

VILLAGE OF IDA, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2018

**BATES, MURRAY & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS**

**612 Barksdale Boulevard
Bossier City, Louisiana 71111**

VILLAGE OF IDA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2018

VILLAGE OF IDA, LOUISIANA
December 31, 2018

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Bates, Murray & Company LLC

A FIRM OF CERTIFIED PUBLIC ACCOUNTANTS

612 BARKSDALE BOULEVARD
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Independent Accountant's Review Report

To the Honorable Mayor and Board of Aldermen
Village of Ida, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, the business-type activities, and the major funds of the Village of Ida (Village), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the Table of Contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Village's personnel. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

The management of the Village 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; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our report.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The accompanying schedule of compensation paid to the board of aldermen and the schedule of compensation, benefits, and other payments to the Mayor is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule supplementary information on page 24 be presented to supplement the basic financial statements.

Such information, although not a required 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. This information is the responsibility of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. The Management Discussion and Analysis, 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 the of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Other Reporting Requirements

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated May 14, 2019, on the results of our agreed-upon procedures on pages 27 through 29 and pages 30 through 32 present the Louisiana Attestation Questionnaire.

Bates, Murray & Company LLC
Bates, Murray & Company LLC
Bossier City, Louisiana
May 14, 2019

FINANCIAL STATEMENTS

VILLAGE OF IDA, LOUISIANA
STATEMENT OF NET POSITION
December 31, 2018

ASSETS	Governmental Activities	Business-Type Activities	Total
Cash	\$ 34,880	\$ 130,708	\$ 165,588
Investments	0	0	0
Accounts Receivable	0	5,528	5,528
Restricted Assets-Cash-Utility Deposits	0	6,381	6,381
Restricted Assets-Cash-Bond Reserve Fund	17,661	0	17,661
Prepaid Expenses	3,650	1,510	5,160
Construction in Progress	56,670	0	56,670
Capital assets, net	<u>76,513</u>	<u>1,557,878</u>	<u>1,634,391</u>
Total Assets	<u>189,374</u>	<u>1,702,005</u>	<u>1,891,379</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Accounts payable and accruals	1,629	43	1,672
Customer deposits	0	6,701	6,701
Long-term liabilities			
Due within one year	0	13,000	13,000
Due in more than one year	<u>0</u>	<u>176,000</u>	<u>176,000</u>
Total Liabilities	1,629	195,744	197,373
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Net Investment in capital assets	76,513	1,557,878	1,634,391
Restricted	17,661	6,701	24,362
Unrestricted	<u>93,571</u>	<u>(58,318)</u>	<u>35,253</u>
Total Net Position	<u>\$ 187,745</u>	<u>\$ 1,506,261</u>	<u>\$ 1,694,006</u>

EXHIBIT B

**VILLAGE OF IDA, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenues and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Primary Government							
Governmental Activities							
General Government	\$ 77,419	\$ 0	\$ 0	\$ 0	\$ (77,419)	\$ 0	\$ (77,419)
Depreciation	10,970	0	0	0	(10,970)	0	(10,970)
Public Works	0	0	0	74,213	74,213	0	74,213
Total Governmental Activities	88,389	0	0	74,213	(14,176)	0	(14,176)
Business-Type Activities							
Utility Fund	161,357	86,229	0	0	0	(75,128)	(75,128)
Revenue Bond Fees	978	0	0	0	0	(978)	(978)
Interest Expense	880	0	0	0	0	(880)	(880)
Cemetery Fund	8,895	2,000	0	0	0	(6,895)	(6,895)
Total Government	\$ 260,499	\$ 88,229	\$ 0	\$ 74,213	(14,176)	(83,881)	(98,057)

General Revenues

Franchise taxes	\$ 10,769	\$ 0	\$ 10,769
License and permits	10,914	0	10,914
Rentals	1,320	0	1,320
Sales tax revenue	25,732	0	25,732
Interest income	540	1,168	1,708
Intergovernmental	6,000	0	6,000
Traffic Fines	161	0	161
Donations	8,062	12,965	21,027
Miscellaneous	8,387	750	9,137
Total General Revenues Before Transfers	\$ 71,885	\$ 14,883	\$ 86,768
Transfers-In	17,808	45,653	63,461
Transfers-Out	(45,178)	(18,283)	(63,461)
Total General Revenues and Transfers	\$ 44,515	\$ 42,253	\$ 86,768
Change in Net Position	\$ 30,339	\$ (41,628)	\$ (11,289)
Net position - January 01, 2018	157,406	1,547,889	1,705,295
Net position - December 31, 2018	\$ 187,745	\$ 1,506,261	\$ 1,694,006

