

VILLAGE OF IDA, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2019

Marsha O. Millican
A Professional Accounting Corporation
Shreveport, Louisiana

VILLAGE OF IDA
December 31, 2019

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VILLAGE OF IDA
December 31, 2019

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Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Ida (the Village), as of and for the year ended December 31, 2019, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

My responsibility is to express my opinion on these financial statements based on my audit. I conducted my 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements 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, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Village as of December 31, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

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 basis financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

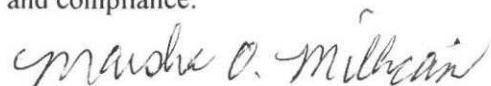
Other Supplementary Information

My audit was conducted for the purpose of forming my opinion on the financial statements that collectively comprise the Village's basic financial statements. The schedule of mayor and aldermen compensation and the schedule of compensation, benefits and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the basic financial statements. The other supplementary 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 my opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated March 19, 2020 on my consideration of the Town's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Certified Public Accountant

March 19, 2020

INDEPENDENT AUDITOR'S REPORT

FINANCIAL STATEMENTS

VILLAGE OF IDA, LOUISIANA
STATEMENT OF NET POSITION
December 31, 2019

ASSETS	Governmental Activities	Business-Type Activities	Total
Cash	\$ 28,547	\$ 148,694	\$ 177,241
Investments	0	0	0
Accounts Receivable	0	6,122	6,122
Restricted Assets-Cash-Utility Deposits	0	6,205	6,205
Restricted Assets-Cash-Bond Reserve Fund	23,884	0	23,884
Prepaid Expenses	1,761	3,495	5,256
Construction in Progress	600,534	0	600,534
Capital assets, net	<u>65,643</u>	<u>1,492,688</u>	<u>1,558,331</u>
Total Assets	<u>720,369</u>	<u>1,657,204</u>	<u>2,377,573</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Accounts payable and accruals	1,769	29	1,798
Customer deposits	0	6,205	6,205
Long-term liabilities			
Due within one year	0	14,000	14,000
Due in more than one year	<u>0</u>	<u>162,000</u>	<u>162,000</u>
Total Liabilities	1,769	182,234	184,003
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Net Investment in capital assets	65,643	1,492,688	1,558,331
Restricted	23,884	6,205	30,089
Unrestricted	<u>629,073</u>	<u>(23,923)</u>	<u>605,150</u>
Total Net Position	\$ <u>718,600</u>	\$ <u>1,474,970</u>	\$ <u>2,193,570</u>

See accompanying notes and accountant's report.

EXHIBIT B

**VILLAGE OF IDA, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<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	\$ 93,268	\$ 0	\$ 0	\$ 0	\$ (93,268)	\$ 0	\$ (93,268)
Depreciation	10,869	0	0	0	(10,869)	0	(10,869)
Public Works	0	0	0	543,863	543,863	0	543,863
Total Governmental Activities	104,137	0	0	543,863	439,726	0	439,726
Business-Type Activities							
Utility Fund	164,982	81,680	0	0	0	(83,302)	(83,302)
Revenue Bond Fees	910	0	0	0	0	(910)	(910)
Interest Expense	824	0	0	0	0	(824)	(824)
Cemetery Fund	8,231	800	0	0	0	(7,431)	(7,431)
Total Government	\$ 279,084	\$ 82,480	\$ 0	\$ 543,863	439,726	(92,467)	347,259

General Revenues

Franchise taxes	\$ 10,656	\$ 0	\$ 10,656
License and permits	12,409	0	12,409
Rentals	1,970	0	1,970
Sales tax revenue	56,813	0	56,813
Interest income	581	1,979	2,560
Intergovernmental	6,000	30,000	36,000
Traffic Fines	161	0	161
Donations	12,492	11,422	23,914
Miscellaneous	7,072	750	7,822
Total General Revenues Before Transfers	\$ 108,154	\$ 44,151	\$ 152,305
Transfers-In	0	17,025	17,025
Transfers-Out	(17,025)	0	(17,025)
Total General Revenues and Transfers	\$ 91,129	\$ 61,176	\$ 152,305
Change in Net Position	\$ 530,855	\$ (31,291)	\$ 499,564
Net position - January 01, 2019	187,745	1,506,261	1,694,006
Net position - December 31, 2019	\$ 718,600	\$ 1,474,970	\$ 2,193,570

