

TOWN OF IOTA, LOUISIANA

Financial Report

Year Ended June 30, 2021

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KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Nixon, CPA*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

183 S. Beadie Rd.
Lafayette, LA 70508
Phone (337) 232-4141

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

1201 David Dr.
Morgan City, LA 70380
Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

332 W. Sixth Ave.
Oberlin, LA 70655
Phone (337) 639-4737

Victor R. Slaven, CPA* - retired 2020

* A Professional Accounting Corporation

WWW.KSRCPAS.COM

INDEPENDENT AUDITOR'S REPORT

The Honorable Cody Leckelt, Mayor
and Members of the Board of Aldermen
Town of Iota, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Iota, Louisiana (Town), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic 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 error or fraud.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 entity'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 entity's internal control. Accordingly, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate fund information of the Town of Iota, Louisiana, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 36 and 37 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, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Town of Iota has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Iota, Louisiana's basic financial statements. The other supplementary information on pages 40 through 49 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The comparative statements and the Justice System Funding Schedule are the responsibility of management and were derived from and relate directly to the underlying accounting records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The prior year comparative information on the comparative statements has been derived from the Town of Iota's 2020 financial statements, which were 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 and, in our opinion, was fairly presented, in all material respects, in relation to the basic financial statements as whole.

The various schedules, except the Justice System Funding Schedule, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2021, on our consideration of the Town of Iota, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
December 23, 2021

BASIC FINANCIAL STATEMENTS

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

TOWN OF IOTA, LOUISIANA

Statement of Net Position
June 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 1,331,766	\$ 94,159	\$ 1,425,925
Receivables, net	41,685	44,798	86,483
Internal balances	(52,176)	52,176	-
Due from other governmental agencies	52,005	-	52,005
Inventory	-	21,329	21,329
Total current assets	<u>1,373,280</u>	<u>212,462</u>	<u>1,585,742</u>
Noncurrent assets:			
Restricted assets -			
Cash and interest-bearing deposits	-	214,673	214,673
Capital assets -			
Land and construction in progress	30,128	33,344	63,472
Capital assets, net	<u>1,264,506</u>	<u>1,073,431</u>	<u>2,337,937</u>
Total noncurrent assets	<u>1,294,634</u>	<u>1,321,448</u>	<u>2,616,082</u>
Total assets	<u>2,667,914</u>	<u>1,533,910</u>	<u>4,201,824</u>
LIABILITIES			
Current liabilities:			
Accounts payable and other payables	14,131	11,060	25,191
Capital lease payable	6,337	-	6,337
Customers' deposits	-	109,596	109,596
Revenue bonds payable	-	18,710	18,710
Total current liabilities	<u>20,468</u>	<u>139,366</u>	<u>159,834</u>
Noncurrent liabilities:			
Capital lease payable	6,108	-	6,108
Revenue bond payable	-	427,296	427,296
Total noncurrent liabilities	<u>6,108</u>	<u>427,296</u>	<u>433,404</u>
Total liabilities	<u>26,576</u>	<u>566,662</u>	<u>593,238</u>
NET POSITION			
Net investment in capital assets	1,282,189	679,479	1,961,668
Restricted for sales tax dedications	994,749	-	994,749
Restricted for Veteran's pavilion	372	-	372
Restricted for debt service	-	86,367	86,367
Unrestricted	<u>364,028</u>	<u>201,402</u>	<u>565,430</u>
Total net position	<u>\$ 2,641,338</u>	<u>\$ 967,248</u>	<u>\$ 3,608,586</u>

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

TOWN OF IOTA, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2021

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 111,976	\$ 79,923	\$ -	\$ -	\$ (32,053)	\$ -	\$ (32,053)
Public safety:							
Police	202,717	10,025	23,250	-	(169,442)	-	(169,442)
Public works	79,318	-	-	-	(79,318)	-	(79,318)
Culture and recreation	5,080	-	-	-	(5,080)	-	(5,080)
Interest	827	-	-	-	(827)	-	(827)
Total governmental activities	399,918	89,948	23,250	-	(286,720)	-	(286,720)
Business-type activities:							
Gas	248,962	180,344	-	-	-	(68,618)	(68,618)
Water	317,241	221,780	25,000	-	-	(70,461)	(70,461)
Sewer	269,755	162,068	-	-	-	(107,687)	(107,687)
Total business-type activities	835,958	564,192	25,000	-	-	(246,766)	(246,766)
Total primary government	\$ 1,235,876	\$ 654,140	\$ 48,250	\$ -	(286,720)	(246,766)	(533,486)
General revenues:							
Taxes -							
Property taxes, levied for general purposes					120,584	-	120,584
Sales and use taxes, levied for general purposes					264,793	-	264,793
Franchise taxes					73,127	-	73,127
Grants and contributions not restricted to specific programs -							
State sources					10,828	-	10,828
Interest and investment earnings					1,013	45	1,058
Miscellaneous					4,524	-	4,524
Transfers					(184,994)	184,994	-
Total general revenues					289,875	185,039	474,914
Change in net position					3,155	(61,727)	(58,572)
Net position - July 1, 2020					2,638,183	1,028,975	3,667,158
Net position - June 30, 2021					\$ 2,641,338	\$ 967,248	\$ 3,608,586

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

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUND DESCRIPTIONS

General Fund

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Sales Tax Fund

To account for the collection of the 1967 1 % sales and use tax and the 1991 1% sales and use tax and their subsequent disbursement in accordance with the sales tax dedications. The proceeds of the 1967 1% sales tax are dedicated to constructing, acquiring, extending, improving and maintaining sewer and sewage disposal works, a natural gas transmission and distribution system, drainage facilities, streets, waterworks, recreational facilities, public parks, public buildings, and fire department stations and equipment, garbage collection and disposal facilities. The proceeds of the 1991 1% sales tax are dedicated to constructing, acquiring, improving, maintaining, and operating sewer and sewage disposal works, including the acquisition of land and equipment for such purpose and constructing, acquiring, improving, maintaining, and operating any work of permanent public improvement.

Enterprise Fund

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

TOWN OF IOTA, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2021

	General	Sales Tax	Other Governmental Fund	Total
ASSETS				
Cash	\$ 385,754	\$ 808,495	\$ 100	\$ 1,194,349
Interest-bearing deposits		137,417	-	137,417
Receivables:				
Taxes	19,621	-	-	19,621
Other	22,064	-	-	22,064
Due from other funds	-	15,637	-	15,637
Due from other governmental agencies	4,674	47,331	-	52,005
Total assets	<u>\$ 432,113</u>	<u>\$ 1,008,880</u>	<u>\$ 100</u>	<u>\$ 1,441,093</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 14,131	\$ -	\$ 14,131
Due to other funds	67,713	-	100	67,813
Total liabilities	<u>67,713</u>	<u>14,131</u>	<u>100</u>	<u>81,944</u>
Fund balances:				
Restricted - sales tax dedications	-	994,749	-	994,749
Restricted - Veteran's pavilion	372	-	-	372
Unassigned	364,028	-	-	364,028
Total fund balances	<u>364,400</u>	<u>994,749</u>	<u>-</u>	<u>1,359,149</u>
Total liabilities and fund balances	<u>\$ 432,113</u>	<u>\$ 1,008,880</u>	<u>\$ 100</u>	<u>\$ 1,441,093</u>