VILLAGE OF IDA, LOUISIANA
BALANCE SHEET-GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Assets			
Cash	\$ 52,541	\$ 0	\$ 52,541
Investments	0	0	0
Accounts Receivable	0	0	0
Prepaid Expenses	<u>3,650</u>	<u>0</u>	<u>3,650</u>
Total Assets	<u>\$ 56,191</u>	<u>\$ 0</u>	<u>\$ 56,191</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable and accruals	\$ 1,629	\$ 0	\$ 1,629
Due to Utility Fund	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>1,629</u>	<u>0</u>	<u>1,629</u>
Fund Balances			
Non-Spendable	3,650	0	3,650
Restricted-Bond Reserve Fund	17,661	0	17,661
Unrestricted:			
Assigned	33,251	0	33,251
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u>54,562</u>	<u>0</u>	<u>54,562</u>
Total Liabilities and Fund Balances	<u>\$ 56,191</u>	<u>\$ 0</u>	<u>\$ 56,191</u>

VILLAGE OF IDA, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2018

Total Fund Balances for Governmental Funds (Exhibit C) \$ 54,562

Total Net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 4,800
Buildings and other improvements, net of \$188,834 in accumulated depreciation	48,504
Equipment, furniture, and fixtures, net of \$36,541 in accumulated depreciation	23,209
Construction in Progress	<u>56,670</u>

Total Capital Assets 133,183

Total Net Position of Governmental Activities (Exhibit A) \$ 187,745

VILLAGE OF IDA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

<u>REVENUES</u>	<u>GENERAL FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTAL</u>
Franchise Fees	\$ 10,769	\$ 0	\$ 10,769
DEQ Bond Issue-Sewer Project	0	0	0
Other Grant Revenue-LGAP/CWEF	56,670	17,543	74,213
Intergovernmental	6,000	0	6,000
Licenses and Permits	10,914	0	10,914
Sales Tax Revenue	25,732	0	25,732
Interest	540	0	540
Rentals	1,320	0	1,320
Donations	8,062	0	8,062
Traffic Fines	161	0	161
Other Revenues	8,387	0	8,387
Total revenues	128,555	17,543	146,098
<u>EXPENDITURES</u>			
Payroll	25,279	0	25,279
Casual Labor	0	0	0
Dues and Publications	615	0	615
Insurance	10,912	0	10,912
Repairs and Maintenance	4,192	0	4,192
Office	2,465	0	2,465
Professional Fees	13,181	0	13,181
Police Department	128	0	128
Supplies	3,066	0	3,066
Utilities	10,506	0	10,506
Telephone	3,508	0	3,508
Travel	0	0	0
Interest	0	0	0
Printing & Reproduction	582	0	582
Capital Outlays	60,091	0	60,091
Miscellaneous	2,985	0	2,985
Total Expenditures	137,510	0	137,510
Excess (deficiency) of revenues over expenditures	(8,955)	17,543	8,588
Other financing sources (uses)			
Operating transfers in	17,808	0	17,808
Interfund transfers	0	0	0
Revenue Bond Payment	0	0	0
Operating transfers out	(27,635)	(17,543)	(45,178)
Net other financing sources (uses)	(9,827)	(17,543)	(27,370)
NET CHANGE IN FUND BALANCES	(18,782)	0	(18,782)
FUND BALANCE AT BEGINNING OF YEAR	73,344	0	73,344
FUND BALANCE AT END OF YEAR	\$ 54,562	\$ 0	\$ 54,562

**VILLAGE OF IDA, 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 DECEMBER 31, 2018**

Net Change in Fund Balances-Total Governmental Funds (Exhibit E) \$ (18,782)

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. This is the amount by which capital outlays (\$60,091) exceeds depreciation (\$10,970) in the current period.