VILLAGE OF IDA, LOUISIANA
BALANCE SHEET-GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Assets			
Cash	\$ 52,431	\$ 0	\$ 52,431
Investments	0	0	0
Accounts Receivable	0	0	0
Prepaid Expenses	<u>1,761</u>	<u>0</u>	<u>1,761</u>
Total Assets	\$ <u>54,192</u>	\$ <u>0</u>	\$ <u>54,192</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable and accruals	\$ 1,769	\$ 0	\$ 1,769
Due to Utility Fund	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>1,769</u>	<u>0</u>	<u>1,769</u>
Fund Balances			
Non-Spendable	1,761	0	1,761
Restricted-Bond Reserve Fund	23,884	0	23,884
Unrestricted:			
Assigned	26,778	0	26,778
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u>52,423</u>	<u>0</u>	<u>52,423</u>
Total Liabilities and Fund Balances	\$ <u>54,192</u>	\$ <u>0</u>	\$ <u>54,192</u>

VILLAGE OF IDA, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2019

Total Fund Balances for Governmental Funds (Exhibit C) \$ 52,423

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 \$195,522 in accumulated depreciation	41,816
Equipment, furniture, and fixtures , net of \$40,724 in accumulated depreciation	19,027
Construction in Progress	<u>600,534</u>

Total Capital Assets 666,177

Total Net Position of Governmental Activities (Exhibit A) \$ 718,600

VILLAGE OF IDA, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019

	GENERAL FUND	CAPITAL PROJECTS FUND	TOTAL
REVENUES			
Franchise Fees	\$ 10,656	\$ 0	\$ 10,656
Grant Revenue-LCDBG	0	543,863	543,863
Intergovernmental	6,000	0	6,000
Licenses and Permits	12,409	0	12,409
Sales Tax Revenue	56,813	0	56,813
Interest	581	0	581
Rentals	1,970	0	1,970
Donations	12,492	0	12,492
Traffic Fines	161	0	161
Other Revenues	7,072	0	7,072
	<hr/>	<hr/>	<hr/>
Total revenues	108,154	543,863	652,017
EXPENDITURES			
Payroll	26,641	0	26,641
Casual Labor	0	0	0
Dues and Publications	654	0	654
Insurance	14,892	0	14,892
Repairs and Maintenance	5,340	0	5,340
Office	2,548	0	2,548
Professional Fees	18,418	0	18,418
Police Department	73	0	73
Supplies	5,961	0	5,961
Utilities	10,162	0	10,162
Telephone	3,629	0	3,629
Travel	296	0	296
Interest	0	0	0
Printing & Reproduction	1,079	0	1,079
Capital Outlays	0	543,863	543,863
Miscellaneous	3,575	0	3,575
	<hr/>	<hr/>	<hr/>
Total Expenditures	93,268	543,863	637,131
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	14,886	0	14,886
Other financing sources (uses)			
Operating transfers in	0	0	0
Interfund transfers	0	0	0
Revenue Bond Payment	0	0	0
Operating transfers out	(17,025)	0	(17,025)
	<hr/>	<hr/>	<hr/>
Net other financing sources (uses)	(17,025)	0	(17,025)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	(2,139)	0	(2,139)
	<hr/>	<hr/>	<hr/>
FUND BALANCE AT BEGINNING OF YEAR	54,562	0	54,562
FUND BALANCE AT END OF YEAR	\$ 52,423	\$ 0	\$ 52,423

EXHIBIT F

**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, 2019**

Net Change in Fund Balances-Total Governmental Funds (Exhibit E) \$ (2,139)

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 (\$543,863) exceeds depreciation (\$10,869) in the current period.