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

TOWN OF IOTA, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2021

Total fund balances for governmental funds at June 30, 2021		\$ 1,359,149
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	\$ 30,128	
Buildings and improvements, net of \$318,700 accumulated depreciation	748,977	
Infrastructure, net of \$337,597 accumulated depreciation	475,620	
Machinery and equipment, net of \$248,379 accumulated depreciation	<u>39,909</u>	1,294,634
Long-term liabilities at June 30, 2021:		
Capital lease payable		<u>(12,445)</u>
Total net position of governmental activities at June 30, 2021		<u>\$ 2,641,338</u>

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

TOWN OF IOTA, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Year Ended June 30, 2021

	General	Sales Tax	Other Governmental Fund	Total
Revenues:				
Taxes	\$ 193,711	\$ 286,998	\$ -	\$ 480,709
Licenses and permits	69,904	-	-	69,904
Intergovernmental revenues	34,078	-	-	34,078
Charges for services	10,019	-	-	10,019
Fines	10,025	-	-	10,025
Miscellaneous -				
Interest	54	959	-	1,013
Other	5,736	-	-	5,736
Total revenues	<u>323,527</u>	<u>287,957</u>	<u>-</u>	<u>611,484</u>
Expenditures:				
Current -				
General government	61,833	22,136	-	83,969
Public safety -				
Police	193,248	-	-	193,248
Public works	54,025	-	-	54,025
Culture and recreation	2,918	-	-	2,918
Capital outlay	9,370	-	-	9,370
Debt service	6,013	-	-	6,013
Total expenditures	<u>327,407</u>	<u>22,136</u>	<u>-</u>	<u>349,543</u>
Excess (deficiency) of revenues over expenditures	<u>(3,880)</u>	<u>265,821</u>	<u>-</u>	<u>261,941</u>
Other financing sources (uses):				
Transfers in	45,530	-	-	45,530
Transfers out	<u>-</u>	<u>(230,524)</u>	<u>-</u>	<u>(230,524)</u>
Total other financing sources (uses)	<u>45,530</u>	<u>(230,524)</u>	<u>-</u>	<u>(184,994)</u>
Net changes in fund balances	41,650	35,297	-	76,947
Fund balances, beginning	<u>322,750</u>	<u>959,452</u>	<u>-</u>	<u>1,282,202</u>
Fund balances, ending	<u>\$ 364,400</u>	<u>\$ 994,749</u>	<u>\$ -</u>	<u>\$1,359,149</u>

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

TOWN OF IOTA, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2021

Total net changes in fund balances at June 30, 2021 per statement of revenues, expenditures and changes in fund balances	\$ 76,947
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.	
Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balances	\$ 9,370
Depreciation expense for the period ended June 30, 2021	(65,758)
Loss on disposal of assets	<u>(1,212)</u> (57,600)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds	
Sales taxes	(22,205)
Loan proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal and capital leases are recorded as expenditures in the governmental funds but reduce liability in the statement of net position.	
Principal paid on capital lease	<u>6,013</u>
Total changes in net position at June 30, 2021 per statement of activities	<u>\$ 3,155</u>

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

TOWN OF IOTA, LOUISIANA

Statement of Net Position
 Proprietary Fund
 June 30, 2021

	<u>Enterprise Fund</u>
ASSETS	
Current assets:	
Cash	\$ 94,159
Receivables -	
Accounts	33,726
Unbilled utility receivables	8,400
Other receivable	2,672
Due from other funds	63,136
Inventory	21,329
Total current assets	<u>223,422</u>
Noncurrent assets:	
Restricted assets -	
Cash	167,721
Interest-bearing deposits	46,952
Capital assets -	
Land and construction in progress	33,344
Capital assets, net	1,073,431
Total noncurrent assets	<u>1,321,448</u>
Total assets	<u>1,544,870</u>
LIABILITIES	
Current liabilities:	
Accounts payable	9,291
Accrued liabilities	1,769
Due to other funds	10,960
Payable from restricted assets -	
Customers' deposits	109,596
Revenue bonds	18,710
Total current liabilities	<u>150,326</u>
Noncurrent liabilities:	
Revenue bonds payable	427,296
Total liabilities	<u>577,622</u>
NET POSITION	
Net investment in capital assets	679,479
Restricted for debt service	86,367
Unrestricted	201,402
Total net position	<u>\$ 967,248</u>

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

TOWN OF IOTA, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position -
 Proprietary Fund
 Year Ended June 30, 2021

	<u>Enterprise Fund</u>
Operating revenues:	
Charges for services -	
Gas sales	\$ 175,437
Water sales	215,746
Sewer service charge	157,659
Other	<u>15,350</u>
Total operating revenues	<u>564,192</u>
Operating expenses:	
Salaries	280,203
Payroll taxes	21,048
Group insurance	23,403
Utilities and telephone	25,782
Repairs and maintenance	79,055
Auto expense	5,547
Legal and professional	8,556
Insurance	46,741
Operating supplies	53,266
Office supplies and expense	4,800
Gas purchases	84,647
Fuel	8,096
Uniforms	8,815
Depreciation	156,081
Other	<u>8,269</u>
Total operating expenses	<u>814,309</u>
Operating loss	<u>(250,117)</u>
Nonoperating revenues (expenses):	
State grant	25,000
Interest income	45
Interest expense	<u>(21,649)</u>
Total nonoperating revenues (expenses)	<u>3,396</u>
Loss before transfers	(246,721)
Transfers in	<u>184,994</u>
Change in net position	(61,727)
Net position, beginning	<u>1,028,975</u>
Net position, ending	<u>\$ 967,248</u>

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

TOWN OF IOTA, LOUISIANA

Statement of Cash Flows
 Proprietary Fund
 Year Ended June 30, 2021

	<u>Enterprise Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$ 550,329
Payments to suppliers	(341,469)
Payments to employees	(324,654)
Other receipts	<u>15,350</u>
Net cash used by operating activities	<u>(100,444)</u>
Cash flows from noncapital financing activities:	
Cash paid to other funds	(12,241)
Transfers from other funds	184,994
Proceeds from state grant	25,000
Net increase in customer meter deposits	<u>269</u>
Net cash provided by noncapital financing activities	<u>198,022</u>
Cash flows from capital and related financing activities:	
Principal paid on revenue bonds payable	(17,842)
Interest and fiscal charges paid on debt	(21,649)
Acquisition of property, plant and equipment	<u>(23,585)</u>
Net cash used by capital and related financing activities	<u>(63,076)</u>
Cash flows from investing activities:	
Interest on investments	<u>45</u>
Net increase in cash and cash equivalents	34,547
Cash and cash equivalents, beginning of period	<u>274,285</u>
Cash and cash equivalents, end of period	<u>\$ 308,832</u>

(continued)

TOWN OF IOTA, LOUISIANA

Statement of Cash Flows (Continued)
 Proprietary Fund
 Year Ended June 30, 2021

	<u>Enterprise Fund</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (250,117)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	156,081
Changes in current assets and liabilities:	
Accounts receivable	1,487
Unbilled utility receivables	(178)
Other receivables	(420)
Inventory	2,768
Accounts payable	(8,407)
Accrued liabilities	<u>(1,658)</u>
Total adjustments	<u>149,673</u>
Net cash used by operating activities	<u>\$ (100,444)</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, beginning of period -	
Cash - unrestricted	\$ 61,945
Cash - restricted	165,388
Interest-bearing deposits -restricted	<u>46,952</u>
Total cash and cash equivalents	<u>274,285</u>
Cash and cash equivalents, end of period -	
Cash - unrestricted	94,159
Cash - restricted	167,721
Interest-bearing deposits -restricted	<u>46,952</u>
Total cash and cash equivalents	<u>308,832</u>
Net increase	<u>\$ 34,547</u>

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

TOWN OF IOTA, LOUISIANA

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

The financial statements of the Town of Iota, Louisiana (Town) have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The Town of Iota (Town) was incorporated in 1901, under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Aldermen form of government. The Town provides the following services to its residents as authorized by its charter: public safety, public works, culture and recreation, and general administrative services. The Town also operates an enterprise activity, a combined utilities fund, which provides gas, sewer, and water services.