49,121

Total Changes in Net Position of Governmental Activities (Exhibit B) \$ 30,339

VILLAGE OF IDA, LOUISIANA
STATEMENT OF NET POSITION-PROPRIETARY FUNDS
December 31, 2018

	<u>Utility Fund Combined</u>	<u>Cemetery Fund</u>	<u>Total</u>
Assets			
Current Assets			
Cash	\$ 23,890	\$ 106,818	\$ 130,708
Investments	0	0	0
Accounts Receivable	5,528	0	5,528
Due From General Fund	0	0	0
Restricted Assets-Cash	6,381	0	6,381
Restricted Assets-Investments	0	0	0
Prepaid Expenses	1,510	0	1,510
Total Current Assets	<u>37,309</u>	<u>106,818</u>	<u>144,127</u>
Noncurrent Assets			
Capital assets, net of accumulated depreciation	<u>1,548,978</u>	<u>8,900</u>	<u>1,557,878</u>
Total Assets	<u>1,586,287</u>	<u>115,718</u>	<u>1,702,005</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities			
Current Liabilities			
Accounts payable and accruals	43	0	43
Revenue Bond Payable, current portion	13,000	0	13,000
Due to General Fund	0	0	0
Total Current Liabilities	<u>13,043</u>	<u>0</u>	<u>13,043</u>
Noncurrent Liabilities			
Revenue Bond Payable	176,000		176,000
Customer deposits	6,701	0	6,701
Total Noncurrent Liabilities	<u>182,701</u>	<u>0</u>	<u>182,701</u>
Total Liabilities	<u>195,744</u>	<u>0</u>	<u>195,744</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Net Position			
Net Investment in capital assets	1,548,978	8,900	1,557,878
Restricted	6,701	0	6,701
Unrestricted	<u>(165,136)</u>	<u>106,818</u>	<u>(58,318)</u>
Total Net Position	<u>\$ 1,390,543</u>	<u>\$ 115,718</u>	<u>\$ 1,506,261</u>

See accompanying notes and accountant's report

VILLAGE OF IDA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION-
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	UTILITY FUND WATER	UTILITY FUND SEWER	UTILITY FUND COMBINED	CEMETARY FUND	TOTAL PROPRIETARY FUNDS
<u>OPERATING REVENUES</u>					
Charges for Services	\$ 45,536	\$ 40,693	\$ 86,229	\$ 2,000	\$ 88,229
Other Revenues	0	0	0	0	0
Total revenues	45,536	40,693	86,229	2,000	88,229
<u>OPERATING EXPENSES</u>					
Payroll	34,042	10,953	44,995	0	44,995
Certifications	209	0	209	0	209
Repairs and Maintenance	16,384	6,012	22,396	6,442	28,838
Office	853	0	853	0	853
Dues & Publications	1,502	0	1,502	0	1,502
Professional Fees	180	0	180	0	180
Bank Fees	446	0	446	0	446
Permits	530	0	530	0	530
Postage	925	0	925	0	925
Insurance	1,609	0	1,609	0	1,609
Utilities	2,560	8,183	10,743	240	10,983
Supplies	1,769	399	2,168	1,159	3,327
Depreciation	11,668	60,555	72,223	0	72,223
Miscellaneous	1,778	0	1,778	1,054	2,832
Total Expenditures	74,455	86,102	160,557	8,895	169,452
Operating Income/(Loss)	(28,919)	(45,409)	(74,328)	(6,895)	(81,223)
<u>NONOPERATING REVENUES/(EXPENSES)</u>					
Interest Income	222	0	222	946	1,168
Contributions	0	0	0	12,965	12,965
Other	(800)	0	(800)	750	(50)
Revenue Bond Fees	0	(978)	(978)	0	(978)
Grants	0	0	0	0	0
Interest Expense, Revenue Bonds	0	(880)	(880)	0	(880)
Other financing sources (uses)					
Operating transfers in	45,278	0	45,278	375	45,653
Operating transfers out	(12,622)	0	(12,622)	(5,661)	(18,283)
Change in Net Position	3,159	(47,267)	(44,108)	2,480	(41,628)
Net Position, Beginning of year	232,909	1,201,742	1,434,651	113,238	1,547,889
Net Position, End of year	\$ 236,068	\$ 1,154,475	\$ 1,390,543	\$ 115,718	\$ 1,506,261