532,994

Total Changes in Net Position of Governmental Activities (Exhibit B) \$ 530,855

VILLAGE OF IDA, LOUISIANA
STATEMENT OF NET POSITION-PROPRIETARY FUNDS
December 31, 2019

	<u>Utility Fund Combined</u>	<u>Cemetery Fund</u>	<u>Total</u>
Assets			
Current Assets			
Cash	\$ 35,547	\$ 113,147	\$ 148,694
Investments	0	0	0
Accounts Receivable	6,122	0	6,122
Due From General Fund	0	0	0
Restricted Assets-Cash	6,205	0	6,205
Restricted Assets-Investments	0	0	0
Prepaid Expenses	3,495	0	3,495
Total Current Assets	<u>51,369</u>	<u>113,147</u>	<u>164,516</u>
Noncurrent Assets			
Capital assets, net of accumulated depreciation	<u>1,483,788</u>	<u>8,900</u>	<u>1,492,688</u>
Total Assets	<u>1,535,157</u>	<u>122,047</u>	<u>1,657,204</u>
Deferred outflows of resources	-	-	-
Liabilities			
Current Liabilities			
Accounts payable and accruals	29	0	29
Revenue Bond Payable, current portion	14,000	0	14,000
Due to General Fund	0	0	0
Total Current Liabilities	<u>14,029</u>	<u>0</u>	<u>14,029</u>
Noncurrent Liabilities			
Revenue Bond Payable	162,000		162,000
Customer deposits	6,205	0	6,205
Total Noncurrent Liabilities	<u>168,205</u>	<u>0</u>	<u>168,205</u>
Total Liabilities	<u>182,234</u>	<u>0</u>	<u>182,234</u>
Deferred inflows of resources	-	-	-
Net Position			
Net Investment in capital assets	1,483,788	8,900	1,492,688
Restricted	6,205	0	6,205
Unrestricted	<u>(137,070)</u>	<u>113,147</u>	<u>(23,923)</u>
Total Net Position	<u>\$ 1,352,923</u>	<u>\$ 122,047</u>	<u>\$ 1,474,970</u>

VILLAGE OF IDA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION-
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	UTILITY FUND WATER	UTILITY FUND SEWER	UTILITY FUND COMBINED	CEMETARY FUND	TOTAL PROPRIETARY FUNDS
OPERATING REVENUES					
Charges for Services	\$ 43,177	\$ 38,503	\$ 81,680	\$ 800	\$ 82,480
Other Revenues	0	0	0	0	0
Total revenues	43,177	38,503	81,680	800	82,480
OPERATING EXPENSES					
Payroll	24,945	14,119	39,064	0	39,064
Certifications	675	0	675	0	675
Repairs and Maintenance	16,238	8,006	24,244	5,450	29,694
Office	791	0	791	0	791
Dues & Publications	759	0	759	0	759
Professional Fees	348	0	348	0	348
Bank Fees	430	0	430	0	430
Permits	0	0	0	0	0
Postage	954	0	954	0	954
Insurance	2,043	0	2,043	0	2,043
Utilities	3,849	8,752	12,601	242	12,843
Supplies	8,621	334	8,955	514	9,469
Depreciation	11,825	60,555	72,380	0	72,380
Miscellaneous	1,738	0	1,738	2,025	3,763
Total Expenditures	73,216	91,766	164,982	8,231	173,213
Operating Income/(Loss)	(30,039)	(53,264)	(83,303)	(7,431)	(90,734)
NONOPERATING REVENUES/(EXPENSES)					
Interest Income	391	0	391	1,588	1,979
Contributions	0	0	0	11,422	11,422
Other	0	0	0	750	750
Revenue Bond Fees	0	(910)	(910)	0	(910)
Grants	30,000	0	30,000	0	30,000
Interest Expense, Revenue Bonds	0	(824)	(824)	0	(824)
Other financing sources (uses)					
Operating transfers in	17,025	0	17,025	0	17,025
Operating transfers out	0	0	0	0	0
Change in Net Position	17,377	(54,998)	(37,621)	6,329	(31,292)
Net Position, Beginning of year	236,068	1,154,475	1,390,543	115,718	1,506,261
Net Position, End of year	\$ 253,445	\$ 1,099,478	\$ 1,352,923	\$ 122,047	\$ 1,474,970