This report includes all funds that are controlled by or dependent on the Town executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Based on the foregoing criteria, there are no organizations or agencies which should be included in the basic financial statements as component units.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

TOWN OF IOTA, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Town are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the Town are described below:

Governmental Funds -

General Fund

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

Special Revenue Fund

Sales Tax Fund -

The Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

Capital Projects Fund

LCDBG Fund

The LCDBG Fund is used to account for the receipt and subsequent disbursement of LCDBG funds for various projects.

TOWN OF IOTA, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Proprietary Fund -

Enterprise Fund

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

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

TOWN OF IOTA, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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 to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

D. Assets, Liabilities, and Equity

Cash and interest-bearing deposits

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

Interfund receivables and payables

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

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

TOWN OF IOTA, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible amounts due for customers' utility receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectible for customers' utility receivables was \$963 at June 30, 2021. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Inventories

Inventories in the proprietary fund are valued at cost, which approximates market using the first-in/first-out (FIFO) method.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or fund financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to October 1, 2002, some governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

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

Buildings and improvements	20-40 years
Machinery and equipment	5-15 years
Infrastructure	10-40 years
Utility systems	5-25 years

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

TOWN OF IOTA, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted as to their use. The restricted assets are related to the revenue bond accounts and utility meter deposits.

Long-term debt

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

All long-term debts to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debts consist primarily of the revenue bonds payable and utility meter deposits payable.

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

Compensated Absences

Employees earn a set amount of annual vacation leave depending on years of service. Vacation cannot be accumulated and compensation in lieu of vacation is not paid. Employees earn five days of sick leave each year. Sick leave can be accumulated without limitation. Employees who resign or retire or who are dismissed from employment are not paid for any unused sick leave. Therefore, no provision for compensated absences has been made in the financial statements.

Equity Classifications

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

- a. Net investment in capital assets – Consists of net capital assets reduced by outstanding balances of any related debt obligations that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Net position is considered restricted if the use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Town's debt. Restricted net position is reduced by liabilities related to the restricted assets.

TOWN OF IOTA, LOUISIANA

Notes to the Basic Financial Statements (Continued)

- c. Unrestricted net position – Consists of all other net position that does not meet the definition of the two components and is available for general use by the Town.

The government-wide statement of net position reports \$1,081,488 of restricted net position, of which \$994,749 is restricted by enabling legislation.

In the fund statements, governmental fund equity is classified as fund balance. As such, fund balances of the governmental funds are classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Town’s Mayor and Board or Aldermen, which is the highest level of decision-making authority for the Town.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes determined by a formal decision of the Town’s Mayor and Board of Aldermen.
- e. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town has provided otherwise in his commitment or assignment actions.

Proprietary (Utility) fund equity is classified the same as in the government-wide statements.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

TOWN OF IOTA, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

- Governmental Funds - By Character
- Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

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

F. Revenue Restrictions

The Town has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 11
Gas, water and sewer revenue	Debt service and utility operations

The Town uses unrestricted resources only when restricted resources are fully depleted.

G. Capitalization of Interest Expense

It is the policy of the Town of Iota to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. For the year ending June 30, 2021, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books. Total interest incurred and expensed for the year ending June 30, 2021 for the proprietary fund and business-type activities was \$21,649.

The interest incurred and expensed for the year ended June 30, 2021 for the governmental funds and the governmental activities was \$827.

H. Use of Estimates

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

TOWN OF IOTA, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Town may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2021, the Town had cash and interest-bearing deposits (book balances) as follows:

Demand deposits	\$1,456,229
Time deposits	<u>184,369</u>
Total	<u>\$1,640,598</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Town's deposits may not be recovered. Under state law, these deposits, (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. These deposits are stated at cost, which approximates market. Deposit balances (bank balances) at June 30, 2021 were secured as follows:

Bank balances	<u>\$ 1,655,982</u>
Federal deposit insurance	\$ 435,679
Pledged securities	<u>1,220,303</u>
Total federal deposit insurance and pledged securities	<u>\$ 1,655,982</u>

Deposits in the amount of \$1,220,303 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Town's name. The Town does not have a policy for custodial credit risk.

(3) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to taxpayers in November or December. Billed taxes become delinquent on January 1 of the following year. The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of Acadia Parish. Town property tax revenues are budgeted in the year billed.

For the year ended June 30, 2021, taxes of 27.00 mills were levied on property with assessed valuations totaling \$4,586,100 and were dedicated as follows:

Corporate tax	8.00 mills
Street maintenance tax	5.00 mills
Drainage and public building tax	5.00 mills
Streets, drainage, and bridge tax	<u>9.00 mills</u>
	<u>27.00 mills</u>

Total taxes levied were \$123,825. There were no taxes receivable at June 30, 2021.

TOWN OF IOTA, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(4) Receivables

Receivables at June 30, 2021 of \$86,483 consist of the following:

	<u>General</u>	<u>Utility</u>	<u>Total</u>
Accounts	\$ -	\$ 33,726	\$ 33,726
Unbilled utility	-	8,400	8,400
Franchise taxes	19,621	-	19,621
Other	<u>22,064</u>	<u>2,672</u>	<u>24,736</u>
Totals	<u>\$41,685</u>	<u>\$ 44,798</u>	<u>\$ 86,483</u>

(5) Due from Other Governmental Agencies

Amounts due from other governmental agencies in the amount of \$52,005 at June 30, 2021 consisted of the following:

Governmental Activities:

General Fund -

Amount due from the State of Louisiana for state highway maintenance agreement	\$ 2,525
Amount due from FEMA for reimbursement of 2016 flood damage expenditures	<u>2,149</u>
	4,674

Sales Tax Fund -

Amount due from Acadia Parish School Board for May and June 2021 sales taxes	<u>47,331</u>
Total governmental activities	<u>\$ 52,005</u>

(6) Restricted Assets

Restricted assets applicable to the business-type activities consisted of the following at June 30, 2021:

Revenue bond interest and sinking account	\$ 20,589
Revenue bond reserve account	39,492
Revenue bond depreciation and contingency account	44,996
Customers' deposits	<u>109,596</u>
Total	<u>\$ 214,673</u>