VILLAGE OF IDA, LOUISIANA
STATEMENT OF CASH FLOWS-
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>UTILITY FUND</u>	<u>CEMETARY FUND</u>	<u>TOTAL</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash received from customers	\$ 86,229	\$ 2,000	\$ 88,229
Cash payments to suppliers and employees	(93,069)	(8,896)	(101,965)
Other operating income	0	0	0
Net cash provided (used) by operating activities	<u>(6,840)</u>	<u>(6,896)</u>	<u>(13,736)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>			
Net Transfers to/from other funds	32,656	(5,286)	27,370
Other	0	750	750
Contributions	0	12,965	12,965
Net Cash Provided (Used) by Noncapital Financing Activities	<u>32,656</u>	<u>8,429</u>	<u>41,085</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Capital Expenditures for plant & equipment	(17,542)	0	(17,542)
Interest Expense, Revenue Bonds	(880)	0	(880)
Revenue Bond Retirement	(13,000)	0	(13,000)
Revenue Bond Fees	(978)	0	(978)
Net cash provided (used) by Capital and Related Financing Activities	<u>(32,400)</u>	<u>0</u>	<u>(32,400)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Sale of Investments	0	0	0
Purchase of Investments	0	0	0
Interest Income	222	946	1,168
Net cash provided (used) by Investing Activities	<u>222</u>	<u>946</u>	<u>1,168</u>
Net increase (decrease) in cash	(6,362)	2,479	(3,883)
Cash, beginning of year	36,633	104,339	140,972
Cash, end of year	\$ <u>30,271</u>	\$ <u>106,818</u>	\$ <u>137,089</u>
Cash is reflected on the statement of net position as follows:			
Cash	\$ 23,890	\$ 106,818	\$ 130,708
Restricted cash	6,381	0	6,381
Total	<u>\$ 30,271</u>	<u>\$ 106,818</u>	<u>\$ 137,089</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (72,818)	\$ 2,480	\$ (70,338)
Adjustments to Reconciling Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Deprecation expense	72,223	0	72,223
(Increase)decrease in receivables	(5,901)	0	(5,901)
Increase (decrease) in accounts payable	(3)	0	(3)
(Increase) decrease in prepaid expenses	(2)	0	(2)
Increase (decrease) in customer deposits	1,170	0	1,170
Net cash (used) by operating activities	<u>\$ (5,331)</u>	<u>\$ 2,480</u>	<u>\$ (2,851)</u>

See accompanying notes and accountant's report

VILLAGE OF IDA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

The Village of Ida was incorporated in 1967 under the provisions of LA R.S. 33:321-48. The Village operates under a Mayor-Aldermen form of government. The Village's major operations include utilities, cemeteries, and general administrative services.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accompanying financial statements of the Village of Ida have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed in within this note.

B. Reporting Entity

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Village of Ida is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Village of Ida may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

C. Government - Wide and Fund Financial Statements

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include a) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment; and b) grants and contributions that are restricted to meeting the operational or capital

VILLAGE OF IDA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of capital assets, debt extinguishment, long-term proceeds, et cetera) are accounted for as other financing sources/(uses). These other financing sources/(uses) are recognized at the time the underlying events occur.

VILLAGE OF IDA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Village of Ida reports the following governmental, proprietary and fiduciary funds:

Governmental Funds

Governmental funds account for all or most of the Village of Ida's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of general long-term obligations.

General Fund - is the general operating fund of the Village of Ida. It is used to account for all financial resources except those required to be accounted for in another fund. General tax revenues and other sources of revenue used to finance the fundamental operations of the Village of Ida are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

Proprietary Funds

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. The Village of Ida applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Enterprise Fund - is used to account for operations a) that are financed/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 the periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

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

VILLAGE OF IDA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amounts reported as program revenues include a) charges to customers or applicants for goods, services, or privileges provided, b) operating grants and contributions, and c) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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 instance, governments are required to delay recognition of increases in net position as revenues until a future period. Under these circumstances delayed recognition of expenditures or revenues are recorded as deferred outflows of resources and deferred inflows of resources, respectively.

Net Position/Fund Balances

In the Statement of Net Position, the differences between a government's assets and liabilities are recorded as net position. The three components of net position are as follows:

Net Investment in Capital Assets - This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowing attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Position - This category represents assets reduced by liabilities and deferred inflows of resources related to those assets not appropriate for expenditures or legally segregated for a specific future use.

Unrestricted Net Position - Net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of the aforementioned.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

Nonspendable- Represents the amount that is not in a spendable form or is required to be maintained intact.

VILLAGE OF IDA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted– Represents the amount that has been constrained to specific purposes by their providers, through constitutional provisions, or by enabling legislation.

Committed– Represents the amount constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned– Represents the amount a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates that authority.

Unassigned – Represents the amount that is available for any purpose; these amounts are reported only in the general fund.

E. Budgetary Accounting

Formal budgetary accounting is employed as a management control. The Village of Ida prepares and adopts a budget each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The Village of Ida amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

F. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, the Village of Ida, Louisiana defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

VILLAGE OF IDA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Investments

All investments are interest bearing deposits with original maturity dates in excess of three months and are stated at cost which approximates market value.

H. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

I. Restricted Assets

The Enterprise Fund restricts customer deposits and an amount established by the Board of Aldermen for future fixed asset replacements. The Bond Reserve Fund is also restricted.

J. Bad Debts

Uncollectible accounts receivable 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 December 31, 2018, no Governmental or Business-Type Activities receivables were considered to be uncollectible.