**VILLAGE OF IDA, LOUISIANA
STATEMENT OF CASH FLOWS-
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>UTILITY FUND</u>	<u>CEMETARY FUND</u>	<u>TOTAL</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash received from customers	\$ 81,680	\$ 800	\$ 82,480
Cash payments to suppliers and employees	(95,692)	(8,231)	(103,923)
Other operating income	0	0	0
Net cash provided (used) by operating activities	<u>(14,012)</u>	<u>(7,431)</u>	<u>(21,443)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>			
Net Transfers to/from other funds	17,025	0	17,025
Other	30,000	750	30,750
Contributions	0	11,422	11,422
Net Cash Provided (Used) by Noncapital Financing Activities	<u>47,025</u>	<u>12,172</u>	<u>59,197</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Capital Expenditures for plant & equipment	(7,189)	0	(7,189)
Interest Expense, Revenue Bonds	(824)	0	(824)
Revenue Bond Retirement	(13,000)	0	(13,000)
Revenue Bond Fees	(910)	0	(910)
Net cash provided (used) by Capital and Related Financing Activities	<u>(21,923)</u>	<u>0</u>	<u>(21,923)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Sale of Investments	0	0	0
Purchase of Investments	0	0	0
Interest Income	391	1,588	1,979
Net cash provided (used) by Investing Activities	<u>391</u>	<u>1,588</u>	<u>1,979</u>
Net increase (decrease) in cash	11,481	6,329	17,810
Cash, beginning of year	<u>30,271</u>	<u>106,818</u>	<u>137,089</u>
Cash, end of year	\$ <u>41,752</u>	\$ <u>113,147</u>	\$ <u>154,899</u>
Cash is reflected on the statement of net position as follows:			
Cash	\$ 35,547	\$ 113,147	\$ 148,694
Restricted cash	6,205	0	6,205
Total	<u>\$ 41,752</u>	<u>\$ 113,147</u>	<u>\$ 154,899</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (83,303)	\$ (7,431)	\$ (90,734)
Adjustments to Reconciling Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Deprecation expense	72,380	0	72,380
(Increase)decrease in receivables	(594)	0	(594)
Increase (decrease) in accounts payable	(14)	0	(14)
(Increase) decrease in prepaid expenses	(1,985)	0	(1,985)
Increase (decrease) in customer deposits	(496)	0	(496)
Net cash (used) by operating activities	<u>\$ (14,012)</u>	<u>\$ (7,431)</u>	<u>\$ (21,443)</u>

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF IDA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019

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, 2019

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, 2019

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 appropriable 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, 2019

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, 2019

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, 2019, 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, 2019

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, 2019 were secured as follows:

VILLAGE OF IDA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

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

	Cash	Certificates of Deposit	Total
Deposits in bank accounts per Statement of Net Position	\$ 207,330	\$ 0	\$ 207,330
Bank Balances:			
1 Insured or collateralized with securities held by the entity or its agency in the entity's name	\$ 207,330	\$ 0	\$ 207,330
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	0	0	0
Total Bank Balances	\$ 207,330	\$ 0	\$ 207,330

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, 2019, the Village had \$207,330 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, 2019, the Village had investments of \$0.

VILLAGE OF IDA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2019

NOTE 3 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2019:

	Governmental Activities	Business-Type Activities	Total
Charges for services	\$ 0	\$ 6,122	\$ 6,122
Other	0	0	0
Total	\$ 0	\$ 6,122	\$ 6,122

NOTE 4 CAPITAL ASSETS

A summary of the Village of Ida's capital assets at December 31, 2019 follows:

	Balance Dec. 31, 2018	Additions	Retirements	Balance Dec. 31, 2019
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$ 4,800	\$ 0	\$ 0	\$ 4,800
Total Capital Assets, not being depreciated	4,800	0	0	4,800
Capital Assets, being depreciated				
Buildings and other improvements	237,338	0	0	237,338
Less accumulated depreciation	(188,835)	(6,688)	0	(195,523)
Total Buildings and Building Improvements	48,503	(6,688)	0	41,815
Equipment, furniture and fixtures	59,750	0	0	59,750
Less accumulated depreciation	(36,540)	(4,182)	0	(40,722)
Total Equipment, Furniture and Fixtures	23,210	(4,182)	0	19,028
Total Capital Assets, being depreciated, net	71,713	(10,870)	0	60,843
Total Capital Assets, net	\$ 76,513	\$ (10,870)	\$ 0	\$ 65,643
Business-Type Activities				
Capital Assets, not being depreciated				
Land	\$ 9,396	\$ 3,457	\$ 0	\$ 12,853
Total Capital Assets, not being depreciated	9,396	3,457	0	12,853
Capital Assets, being depreciated				
Distribution system	1,927,008	3,732	0	1,930,740
Less accumulated depreciation	(378,526)	(72,379)	0	(450,905)
Total Distribution System	1,548,482	(68,647)	0	1,479,835
Total Capital Assets, being depreciated, net	1,548,482	(68,647)	0	1,479,835
Total Capital Assets, net	\$ 1,557,878	\$ (65,190)	\$ 0	\$ 1,492,688
Primary Government				
Total Capital Assets, net	\$ 1,634,391	\$ (76,060)	\$ 0	\$ 1,558,331

VILLAGE OF IDA, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2019

NOTE 5 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at December 31, 2019:

		Governmental Activities	Business- Type Activities	Total
Salaries and related benefits	\$	1,769	0	1,769
Other		0	29	29
Total	\$	1,769	29	1,798

NOTE 6 OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

A. Interfund Receivables and Payables

		Interfund Receivables		Interfund Payables
General Fund	\$	0	\$	0
Utility Funds		0		0
	\$	0	\$	0

B. Operating Transfers

		Operating In		Transfers Out
General Fund	\$	0	\$	(17,025)
Cemetery Fund		0		0
Utility Fund		17,025		0
	\$	17,025	\$	(17,025)

NOTE 7 LONG-TERM DEBT

Revenue Bond Issue

The Village of Ida had long-term debt totaling \$176,000, for the year ended December 31, 2019, \$14,000 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.