TOWN OF IOTA, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(7) Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance 07/01/20	Additions	Deletions	Balance 06/30/21
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 30,128	\$ -	\$ -	\$ 30,128
Other capital assets:				
Buildings and improvements	1,093,244	4,722	-	1,097,966
Infrastructure	830,398	-	-	830,398
Machinery and equipment	303,140	4,648	31,906	275,882
Totals	<u>2,256,910</u>	<u>9,370</u>	<u>31,906</u>	<u>2,234,374</u>
Less accumulated depreciation				
Buildings and improvements	318,700	30,289	-	348,989
Infrastructure	337,597	17,181	-	354,778
Machinery and equipment	248,379	18,288	30,694	235,973
Total accumulated depreciation	<u>904,676</u>	<u>65,758</u>	<u>30,694</u>	<u>939,740</u>
Governmental activities, capital assets, net	<u>\$1,352,234</u>	<u>\$ (56,388)</u>	<u>\$ 1,212</u>	<u>\$1,294,634</u>
Business-type activities:				
Capital assets not being depreciated:				
Land - water system	\$ 26,844	\$ -	\$ -	\$ 26,844
Construction in progress	-	6,500	-	6,500
Other capital assets:				
Buildings and improvements	59,578	2,040	-	61,618
Machinery and equipment	152,930	-	27,327	125,603
Gas and sewer distributions systems	1,945,742	9,521	12,482	1,942,781
Water treatment system	2,600,950	5,524	-	2,606,474
Totals	<u>4,786,044</u>	<u>23,585</u>	<u>39,809</u>	<u>4,769,820</u>
Less accumulated depreciation				
Buildings and improvements	48,492	4,266	-	52,758
Machinery and equipment	139,144	5,967	27,328	117,783
Gas and sewer distributions systems	1,620,999	69,226	12,481	1,677,744
Water treatment system	1,738,138	76,622	-	1,814,760
Total accumulated depreciation	<u>3,546,773</u>	<u>156,081</u>	<u>39,809</u>	<u>3,663,045</u>
Business-type activities, capital assets, net	<u>\$1,239,271</u>	<u>\$ (132,496)</u>	<u>\$ -</u>	<u>\$1,106,775</u>

TOWN OF IOTA, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 28,007
Police	9,469
Public works	25,293
Culture and recreation	<u>2,989</u>
Total depreciation expense	<u>\$ 65,758</u>

Depreciation expense was charged to business-type activities as follows:

Gas	\$ 3,275
Water	80,613
Sewer	<u>72,193</u>
Total depreciation expense	<u>\$ 156,081</u>

(8) Accounts and Other Payables

The accounts and other payables in the amount of \$25,191 consisted of the following at June 30, 2021:

	Governmental Activities	Business-type Activities	Total
Accounts	\$14,131	\$ 9,291	\$ 23,422
Accrued liabilities	<u>-</u>	<u>1,769</u>	<u>1,769</u>
Totals	<u>\$14,131</u>	<u>\$11,060</u>	<u>\$ 25,191</u>

(9) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the Town for the year ended June 30, 2021:

	Governmental Activities	Business-type Activities
	Capital Lease	Revenue Bonds
Long-term debt payable at 7/01/20	\$ 18,458	\$ 463,848
Long-term debt issued	-	-
Long-term debt retired	<u>(6,013)</u>	<u>(17,842)</u>
Long-term debt payable at 6/30/21	<u>\$ 12,445</u>	<u>\$ 446,006</u>

TOWN OF IOTA, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Long term debt payable at June 30, 2021 is comprised of the following:

Governmental activities:	<u>Total</u>	<u>Current Portion</u>
Capital lease:		
\$30,102 lease-purchase agreement date July 10, 2018, due in 60 monthly installment if \$570, including interest at the rate of 5.255 percent through July 10, 2023; secured by equipment with a book value of \$12,542 (net of \$17,559 accumulated depreciation), which is included in the machinery and equipment asset class	<u>\$ 12,445</u>	<u>\$ 6,337</u>
Business-type activities:		
Revenue Bonds:		
\$603,000 of Sewer Revenue Bonds, Series 1997A, dated April 6, 1998; payable in monthly installments of \$2,835 through April 6, 2038; interest at 4.75%; payable from revenues of the combined utilities system	\$ 384,183	\$ 16,119
\$97,000 of Sewer Revenue Bonds, Series 1997B, dated April 6, 1998; payable in monthly installments of \$456 through April 6, 2038; interest at 4.75%; payable from revenues of the combined utilities system	<u>61,823</u>	<u>2,591</u>
Total revenue bonds	<u>\$ 446,006</u>	<u>\$ 18,710</u>

Debt service requirements on the Town's long-term debt is as follows as of June 30, 2021:

Year Ending June 30,	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	<u>Capital Lease</u>			<u>Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 6,337	\$ 503	\$ 6,840	\$ 18,710	\$ 20,782	\$ 39,492
2023	6,108	162	6,270	19,619	19,873	39,492
2024	-	-	-	20,571	18,921	39,492
2025	-	-	-	21,570	17,922	39,492
2026	-	-	-	22,617	16,875	39,492
2027-2031	-	-	-	130,663	66,797	197,460
2032-2036	-	-	-	165,612	31,848	197,460
2037-2038	-	-	-	46,644	1,448	48,092
	<u>\$ 12,445</u>	<u>\$ 665</u>	<u>\$ 13,110</u>	<u>\$ 446,006</u>	<u>\$ 194,466</u>	<u>\$ 640,472</u>

TOWN OF IOTA, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(10) Flow of Funds; Restrictions on Use - Utilities Revenues

Under the terms of the bond indenture on outstanding Sewer Revenue Bonds dated April 6, 1998 all income and revenues (hereinafter referred to as revenue) earned from the operation of the sewer system are to be deposited into an account designated as the Sewer Revenue Account and said account is to be maintained and administered in the following order of priority and for the following purposes:

- A. The payment of all reasonable and necessary expenses of administering, operating, and maintaining the sewer system from an account designated as the Maintenance and Operation Account.
- B. Each month, there shall be set aside into a Sewer Revenue Bond and Interest Sinking Account \$2,835 for payment on the Sewer Revenue Bonds, Series 1997A and \$456 for payment on the Sewer Revenue Bonds, Series, 1997B. Such transfers shall be made on or before the 6th day of each month, beginning May 6, 1999, to assure the prompt payment of principal and interest installments as they become due.
- C. Each month, there shall be set aside into a Sewer Revenue Bond Reserve Account an amount constituting 5% of the amounts required to be paid into the aforesaid Sewer Revenue Bond and Interest Sinking Account until such time as there has been accumulated in the account an amount equal to the highest annual debt service payable in any future year (\$39,492).
- D. Funds will be set aside into a Sewer Revenue Bond Depreciation and Contingency Account to care for extensions, additions, improvements, renewals, and replacements necessary to properly operate the utilities system. Transfers of \$172 shall be made monthly into this account. Payments will continue as long as bonds are outstanding and the balance in this account shall not be reduced without the permission of the U.S. Department of Rural Development.

The Town of Iota was in compliance with all significant limitations and restrictions in the bond indenture during the year ended June 30, 2021.

(11) Dedication of Proceeds and Flow of Funds - Sales and Use Taxes

- A. Proceeds of the 1967 1% sales and use tax are accounted for in the Sales Tax and are dedicated to the following purposes:

Constructing, acquiring, extending, improving and/or maintaining sewers and sewage disposal works, a natural gas transmission and distribution system, drainage facilities, streets, waterworks, recreational facilities, public parks, public buildings, and fire department stations and equipment, including fire engines, garbage collection, and disposal facilities.