K. Capital Assets

Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and other improvements, 10 to 25 years for the distribution system and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

L. Compensated Absences & Retirement

No liability is recorded for nonvesting accumulating rights to receive vacation or sick pay benefits. The Village does not participate in any retirement programs for employees.

M. Estimates

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

VILLAGE OF IDA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Interfund Transactions

Interfund transactions which constitute reimbursements of the fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is being reimbursed. Nonrecurring or non-routine transfers of equity between funds are treated as residual equity transfers and reported as additions to or deductions from fund balance. All other transfers are treated as operating transfers and are included in the results of operations of both governmental and proprietary funds.

O. Statements of Cash Flows (including restricted assets)

For purposes of the statement of cash flows, the Village of Ida considers all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

P. Refundable Deposits

The Water Fund of the Village of Ida requires customers to place a deposit before service is rendered. These monies are considered restricted and are held until the customer discontinues service.

NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Village of Ida may deposit funds within a fiscal agent bank selected and designated by the Board of Aldermen. Further the Fund may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged 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. The deposits at December 31, 2018 were secured as follows:

VILLAGE OF IDA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018

**NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS
(continued)**

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Deposits in bank accounts per Statement of Net Position	\$ <u>189,630</u>	<u>0</u> \$	<u>189,630</u>
Bank Balances:			
1 Insured or collateralized with securities held by the entity or its agency in the entity's name	\$ 189,630	\$ 0	189,630
2 Collateralized with securities held by the pledging institution's trust department or agent in the entity's name	0	0	0
3 Uncollateralized, including any securities held for the entity but not in the entity's name	<u>0</u>	<u>0</u>	<u>0</u>
Total Bank Balances	\$ <u>189,630</u>	<u>0</u> \$	<u>189,630</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At December 31, 2018, the Village had \$189,630 in deposits (book balances). These deposits are fully secured from risk by \$250,000 of federal deposit insurance.

If the Village had deposits that required the pledge of securities under state law 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.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, RS 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the municipality that the fiscal agent has failed to pay deposited funds upon demand.

B. Investments

At December 31, 2018, the Village had investments of \$0.

VILLAGE OF IDA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2018

NOTE 3 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2018:

	Governmental Activities	Business-Type Activities	Total
Charges for services	\$ 0	\$ 5,528	\$ 5,528
Other	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$ <u>0</u>	\$ <u>5,528</u>	\$ <u>5,528</u>

NOTE 4 CAPITAL ASSETS

A summary of the Village of Ida's capital assets at December 31, 2018 follows:

	Balance Dec. 31, 2017	Additions	Retirements	Balance Dec. 31, 2018
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$ 4,800	\$ 0	\$ 0	\$ 4,800
Total Capital Assets, not being depreciated	<u>4,800</u>	<u>0</u>	<u>0</u>	<u>4,800</u>
Capital Assets, being depreciated				
Buildings and other improvements	237,338	0	0	237,338
Less accumulated depreciation	<u>(182,147)</u>	<u>(6,688)</u>	<u>0</u>	<u>(188,835)</u>
Total Buildings and Building Improvements	<u>55,191</u>	<u>(6,688)</u>	<u>0</u>	<u>48,503</u>
Equipment, furniture and fixtures	101,955	3,421	(45,626)	59,750
Less accumulated depreciation	<u>(77,884)</u>	<u>(4,282)</u>	<u>45,626</u>	<u>(36,540)</u>
Total Equipment, Furniture and Fixtures	<u>24,071</u>	<u>(861)</u>	<u>0</u>	<u>23,210</u>
Total Capital Assets, being depreciated, net	<u>79,262</u>	<u>(7,549)</u>	<u>0</u>	<u>71,713</u>
Governmental Activities				
Total Capital Assets, net	<u>\$ 84,062</u>	<u>\$ (7,549)</u>	<u>\$ 0</u>	<u>\$ 76,513</u>
Business-Type Activities				
Capital Assets, not being depreciated				
Land	\$ 10,196	\$ 0	\$ (800)	\$ 9,396
Total Capital Assets, not being depreciated	<u>10,196</u>	<u>0</u>	<u>(800)</u>	<u>9,396</u>
Capital Assets, being depreciated				
Distribution system	1,909,465	17,543	0	1,927,008
Less accumulated depreciation	<u>(306,304)</u>	<u>(72,222)</u>	<u>0</u>	<u>(378,526)</u>
Total Distribution System	<u>1,603,161</u>	<u>(54,679)</u>	<u>0</u>	<u>1,548,482</u>
Total Capital Assets, being depreciated, net	<u>1,603,161</u>	<u>(54,679)</u>	<u>0</u>	<u>1,548,482</u>
Business-Type Activities				
Total Capital Assets, net	<u>\$ 1,613,357</u>	<u>\$ (54,679)</u>	<u>\$ (800)</u>	<u>\$ 1,557,878</u>
Primary Government				
Total Capital Assets, net	<u>\$ 1,697,419</u>	<u>\$ (62,228)</u>	<u>\$ (800)</u>	<u>\$ 1,634,391</u>