Summary of 2019 long-term debt transactions for Revenue Bonds:

<u>Bal Jan 1, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Bal Dec 31, 2019</u>	<u>Due Within One Year</u>
\$189,000	\$0	\$13,000	\$176,000	\$14,000

VILLAGE OF IDA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

NOTE 7 LONG-TERM DEBT (continued)

The annual requirements to amortize revenue bonds at December 31, 2019 are as follows:

<u>Year Ending 12-31</u>	<u>Principal Amount</u>	<u>Est. Interest Amount</u>
2020	\$14,000	\$761
2021	14,000	698
2022	14,000	634
2023	14,000	572
2024	14,000	508
2025-2030	<u>106,000</u>	<u>1,656</u>
Total	<u>\$176,000</u>	<u>\$4,829</u>

The Village’s cash balance in the Bond Reserve Fund is \$23,884 at December 31, 2019. 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, 2019.

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, 2019.

VILLAGE OF IDA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019

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

Management has evaluated subsequent events through March 19, 2020, the date the financial statements were available to be issued, and determined no additional disclosures are warranted.

OTHER SUPPLEMENTARY 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, 2019

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>AMENDED</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
<u>REVENUES</u>				
Franchise Fees	\$ 10,000	\$ 10,563	\$ 10,656	\$ 93
Intergovernmental Revenue	6,000	6,000	6,000	0
Licenses and Permits	10,000	20,994	12,409	(8,585)
Sales Tax Revenue	25,000	45,499	56,813	11,314
Police Department	200	0	161	161
Interest	350	543	581	38
Rentals	2,000	2,020	1,970	(50)
Contributions	10,000	12,032	12,492	460
Other Revenues	8,300	7,233	7,072	(161)
Total revenues	<u>71,850</u>	<u>104,884</u>	<u>108,154</u>	<u>3,270</u>
<u>EXPENDITURES</u>				
Payroll	16,500	25,101	26,641	(1,540)
Casual Labor	0	0	0	0
Dues and Publications	500	729	654	75
Insurance	8,500	10,337	14,892	(4,555)
Interest	0	0	0	0
Repairs and Maintenance	4,500	6,690	5,340	1,350
Community Center	4,500	2,882	2,391	491
Office	2,000	2,000	2,548	(548)
Professional Fees	6,000	18,933	18,418	515
Printing and Reproduction	800	1,032	1,079	(47)
Supplies	1,200	3,349	5,961	(2,612)
Utilities	11,000	10,592	10,162	430
Telephone	3,200	3,604	3,629	(25)
Travel	0	296	296	0
Police Dept	180	0	73	(73)
Capital Outlays	0	0	0	0
Miscellaneous	1,010	686	1,184	(498)
Total Expenditures	<u>59,890</u>	<u>86,231</u>	<u>93,268</u>	<u>(7,037)</u>
Excess (deficiency) of revenues over expenditures	<u>11,960</u>	<u>18,653</u>	<u>14,886</u>	<u>(3,767)</u>
Other financing sources(uses):				
Operating Transfers In	0	3,460	0	(3,460)
Operating Transfers Out	0	(16,000)	(17,025)	(1,025)
Net other financing sources(uses)	<u>0</u>	<u>(12,540)</u>	<u>(17,025)</u>	<u>(4,485)</u>
Excess(deficiency) of revenues and other financing sources over expenditures and other uses	11,960	6,113	(2,139)	(8,252)
Fund balance at beginning of year	<u>54,562</u>	<u>54,562</u>	<u>54,562</u>	<u>0</u>
Fund balance at end of year	\$ <u>66,522</u>	\$ <u>60,675</u>	\$ <u>52,423</u>	\$ <u>(8,252)</u>

**VILLAGE OF IDA, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO MAYOR AND MEMBERS OF THE BOARD OF ALDERMEN
FOR THE YEAR ENDED DECEMBER 31, 2019**

Compensation Paid to Mayor

The schedule of compensation paid to the Mayor 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 Mayor is included in the general government expenditures of the general fund.