TOWN OF IOTA, LOUISIANA

Notes to the Basic Financial Statements (Continued)

B. Proceeds of the 1991 1% sales and use tax are accounted for in the Sales Tax Fund and are dedicated to the following purposes:

1. Constructing, acquiring, improving, maintaining, and operating sewers and sewage disposal works, including the acquisition of land and equipment for such purpose.
2. Constructing, acquiring, improving, maintaining, and operating any work of permanent public improvement.

(12) Departmental Information for the Enterprise Fund

The Town of Iota maintains one enterprise fund with three departments, which provide gas, water, and sewerage services. Departmental information for the year ended June 30, 2021 was as follows:

	Gas Department	Water Department	Sewerage Department	Total Enterprise Fund
Charges for services and other revenues	\$ 180,344	\$ 221,780	\$ 162,068	\$ 564,192
Operating expenses -				
Depreciation	3,275	80,613	72,193	156,081
Other expenses	238,766	228,118	191,344	658,228
Total operating expenses	242,041	308,731	263,537	814,309
Operating loss	\$ (61,697)	\$ (86,951)	\$ (101,469)	\$ (250,117)

(13) Retirement Commitment

All employees of the Town of Iota are members of the Federal Social Security system. The Town and its employees contribute a percentage of each employee's salary to the system (7.65% contributed by the Town; 7.65% by the employee). Total covered wages for the years ended June 30, 2021 totaled \$407,471. The Town's contribution during the year ended June 30, 2021 amounted to \$31,172.

(14) On-Behalf Payments of Salaries

The State of Louisiana paid the Town's policemen \$23,250 of supplemental pay during the year ended June 30, 2021. Such payments are recorded as intergovernmental revenues and public safety expense in the government-wide and General Fund financial statements.

TOWN OF IOTA, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(15) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2021:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
Governmental Funds -		
General Fund	\$ -	\$ 67,713
Sales Tax Fund	15,637	-
LCDBG Fund	-	100
Proprietary Fund -		
Utility Fund	<u>63,136</u>	<u>10,960</u>
Total	<u>\$ 78,773</u>	<u>\$ 78,773</u>

Transfers are recorded in the year in which they were budgeted. However, the amounts are not always paid in that same year; therefore, causing balances as noted above. These balances are expected to be paid within the next fiscal year.

B. Interfund transfers

Interfund transfers consisted of the following at June 30, 2021:

	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>
Major Funds:		
Governmental Funds -		
General Fund	\$ 45,530	\$ -
Sales Tax Fund	-	230,524
Proprietary Fund -		
Utility Fund	<u>184,994</u>	<u>-</u>
Total	<u>\$ 230,524</u>	<u>\$ 230,524</u>

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

TOWN OF IOTA, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(16) Risk Management

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

(17) Litigation and Claims

At June 30, 2021, the Town is not currently involved any lawsuits.

(18) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended June 30, 2021 follows:

Cody Leckelt, Mayor	\$ 11,400
Aldermen:	
James Bertrand	3,300
Brandon Hebert	3,300
Seth Manuel	3,300
Warren Poussan	3,300
Jude Sittig	<u>3,300</u>
	<u>\$ 27,900</u>

The mayor receives \$950 per month. Aldermen receive \$275 per month.

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

The schedule of compensation, benefits, and other payments made to Cody Leckelt, Mayor, follows:

Salary	<u>\$ 11,400</u>
--------	------------------

(20) Subsequent Event

As a result of the spread of the COVID 19 coronavirus, economic uncertainties have arisen which may have and may continue to impact the Town's ongoing operations. The extent and severity of the potential impact on future operations is unknown at this time.

**REQUIRED SUPPLEMENTARY
INFORMATION**

TOWN OF IOTA, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Taxes -				
Ad valorem	\$ 125,250	\$ 119,200	\$ 120,584	\$ 1,384
Franchise	86,000	73,500	73,127	(373)
Licenses and permits -				
Occupational licenses	14,000	17,582	18,186	604
Insurance licenses	40,000	30,000	46,595	16,595
Liquor licenses	1,200	750	1,000	250
Permits	1,000	4,100	4,123	23
Intergovernmental revenues -				
State of Louisiana:				
Beer taxes	1,850	1,875	1,873	(2)
Video poker commissions	3,500	900	1,380	480
Grass cutting	5,100	5,100	7,575	2,475
On-behalf payments	-	23,250	23,250	-
Court costs	7,000	8,500	10,019	1,519
Fines and forfeits	9,275	17,335	10,025	(7,310)
Miscellaneous -				
Interest income	35	30	54	24
Other revenues	3,600	5,700	5,736	36
Total revenues	<u>297,810</u>	<u>307,822</u>	<u>323,527</u>	<u>15,705</u>
Expenditures:				
Current -				
General government	66,768	61,845	61,833	12
Public safety	132,915	151,016	193,248	(42,232)
Public works	52,164	56,005	54,025	1,980
Culture and recreation	1,656	2,187	2,918	(731)
Capital Outlay	-	4,650	9,370	(4,720)
Debt service	6,440	6,000	6,013	(13)
Total expenditures	<u>259,943</u>	<u>281,703</u>	<u>327,407</u>	<u>(45,704)</u>
Excess (deficiency) of revenues over expenditures	37,867	26,119	(3,880)	(29,999)
Other financing sources:				
Transfers in	-	20,000	45,530	25,530
Net change in fund balance	37,867	46,119	41,650	(4,469)
Fund balance, beginning	<u>322,750</u>	<u>322,750</u>	<u>322,750</u>	<u>-</u>
Fund balance, ending	<u>\$ 360,617</u>	<u>\$ 368,869</u>	<u>\$ 364,400</u>	<u>\$ (4,469)</u>

TOWN OF IOTA, LOUISIANA
Sales Tax Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Taxes - sales taxes	\$ 190,000	\$ 217,000	\$ 286,998	\$ 69,998
Miscellaneous -				
Interest	200	200	959	759
Total revenues	190,200	217,200	287,957	70,757
Expenditures:				
Current -				
General government:				
Collection expense	3,128	4,500	4,989	(489)
Professional services	7,000	8,550	8,520	30
Insurance	-	-	2,848	(2,848)
Repairs and maintenance	-	11,275	3,891	7,384
Registration and membership fees	2,300	1,890	1,888	2
Total general government	12,428	26,215	22,136	4,079
Capital outlay -				
Public works:				
Street equipment	1,000	-	-	-
Total expenditures	13,428	26,215	22,136	4,079
Excess of revenues over expenditures	176,772	190,985	265,821	74,836
Other financing uses:				
Transfers out	(120,000)	(305,000)	(230,524)	74,476
Net change in fund balance	56,772	(114,015)	35,297	149,312
Fund balance, beginning	959,452	959,452	959,452	-
Fund balance, ending	\$ 1,016,224	\$ 845,437	\$ 994,749	\$ 149,312

TOWN OF IOTA, LOUISIANA

Notes to the Required Supplementary Information

(1) Budget and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 30, the Town Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1.
2. A summary of the proposed budget is published, and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

(2) Excess of Expenditures Over Appropriations

For the year ended June 30, 2021, the following fund had actual expenditures over appropriations, at the functional level, as follows:

<u>Fund and Function</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
General Fund:			
Public safety	151,016	193,248	(42,232)
Culture and recreation	2,187	2,918	(731)
Capital Outlay	4,650	9,370	(4,720)

OTHER SUPPLEMENTARY INFORMATION

TOWN OF IOTA, LOUISIANA

Statement of Net Position
 June 30, 2021
 With Comparative Totals for June 30, 2020