VILLAGE OF IDA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018

NOTE 5 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at December 31, 2018:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Salaries and related benefits	\$ 1,629	\$ 0	1,629
Other	0	43	43
Total	<u>\$ 1,629</u>	<u>\$ 43</u>	<u>1,672</u>

NOTE 6 OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

A. Interfund Receivables and Payables

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 0	\$ 0
Utility Funds	0	0
	<u>\$ 0</u>	<u>\$ 0</u>

B. Operating Transfers

	<u>Operating In</u>	<u>Transfers Out</u>
General Fund	\$ 17,808	\$ (45,178)
Cemetery Fund	375	(5,661)
Utility Fund	45,278	(12,622)
	<u>\$ 63,461</u>	<u>\$ (63,461)</u>

NOTE 7 LONG-TERM DEBT

Revenue Bond Issue

The Village of Ida had long-term debt totaling \$189,000, for the year ended December 31, 2018, \$13,000 of which is due within one year. The debt consists of draws on the State of Louisiana Department of Environmental Quality State Revolving Fund Loan. The money has been used to complete the ongoing sewer project. The DEQ loan is part of a \$250,000 Revenue Bond issue, Series 2010 for the Village of Ida. Repayment terms are at an annual interest rate of 0.45% and fees at a rate of 0.5%. The term of the bond issue is for 20 years. The sewer project is now complete. Previously recorded as "Construction-in Progress", in Exhibit A of the financial statements, the sewer system is now an asset of the Enterprise Funds.

Summary of 2018 long-term debt transactions for Revenue Bonds:

<u>Bal Jan 1, 2018</u>	<u>Issued</u>	<u>Retired</u>	<u>Bal Dec 31, 2018</u>	<u>Due Within One Year</u>
\$202,000	\$0	\$13,000	\$189,000	\$13,000

VILLAGE OF IDA, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2018

NOTE 7 LONG-TERM DEBT (continued)

The annual requirements to amortize revenue bonds at December 31, 2018 are as follows:

<u>Year Ending 12-31</u>	<u>Principal Amount</u>	<u>Est. Interest Amount</u>
2019	\$13,000	\$822
2020	13,000	761
2021	14,000	698
2022	14,000	634
2023	14,000	572
2024-2030	<u>121,000</u>	<u>2,165</u>
Total	<u>\$189,000</u>	<u>\$5,652</u>

The Village's cash balance in the Bond Reserve Fund is \$17,661 at December 31, 2018. Fifty percent of the Village's annual sales tax collections is reserved to provide for the annual requirements of the payback of the revenue bonds.

NOTE 8 LEASES

The Village of Ida was not obligated under any capital or operating lease commitments at December 31, 2018.

NOTE 9 RISK MANAGEMENT

The Village of Ida is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village of Ida maintains commercial insurance coverage covering each of those risks of loss through the Louisiana Municipal Risk Management Agency. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village of Ida.

NOTE 10 LITIGATION

There is no known outstanding litigation against the Village of Ida at December 31, 2018.

VILLAGE OF IDA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018

NOTE 11 CLAIMS AND JUDGEMENTS

The Village of Ida participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Village of Ida may be required to reimburse the grantor government. The Village of Ida believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Village of Ida.

NOTE 12 ON-BEHALF PAYMENTS

The Village Chief of Police received a total of \$6,000 in police supplemental pay from the State of Louisiana. The Village is responsible for withholding taxes from this employee and paying the Village's matching portion of social security taxes for the amount of additional pay received. The Village must recognize this pay received by the employee as revenues and expenditures of the Village.

