result of this procedure.

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.

One of the employees selected did not have documentation demonstrating completion of at least one hour of sexual harassment training.

- 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 entity does not have a sexual harassment policy.

- 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.

The annual report was not prepared

Management's Response

Management of the Village of Turkey Creek concurs with the exceptions and are working to address the deficiencies identified.

We were engaged by the Village of Turkey Creek 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 Village of Turkey Creek 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.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
October 23, 2023