	2021			2020 Totals
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$1,331,766	\$ 94,159	\$ 1,425,925	\$1,334,982
Receivables, net	41,685	44,798	86,483	67,602
Internal balances	(52,176)	52,176	-	-
Due from other governmental agencies	52,005	-	52,005	55,093
Inventory	-	21,329	21,329	24,097
Total current assets	<u>1,373,280</u>	<u>212,462</u>	<u>1,585,742</u>	<u>1,481,774</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing deposits	-	214,673	214,673	212,340
Capital assets:				
Land and construction in progress	30,128	33,344	63,472	56,972
Capital assets, net	<u>1,264,506</u>	<u>1,073,431</u>	<u>2,337,937</u>	<u>2,534,533</u>
Total noncurrent assets	<u>1,294,634</u>	<u>1,321,448</u>	<u>2,616,082</u>	<u>2,803,845</u>
Total assets	<u>2,667,914</u>	<u>1,533,910</u>	<u>4,201,824</u>	<u>4,285,619</u>
LIABILITIES				
Current liabilities:				
Accounts payable and other payables	14,131	11,060	25,191	26,828
Capital lease payable	6,337	-	6,337	6,013
Customers' deposits	-	109,596	109,596	109,327
Revenue bonds payable	-	18,710	18,710	19,384
Total current liabilities	<u>20,468</u>	<u>139,366</u>	<u>159,834</u>	<u>161,552</u>
Noncurrent liabilities:				
Capital lease payable	6,108	-	6,108	12,445
Revenue bonds payable	-	427,296	427,296	444,464
Total noncurrent liabilities	<u>6,108</u>	<u>427,296</u>	<u>433,404</u>	<u>456,909</u>
Total liabilities	<u>26,576</u>	<u>566,662</u>	<u>593,238</u>	<u>618,461</u>
NET POSITION				
Net investment in capital assets	1,282,189	679,479	1,961,668	2,128,583
Restricted for sales tax dedications	994,749	-	994,749	959,452
Restricted for Veteran's pavilion	372	-	372	372
Restricted for debt service	-	86,367	86,367	83,629
Unrestricted	<u>364,028</u>	<u>201,402</u>	<u>565,430</u>	<u>495,122</u>
Total net position	<u>\$2,641,338</u>	<u>\$ 967,248</u>	<u>\$ 3,608,586</u>	<u>\$ 3,667,158</u>

TOWN OF IOTA, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance - Positive (Negative)	2020 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes -					
Ad valorem	\$ 125,250	\$ 119,200	\$ 120,584	\$ 1,384	\$ 120,331
Franchise	86,000	73,500	73,127	(373)	68,701
Licenses and permits -					
Occupational licenses	14,000	17,582	18,186	604	12,752
Insurance licenses	40,000	30,000	46,595	16,595	39,620
Liquor licenses	1,200	750	1,000	250	1,600
Permits	1,000	4,100	4,123	23	1,775
Intergovernmental revenues -					
State of Louisiana:					
Beer taxes	1,850	1,875	1,873	(2)	1,766
Video poker commissions	3,500	900	1,380	480	2,624
Grass cutting	5,100	5,100	7,575	2,475	5,050
On-behalf payments	-	23,250	23,250	-	20,617
Court costs	7,000	8,500	10,019	1,519	7,709
Fines and forfeits	9,275	17,335	10,025	(7,310)	9,950
Miscellaneous -					
Interest income	35	30	54	24	-
Other revenues	3,600	5,700	5,736	36	261
Total revenues	<u>297,810</u>	<u>307,822</u>	<u>323,527</u>	<u>15,705</u>	<u>292,756</u>
Expenditures:					
Current -					
General government	66,768	61,845	61,833	12	66,133
Public safety	132,915	151,016	193,248	(42,232)	214,100
Public works	52,164	56,005	54,025	1,980	46,753
Culture and recreation	1,656	2,187	2,091	96	2,155
Capital outlay	-	4,650	9,370	(4,720)	-
Debt service	6,440	6,000	6,840	(840)	7,980
Total expenditures	<u>259,943</u>	<u>281,703</u>	<u>327,407</u>	<u>(45,704)</u>	<u>337,121</u>
Excess (deficiency) of revenues over expenditures	<u>37,867</u>	<u>26,119</u>	<u>(3,880)</u>	<u>(29,999)</u>	<u>(44,365)</u>
Other financing sources:					
Transfers in	-	20,000	45,530	25,530	20,000
Net change in fund balance	<u>37,867</u>	<u>46,119</u>	<u>41,650</u>	<u>(4,469)</u>	<u>(24,365)</u>
Fund balance, beginning	<u>322,750</u>	<u>322,750</u>	<u>322,750</u>	<u>-</u>	<u>347,115</u>
Fund balance, ending	<u>\$ 360,617</u>	<u>\$ 368,869</u>	<u>\$ 364,400</u>	<u>\$ (4,469)</u>	<u>\$ 322,750</u>

TOWN OF IOTA, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance - Positive (Negative)	2020 Actual
	Budget		Actual		
	Original	Final			
Current -					
General government:					
Salaries	\$28,000	\$28,000	\$27,900	\$ 100	\$ 27,900
Payroll taxes	2,500	2,500	1,687	813	2,493
Insurance	13,340	8,000	7,856	144	7,064
Legal and professional	6,000	6,775	6,774	1	7,500
Travel and training	2,300	-	196	(196)	1,440
Repairs and maintenance	2,116	2,435	2,531	(96)	3,159
Telephone and utilities	7,728	7,805	7,568	237	6,908
Printing and postage	3,404	3,500	3,562	(62)	7,034
Collection fees	598	750	709	41	1,217
Miscellaneous	782	2,080	3,050	(970)	1,418
Total general government	<u>66,768</u>	<u>61,845</u>	<u>61,833</u>	<u>12</u>	<u>66,133</u>
Public safety:					
Police department -					
Salaries	90,160	103,250	122,618	(19,368)	139,999
Payroll taxes	6,440	5,500	9,496	(3,996)	10,574
Insurance	13,800	13,340	26,082	(12,742)	21,867
Materials and supplies	2,714	4,415	4,672	(257)	10,785
Telephone	2,852	4,700	5,109	(409)	5,119
Legal and professional	-	63	63	-	273
Travel and training	736	636	704	(68)	2,595
Uniforms	460	612	612	-	1,977
Auto expenses	11,960	13,880	15,894	(2,014)	12,253
Auto lease	-	-	-	-	1,180
Auxiliary police expenses	322	1,000	1,837	(837)	2,459
Miscellaneous	3,471	3,620	6,161	(2,541)	5,019
Total public safety	<u>132,915</u>	<u>151,016</u>	<u>193,248</u>	<u>(42,232)</u>	<u>214,100</u>
Public works:					
Materials and supplies	22,080	29,500	26,474	3,026	19,069
Telephone and utilities	19,044	19,000	19,067	(67)	19,070
Repairs and maintenance	2,760	1,505	1,733	(228)	3,606
Insurance	7,820	5,900	6,614	(714)	5,008
Miscellaneous	460	100	137	(37)	-
Total public works	<u>52,164</u>	<u>56,005</u>	<u>54,025</u>	<u>1,980</u>	<u>46,753</u>

(continued)