NOTE 13 SUBSEQUENT EVENTS

No subsequent events have occurred that have a material effect on these financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

VILLAGE OF IDA, LOUISIANA
 Budgetary Comparison
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS- BUDGET (GAAP BASIS) AND ACTUAL-GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

	ORIGINAL BUDGET	AMENDED	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Franchise Fees	\$ 8,000	\$ 10,800	\$ 10,769	\$ (31)
Intergovernmental Revenue	6,000	6,000	6,000	0
Grant Revenue-LGAP/CWEF	0	73,708	74,213	505
Licenses and Permits	10,450	10,404	10,914	510
Sales Tax Revenue	25,000	25,000	25,732	732
Police Department	800	200	161	(39)
Interest	300	350	540	190
Rentals	2,000	2,000	1,320	(680)
Street Lights	1,500	0	0	0
Contributions	10,000	10,320	8,062	(2,258)
Other Revenues	7,200	8,400	8,387	(13)
Total revenues	71,250	147,182	146,098	(1,084)
EXPENDITURES				
Payroll	19,600	16,720	25,279	(8,559)
Casual Labor	0	0	0	0
Dues and Publications	500	450	615	(165)
Insurance	8,500	8,437	10,912	(2,475)
Interest	13,880	0	0	0
Repairs and Maintenance	6,000	4,200	4,192	8
Community Center	4,000	1,400	1,617	(217)
Office	1,000	2,100	2,465	(365)
Professional Fees	500	10,110	13,181	(3,071)
Printing and Reproduction	0	822	582	240
Supplies	1,000	2,400	3,066	(666)
Utilities	8,000	10,759	10,506	253
Telephone	3,200	3,214	3,508	(294)
Travel	300	0	0	0
Police Dept	300	121	128	(7)
Capital Outlays	0	60,091	60,091	0
Miscellaneous	4,470	1,061	1,368	(307)
Total Expenditures	71,250	121,885	137,510	(15,625)
Excess (deficiency) of revenues over expenditures	0	25,297	8,588	(16,709)
Other financing sources(uses):				
Operating Transfers In	0	17,808	17,808	0
Operating Transfers Out	0	(43,105)	(45,178)	2,073
Net other financing sources(uses)	0	(25,297)	(27,370)	2,073
Excess(deficiency) of revenues and other financing sources over expenditures and other uses	0	0	(18,782)	(14,636)
Fund balance at beginning of year	73,344	73,344	73,344	0
Fund balance at end of year	\$ 73,344	\$ 73,344	\$ 54,562	\$ (14,636)

OTHER SUPPLEMENTAL INFORMATION

**VILLAGE OF IDA, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO MEMBERS OF THE BOARD OF ALDERMEN
FOR THE YEAR ENDED DECEMBER 31, 2018**

Compensation Paid to Board Members

The schedule of compensation paid to the members of the Board of Aldermen of the Village of Ida, Louisiana is included in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the Aldermen is included in the general government expenditures of the general fund.

<u>Board Members</u>		
	\$	
Alderman Hevrin		600
Alderman Gott		600
Alderman Anders		<u>600</u>
Total	\$	<u><u>1,800</u></u>

VILLAGE OF IDA
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
 TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
 FOR THE YEAR ENDED DECEMBER 31, 2018

Kenneth Shaw, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 6,000.00
Payroll Related Taxes	499.00
Benefits-insurance	0.00
Benefits-retirement	0.00
Benefits-other	0.00
Car allowance	0.00
Vehicle provided by government	0.00
Per diem	0.00
Reimbursements	0.00
Travel	0.00
Registration fees	0.00
Conference	225.00
Continuing professional education fees	0.00
Housing	0.00
Unvouchered expenses	0.00
Special meals	<u>0.00</u>
Total Compensation, Benefits and Other Payments	<u>\$ 6,724.00</u>

See accompanying notes to the financial statements.

Bates, Murray & Company LLC

A FIRM OF CERTIFIED PUBLIC ACCOUNTANTS

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CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountant's Report on Applying Agreed Upon Procedures

To The Honorable Mayor and Board of Aldermen
Village of Ida, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Village of Ida, Louisiana and the Legislative Auditor, State of Louisiana to assist the users in evaluating management's assertions about the Village of Ida, Louisiana's compliance with certain laws and regulations during the year ended December 31, 2018 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$154,450, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2296 (the public bid law) or R.S. 39:1551-39:1775 (the state procurement code), whichever is applicable..

No expenditures are found to be in violation.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the ethics law).

Management provided us with the required list.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None found.

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

None found.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. An amendment was made to the general fund budget during the year as per the minutes.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

No exceptions found.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more.

Actual revenues were within the 5% variance allowed, but expenditures failed to be within the 5% variance allowed.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select 6 disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and :

(a) report whether the 6 disbursements agree to the amount and payee in the supporting documentation

We examined supporting documentation for each of the six selected disbursements and found that the payments were for the proper amounts and made to the correct payee.

(b) report whether the 6 disbursements are coded to the correct fund and general ledger account; and

Each of the payments appeared to be properly coded to the correct fund and general ledger account.