Mayor Shaw	\$	<u>6,000</u>
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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>1,800</u>

VILLAGE OF IDA
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
 TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
 FOR THE YEAR ENDED DECEMBER 31, 2019

Kenneth Shaw, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 6,000.00
Payroll Related Taxes	488.00
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	0.00
Continuing professional education fees	0.00
Housing	0.00
Unvouchered expenses	0.00
Special meals	0.00
	<hr/>
Total Compensation, Benefits and Other Payments	\$ <u><u>6,488.00</u></u>

See accompanying notes to the financial statements.



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

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

To the Honorable Mayor and Board of Aldermen
Ida, Louisiana

I 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 statements of the governmental activities, business-type activities, each major fund, and the remaining aggregate fund information of Village of Ida (the Village) as of December 31, 2019, and related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued my report thereon dated March 19, 2020.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Village of Ida's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, I 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 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village'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.

My consideration of internal control was for the limited purpose described in the preceding paragraph 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. I did identify a certain deficiency in internal control, described in the accompanying schedule of findings as Finding #2019-1 that I consider to be a material weakness.

Compliance and Other Matters

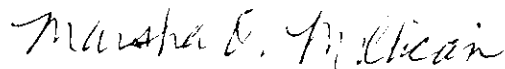
As part of obtaining reasonable assurance about whether Village of Ida's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is reported in the schedule of findings, as Finding #2019-2.

Village of Ida's Response to the Finding

Village of Ida's response to the findings in my audit is described in the accompanying schedule of findings. Village of Ida's response was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village'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 Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountant
March 19, 2020

**VILLAGE OF IDA, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Reference Number	Description of Finding	Current Status
2018-1	<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
2018-2	<p>Condition: 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. Although the budget was amended, actual expenses failed to meet budgeted expenses by 5% or more in the General Fund.</p>	Ongoing

**VILLAGE OF IDA, LOUISIANA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Summary of Audit Results

- 1 The auditor's report expresses an unmodified opinion on the financial statements.
- 2 One deficiency which is considered to be a material weakness, is reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
- 3 One instance of noncompliance material to the financial statements was disclosed during the audit.

<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>
2019-1	<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: Whether or not it would be cost effective to correct a deficiency is not a factor in reporting requirements under accounting standards generally accepted in the United States of America. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all deficiencies reported under accounting standards generally accepted in the United States of America. In this case, both management and the auditor do not believe that correcting the material weakness described above is cost effective or practical, and, accordingly, do not believe that any corrective action is necessary.</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 43 % 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>
2019-2	<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

OTHER REPORTS

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING STATE-WIDE AGREED UPON PROCEDURES



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

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

I have performed the procedures enumerated below, which agreed to by the Mayor and Board of Aldermen of the Village of Ida, Louisiana (the Village) and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed Upon Procedures (SAUPs) for the fiscal year January 1 through December 31, 2019. The Village's management is responsible for those control and compliance areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the Council. Consequently, I make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

My procedures and associated findings are enumerated below.

Written Policies and Procedures

1. I obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring and amending the budget.
 - b) **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.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **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

reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g. determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt insurance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **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.

Procedure Results - No exceptions noted.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

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

Procedure Results - No exceptions noted.

Bank Reconciliations

- 3. Obtain a listing of client bank accounts 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 individual accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliation include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/ board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Procedure Results - No exceptions noted.

Collections

- 4. 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).
- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection 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:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledger, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the five bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.
 - a) Procedure Results - No exceptions noted.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the entity has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making a purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) 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.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Procedure Results - No exceptions noted.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. 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:
- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved in writing (or electronically approved) by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Procedure Results - Not applicable. The Village uses none of these cards.

Travel and Expense Reimbursement

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedure Results - No exceptions noted.

Contracts

15. 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. Obtain management's representation that the listing is complete. Randomly, select 5 contracts (or all contracts if less than 5) from the listing and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change orders, observe that the original contract terms provided for such an amendment.

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

Procedure Results - No exceptions noted.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employee's/official, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly, select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employees/officials' authorized pay rates in the employees/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Procedure Results - No exceptions noted.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Procedure Results - No exceptions noted.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that the State Bond Commission approval was obtained for each bond/note issued.
22. 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.

Procedure Results - No exceptions noted.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Procedure Results - No exceptions noted.

I was not engaged and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the Statewide Agreed-Upon Procedures. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the Village and the LLA, and is not intended to be, and should not be, used by anyone other than the specified parties.



Certified Public Accountant

March 19, 2020