TOWN OF IOTA, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance - Positive (Negative)	2020 Actual
	Budget		Actual		
	Original	Final			
Culture and recreation:					
Telephone and utilities	<u>1,656</u>	<u>2,187</u>	<u>2,091</u>	<u>96</u>	<u>2,155</u>
Capital outlay -					
General government:					
Office furniture	<u>-</u>	<u>4,650</u>	<u>9,370</u>	<u>(4,720)</u>	<u>-</u>
Debt service -					
Principal retirement	6,440	6,000	6,013	(13)	6,629
Interest	<u>-</u>	<u>-</u>	<u>827</u>	<u>(827)</u>	<u>1,351</u>
Total debt service	<u>6,440</u>	<u>6,000</u>	<u>6,840</u>	<u>(840)</u>	<u>7,980</u>
 Total expenditures	 <u>\$259,943</u>	 <u>\$281,703</u>	 <u>\$327,407</u>	 <u>\$ (45,704)</u>	 <u>\$337,121</u>

TOWN OF IOTA, LOUISIANA
Sales Tax Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Actual	Variance - Positive (Negative)	2020 Actual
	Budget				
	Original	Final			
Revenues:					
Taxes - sales taxes	\$ 190,000	\$ 217,000	\$ 286,998	\$ 69,998	\$ 222,439
Miscellaneous -					
Interest	200	200	959	759	1,189
Total revenues	<u>190,200</u>	<u>217,200</u>	<u>287,957</u>	<u>70,757</u>	<u>223,628</u>
Expenditures:					
Current -					
General government:					
Collection expense	3,128	4,500	4,989	(489)	3,914
Professional services	7,000	8,550	8,520	30	7,500
Insurance	-	-	2,848	(2,848)	4,505
Repairs and maintenance	-	11,275	3,891	7,384	-
Registration and membership fees	2,300	1,890	1,888	2	1,888
Total general government	<u>12,428</u>	<u>26,215</u>	<u>22,136</u>	<u>4,079</u>	<u>17,807</u>
Capital outlay -					
Public works:					
Street equipment	1,000	-	-	-	17,504
Total expenditures	<u>13,428</u>	<u>26,215</u>	<u>22,136</u>	<u>4,079</u>	<u>35,311</u>
Excess of revenues over expenditures	176,772	190,985	265,821	74,836	188,317
Other financing uses:					
Transfers out	<u>(120,000)</u>	<u>(305,000)</u>	<u>(230,524)</u>	<u>74,476</u>	<u>(168,308)</u>
Net change in fund balance	56,772	(114,015)	35,297	149,312	20,009
Fund balance, beginning	<u>959,452</u>	<u>959,452</u>	<u>959,452</u>	<u>-</u>	<u>939,443</u>
Fund balance, ending	<u>\$1,016,224</u>	<u>\$ 845,437</u>	<u>\$ 994,749</u>	<u>\$ 149,312</u>	<u>\$ 959,452</u>

TOWN OF IOTA, LOUISIANA

Comparative Statement of Net Position
Enterprise Fund
June 30, 2021 and 2020

	Utility Fund	
	2021	2020
ASSETS		
Current assets:		
Cash	\$ 94,159	\$ 61,945
Receivables -		
Accounts	33,726	35,213
Unbilled utility receivables	8,400	8,222
Other receivable	2,672	2,252
Due from other funds	63,136	50,896
Inventory	21,329	24,097
Total current assets	<u>223,422</u>	<u>182,625</u>
Noncurrent assets:		
Restricted assets -		
Cash	167,721	165,388
Interest-bearing deposits	46,952	46,952
Capital assets -		
Land and construction in progress	33,344	26,844
Capital assets, net	<u>1,073,431</u>	<u>1,212,427</u>
Total noncurrent assets	<u>1,321,448</u>	<u>1,451,611</u>
Total assets	<u>1,544,870</u>	<u>1,634,236</u>
LIABILITIES		
Current liabilities:		
Accounts payable	9,291	17,698
Accrued liabilities	1,769	3,427
Due to other funds	10,960	10,961
Payable from restricted assets -		
Customers' deposits	109,596	109,327
Revenue bonds	<u>18,710</u>	<u>19,384</u>
Total current liabilities	<u>150,326</u>	<u>160,797</u>
Noncurrent liabilities:		
Revenue bonds payable	<u>427,296</u>	<u>444,464</u>
Total liabilities	<u>577,622</u>	<u>605,261</u>
NET POSITION		
Net investment in capital assets	679,479	794,807
Restricted for debt service	86,367	83,629
Unrestricted	<u>201,402</u>	<u>150,539</u>
Total net position	<u>\$ 967,248</u>	<u>\$ 1,028,975</u>

TOWN OF IOTA, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Analysis of Revenues and Expenses
Years Ended June 30, 2021 and 2020

	Totals		Gas		Water		Sewer	
	2021	2020	2021	2020	2021	2020	2021	2020
Operating revenue:								
Charges for services	\$ 548,842	\$ 491,714	\$ 175,437	\$ 139,756	\$ 215,746	\$ 202,862	\$ 157,659	\$ 149,096
Other	15,350	14,629	4,907	4,158	6,034	6,035	4,409	4,436
Total operating revenues	<u>564,192</u>	<u>506,343</u>	<u>180,344</u>	<u>143,914</u>	<u>221,780</u>	<u>208,897</u>	<u>162,068</u>	<u>153,532</u>
Operating expenses:								
Salaries	280,203	265,790	89,665	77,079	109,279	108,974	81,259	79,737
Payroll taxes	21,048	19,947	6,735	5,785	8,209	8,178	6,104	5,984
Group insurance	23,403	19,670	7,489	5,704	9,127	8,065	6,787	5,901
Utilities and telephone	25,782	26,059	1,234	1,183	13,923	14,780	10,625	10,096
Repairs and maintenance	79,055	57,905	14,542	3,710	17,989	19,020	46,524	35,175
Auto expense	5,547	8,542	1,775	2,477	2,163	3,502	1,609	2,563
Legal and professional	8,556	16,776	2,738	4,865	3,337	6,878	2,481	5,033
Insurance	46,741	52,850	14,957	15,326	18,229	21,669	13,555	15,855
Operating supplies	53,266	46,209	5,390	1,065	34,170	32,257	13,706	12,887
Office supplies and expense	4,800	3,697	1,536	1,072	1,872	1,516	1,392	1,109
Gas purchases	84,647	53,614	84,647	53,614	-	-	-	-
Fuel	8,096	8,702	2,591	2,523	3,157	3,568	2,348	2,611
Inspection and testing	-	1,952	-	566	-	800	-	586
Uniforms	8,815	8,716	2,821	2,527	3,438	3,574	2,556	2,615
Depreciation	156,081	143,778	3,275	2,383	80,613	76,976	72,193	64,419
Other	8,269	5,095	2,646	1,477	3,225	2,090	2,398	1,528
Total operating expenses	<u>814,309</u>	<u>739,302</u>	<u>242,041</u>	<u>181,356</u>	<u>308,731</u>	<u>311,847</u>	<u>263,537</u>	<u>246,099</u>
Operating loss	<u>(250,117)</u>	<u>(232,959)</u>	<u>\$ (61,697)</u>	<u>\$ (37,442)</u>	<u>\$ (86,951)</u>	<u>\$ (102,950)</u>	<u>\$ (101,469)</u>	<u>\$ (92,567)</u>
Nonoperating revenues (expenses):								
State grant	25,000	15,800						
Loss on disposal of assets	-	(15,875)						
Interest income	45	346						
Interest expense	(21,649)	(22,475)						
Total nonoperating revenues	<u>3,396</u>	<u>(22,204)</u>						
Transfers:								
Transfers in	<u>184,994</u>	<u>148,308</u>						
Change in net position	(61,727)	(106,855)						
Net position, beginning	<u>1,028,975</u>	<u>1,135,830</u>						
Net position, ending	<u>\$ 967,248</u>	<u>\$ 1,028,975</u>						