(c) report whether the 6 disbursements were approved in accordance with management's policies and procedures.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the appropriate board members. In addition, each of the disbursements was traced to the Village's minute book which indicated approval by the Board of Aldermen.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

The Village is only required to post a notice of each meeting and the accompanying agenda on the door of the Village's office. Management has asserted that such documents were properly posted. No exceptions noted.

Debt

11. Obtain bank deposits for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We inspected copies of all bank deposit transactions for the fiscal year and noted no deposits which appeared to be related to bank loans, bonds, or like indebtedness in the financial statements.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

The minutes of the Village for the year indicated no approval for any payments for bonuses, advances, or gifts. We examined the Village's payroll records for the year and note no instances which would indicate payments to anyone which would constitute bonuses, advances, or gifts.

State Audit Law

13. Report whether the Village provided for a timely report in accordance with R.S. 24:513.

The Village provided for a timely report.

14. Inquire of management and report whether the Village entered into any contracts that utilized state funds as defined in R.S. 39:72.1A.(2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the Village was not in compliance with R.S. 24:513 (the audit law).

None identified

Prior Year Comments

15. Obtain and report management's representation as to whether any prior-year suggestions, recommendations, and/or comments have been resolved.

Our prior year review report, dated June 14, 2018 includes the unresolved matter of inadequate segregation of duties due to limited personnel. The Village continues to strive to limit exposure to this risk, but it continues to be an ongoing risk due to limited personnel versus cost effectiveness of adding employees.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Village of Ida, Louisiana and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bates, Murray & Company LLC

Bates, Murray & Company LLC

May 14, 2019

Bossier City, Louisiana

LOUISIANA ATTESTATION QUESTIONNAIRE

Bates, Murray & Company LLC

612 Barksdale Boulevard

Bossier City, LA 71111

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of May 2, 2019 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [] No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [] No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [] No []

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [] No []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.
Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.
Yes [] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.
Yes [] No []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.
Yes [] No []

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.
Yes [] No []

We have evaluated our compliance with these laws and regulations prior to making these representations.
Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.
Yes [] No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.
Yes [] No []

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.
Yes [] No []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.
Yes [] No []

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

Kenneth D. Shaw

Mayor Date May 2, 2019

[Signature]

Alderman Date May 2, 2019

Brian Herbin

Alderman Date May 2, 2019

OTHER REPORTS

**VILLAGE OF IDA, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Reference Number	Description of Finding	Current Status
2017-1	<p>Condition: An inadequate segregation of duties exists with respect to accounting functions. Due to the limited number of personnel, adequate segregation was not achievable. However, other controls are effective in reducing exposure to risk.</p>	Ongoing
2017-2	<p>Condition: The Village paid an employee for extra services provided to the Village in regard to the utility department. The employee received a 1099 for those extra services. The employee does not meet the IRS criteria for being an " independent contractor". The employee's job description has been amended and the employee is now paid through the normal employee payroll process.</p>	Resolved

**VILLAGE OF IDA, LOUISIANA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018**

<u>Reference Number</u>	<u>Description of Finding</u>	<u>Management's Response and Corrective Action Plan</u>	<u>Contact Person</u>	<u>Anticipated Completion Date</u>
2018-1	<p>Criteria: Effective internal control requires segregation of duties.</p> <p>Condition: An inadequate segregation of duties exists with respect to accounting functions. Due to the limited number of personnel, adequate segregation was not achievable.</p> <p>Cause: Limited number of personnel available to carry out day to day activities of the Village.</p> <p>Effect: Unknown</p> <p>Recommendation: Institute other safeguards to mitigate exposure to risk.</p>	<p>The Village continues to institute safeguards that attempt to limit the exposure to risk. The Village encourages utility customers to use direct pay from their bank accounts to the utility bank account, thereby reducing risk involved in personnel handling of payments. The Village has achieved 36 % customer participation thus far.</p>	Kenneth Shaw	Ongoing

<u>Reference Number</u>	<u>Description of Finding</u>	<u>Management's Response and Corrective Action Plan</u>	<u>Contact Person</u>	<u>Anticipated Completion Date</u>
2018-2	<p>Criteria: State law requires the budget be amended whenever actual revenues fail to meet budgeted amounts by 5% or more and when actual expenditures exceed budgeted amounts by 5% or more.</p> <p>Condition: Although the budget was amended, actual expenses failed to meet budgeted expenses by 5% or more in the General Fund.</p> <p>Cause: Unknown</p> <p>Effect: The Village is not in compliance with state law.</p> <p>Recommendation: We recommend the Village comply with state law.</p>	<p>We agree with the finding. We will comply with state law in the future.</p>	Kenneth Shaw	Currently

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