TOWN OF IOTA, LOUISIANA

Combined Schedule of Interest-bearing Deposits - All Funds
June 30, 2021

	Financial Institution	Interest Rate	Certificate Maturity Length of Time	Amount
Sales Tax Fund:				
Certificate of deposit	Bank of Commerce & Trust Co.	1.00%	12 month renewal	<u>\$ 137,417</u>
Utility Fund:				
Certificate of deposit	Bank of Commerce & Trust Co.	0.50%	6 month renewal	9,000
Certificate of deposit	Bank of Commerce & Trust Co.	1.00%	12 month renewal	25,700
Certificate of deposit	Bank of Commerce & Trust Co.	1.00%	12 month renewal	<u>12,252</u>
Total Utility Fund				<u>46,952</u>
Total - all funds				<u>\$ 184,369</u>

TOWN OF IOTA, LOUISIANA

Schedule of Insurance in Force
(Unaudited)
June 30, 2021

<u>Insurer/Agent</u>	<u>Coverage Provided For</u>	<u>Risks Covered</u>	<u>Limits of Coverage (in dollars)</u>	<u>Expiration Date</u>
CNA Surety / Western Surety Co./ Williams	Public Employees Position Board	Blanket Bond	\$ 120,000	10/16/2021
	Town Clerk	Blanket Bond	20,000	10/28/2021
	Secretary	Blanket Bond	20,000	11/18/2021
	Mayor	Blanket Bond	20,000	1/1/2022
Parnell-Robinson Insurance Inc.	Municipal employees	Commercial General Liability	500,000	5/1/2022
		Law Enforcement Officer	500,000	5/2/2022
		Linebacker Public Officials & Employment	500,000	5/3/2022
		Automobile Liability	500,000	5/4/2022
		Cubersolutions	500,000	5/5/2022
Guidry Insurance Agency	Equipment Warehouse	Commerical Property - Building & Contents	128,000	8/10/2021
	Water Plant - Building #1	Commerical Property - Building & Contents	14,000	8/10/2021
	Water Tank - Building #2	Commerical Property - Building	325,000	8/10/2021
	Chlorine Chamber - Building #2	Commerical Property - Building & Contents	80,000	8/10/2021
	Control Room - Building #3	Commerical Property - Building	80,000	8/10/2021
	Wire Box and Equip - Building #4	Commerical Property - Building	50,000	8/10/2021
	Dechlor. Room - Building #5	Commerical Property - Building	85,000	8/10/2021
	Equipment Warehouse - Building #7	Commerical Property - Building	100,000	8/10/2021
	Town Hall	Commerical Property - Building & Contents	810,000	8/10/2021
	Water Plant	Commerical Property - Building	365,000	8/10/2021

TOWN OF IOTA
Justice System Funding Schedule - Collecting/Disbursing Entity
Year Ended June 30, 2021

	First Six Month Period Ended <u>12/31/2020</u>	Second Six Month Period Ended <u>6/30/2021</u>
Beginning Balance of Amounts Collected	\$ -	\$ -
Add: Collections -		
Civil Fees	-	-
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	962	3,459
Criminal Fines - Contempt	-	-
Criminal Fines - Other	2,755	11,928
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees	-	-
Interest Earnings on Collected Balances	-	-
Other	-	-
Subtotal Collections	<u>3,717</u>	<u>15,387</u>
Less: Disbursements to Governments and Nonprofits -		
Acadiana Criminalistics Laboratory Commissions, Criminal Fees	780	2,770
Louisiana Commission on Law Enforcement - Criminal Fines	59	224
Crime Stoppers of Acadia Parish, Criminal Fees	52	190
LA Dept of Health & Hospitals THI/SCI- Criminal Fees	45	180
Treasurer State of LA CMIS- Criminal Fees	26	95
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency - Criminal Fines Other	2,755	11,928
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies -		
Bond Fee Refunds	<u>-</u>	<u>-</u>
Subtotal Disbursements/Retainage	<u>3,717</u>	<u>15,387</u>
Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ -</u>	<u>\$ -</u>

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Nixon, CPA*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.
Ville Platte, LA 70586 Oberlin, LA 70655
Phone (337) 363-2792 Phone (337) 639-4737

Victor R. Slaven, CPA* - retired 2020

* 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

WWW.KSRCPCAS.COM

The Honorable Cody Leckelt, Mayor
and Members of the Board of Aldermen
Town of Iota, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Iota, Louisiana (the Town) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 23, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our 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 over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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. We consider the deficiency described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2021-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2021-002.

The Town of Iota, Louisiana's Response to Findings

The Town's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This report is intended solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
December 23, 2021

TOWN OF IOTA, LOUISIANA

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan

Part I. Current Year Findings and Management's Corrective Action Plan

A. Internal Control Finding –

2021-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

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

CRITERIA: The Town should have a control policy according to which no person should be given responsibility for more than one related function.

CAUSE: Due to the size of the Town, there are a small number of available employees.

EFFECT: The Town has employees that are performing more than one related function.

RECOMMENDATION: The Town should establish and monitor mitigating controls over functions that are not completely segregated.

MANAGEMENT'S CORRECTION ACTION PLAN: Due to the size of the operations and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

B. Compliance Finding –

2021-002 Budget Violation

Fiscal year finding initially occurred: 2015

CONDITION: The Town exceeded budgeted expenditures by 16.22% in the General Fund.

CRITERIA: Louisiana Revised Statutes (LA R. S.) 39:1310 and 39:1311 require political subdivisions of the state with a General Fund or special revenue fund to timely amend the budget when actual revenues are less than budgeted revenues by 5% or more or actual expenditures exceed budgeted expenditures by 5% or more.

CAUSE: The Town does not have an established policy requiring a periodic review of the budget and actual expenditures and amend the budget, when necessary, to reflect changes in operations.

EFFECT: Expenditures in the General Fund exceeded budgeted expenditures by 16.22%.

RECOMMENDATION: The Town should comply with LA R. S. 39:1310 and 39:1311 and amend its budget, as necessary, to reflect changes in operations.

MANAGEMENT'S CORRECTION ACTION PLAN: The budget will be monitored to ensure compliance with state law.

TOWN OF IOTA, LOUISIANA

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan

Part II. Prior Year Findings

A. Internal Control Finding -

2020-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

CONDITION: The Town does not have an adequate segregation of duties in the administrative office. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion.

RECOMMENDATION: The Town should monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

CURRENT STATUS: Unresolved. See finding 2021-001.

B. Compliance Finding –

2020-002 Budget Violation

Fiscal year finding initially occurred: 2015

CONDITION: For the year ended June 30, 2021, The Town exceeded budgeted expenditures by 5.76% in the General Fund.

RECOMMENDATION: The Town should comply with LA R. S. 39:1310 and 39:1311 and amend its budget, as necessary, to reflect changes in operations

CURRENT STATUS: Unresolved. See finding 2021-002