

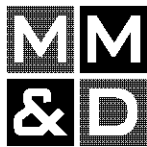
**VILLAGE OF ROSEDALE
ROSEDALE, LOUISIANA**

**ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2017**

**VILLAGE OF ROSEDALE
ROSEDALE, LOUISIANA
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017**

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Major, Morrison & David

Certified Public Accountants

QUALITY • INTEGRITY • DEPENDABILITY

John L. Morrison III, CPA, CGMA, PC

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John S. Disotell III, CPA, PC

Van P. Major, CPA (1951-2005)

INDEPENDENT AUDITORS' REPORT

To Mayor Blanchet and
Members of the Board of Alderman
Rosedale, 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 Village of Rosedale, Louisiana as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Village'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 fraud or error.

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 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 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 respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Rosedale, Louisiana, as of December 31, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 8 and 38 through 39, be presented to supplement the basic financial statements. Such information, including pension information on pages 40 through 42, 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.

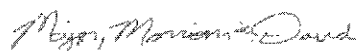
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Rosedale, Louisiana's basic financial statements. The accompanying supplemental information schedules and other information as listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Village of Rosedale, Louisiana.

The accompanying supplemental information schedules and other information as listed in the foregoing table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other 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, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2018 on our consideration of the Village of Rosedale, 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 Village of Rosedale, Louisiana's internal control over financial reporting and compliance.



Major, Morrison & David
New Roads, Louisiana
June 27, 2018

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

VILLAGE OF ROSEDALE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

As management of the Village of Rosedale, Louisiana (the "Village"), we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended December 31, 2017. This management discussion and analysis ("MD&A") is designed to provide an easy to read analysis of the Village's financial activities based upon facts, decisions, or conditions currently known. This MD&A is intended to provide the readers of these financials with a broad overview of Village finances. It is also intended to provide readers with an analysis of the Village's short-term and long-term activities based upon information presented in the financial report and fiscal policies that have been adopted by the Village. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Village's financial activity, identify changes in the Village's financial position (its ability to address next year and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

The information contained within this MD&A should be considered only a part of a greater whole, as should all other sections in this financial report. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information ("RSI") that is provided in addition to this Management's Discussion and Analysis.

Financial Highlights

- The Village's assets exceeded its liabilities at the close of the most recent fiscal year by \$6,052,340, an increase of \$390,322 from last year. Of this amount of net position, \$1,397,218 is unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$2,532,773, an increase of \$394,869 in comparison with the prior year. The unrestricted fund balance in the general fund, \$1,416,650, is available for spending at the government's discretion (unassigned fund balance). All other fund balances are non-spendable, restricted for fire protection, or assigned for subsequent year budget stabilization.
- At the end of the current fiscal year, the total general fund expenditures and transfers out was 59.47 percent of unassigned fund balance for the general fund.
- Cash and investments increased by \$385,858 for the year ended December 31, 2017.

Overview of the Financial Statements

The intention of the discussion and analysis is to serve as an introduction to the Village's financial statements. The Village's basic financial statements consist of the following components:

1. Government-Wide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements
4. Other Supplementary Information, in addition to the basic financial statements themselves.

1. GOVERNMENT-WIDE FINANCIAL STATEMENTS

Government-Wide Financial statements are designed by GASB Statement No. 34 to change the way in which government financial statements are presented. It now provides readers for the first time a concise "entity-wide" Statement of Net Position and Statement of Activities, seeking to give the user of the financial statements a broad overview of the Village's financial position and results of operations in a manner similar to private-sector business.

- A. The statement of net position presents information on all of the Village's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The difference between the assets and liabilities is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or weakening.

VILLAGE OF ROSEDALE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

- B. The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government wide financial statements further assist the reader in their evaluation by distinguishing functions of the Village into:

- A. Governmental activities that are principally supported by taxes and intergovernmental revenues, and
- B. Business-type activities from other functions that are intended to recover all or a significant portion of their costs through user fees and charges.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Rosedale, assets exceeded its liabilities at the close of the most recent fiscal year by \$6,052,340, an increase of \$390,322 from last year. The following is a summary of the Village's net position:

VILLAGE OF ROSEDALE						
Net Position						
	<u>Governmental</u> <u>Activities</u>		<u>Business- type</u> <u>Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>
Current & Other Assets	2,160,672	2,562,696	80,330	94,062	2,241,002	2,656,758
Capital Assets	<u>2,276,372</u>	<u>2,412,352</u>	<u>1,523,003</u>	<u>1,404,403</u>	<u>3,799,375</u>	<u>3,816,755</u>
Total Assets	<u>4,437,044</u>	<u>4,975,048</u>	<u>1,603,333</u>	<u>1,498,465</u>	<u>6,040,377</u>	<u>6,473,513</u>
Deferred Outflows	<u>158,468</u>	<u>156,995</u>	<u>-0-</u>	<u>-0-</u>	<u>158,468</u>	<u>156,995</u>
Current Liabilities	22,768	29,923	2,408	848	25,176	30,771
Long-term Liabilities	<u>495,198</u>	<u>530,830</u>	<u>-0-</u>	<u>-0-</u>	<u>495,198</u>	<u>530,830</u>
Total liabilities	<u>517,966</u>	<u>560,753</u>	<u>2,408</u>	<u>848</u>	<u>520,374</u>	<u>561,601</u>
Deferred Inflows	<u>16,453</u>	<u>16,567</u>	<u>-0-</u>	<u>-0-</u>	<u>16,453</u>	<u>16,567</u>
Net Position:						
Invested in capital assets,						
Net of related debt	2,276,372	2,412,352	1,523,003	1,404,403	3,799,375	3,816,755
Restricted	741,546	838,367	-0-	-0-	741,546	838,367
Unrestricted	<u>1,043,175</u>	<u>1,304,004</u>	<u>77,922</u>	<u>93,214</u>	<u>1,121,097</u>	<u>1,397,218</u>
Total Net Position	<u>4,061,093</u>	<u>4,554,723</u>	<u>1,600,925</u>	<u>1,497,617</u>	<u>5,662,018</u>	<u>6,052,340</u>

By far, the largest position of the Village's net position reflects its investment in capital assets (e.g., land, buildings, land improvements, machinery and equipment, vehicles, Village infrastructure, etc.) less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The Village's net position increased by \$390,322 during the current fiscal year.

**VILLAGE OF ROSEDALE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017**

CHANGES IN NET POSITION

	<u>Governmental Activities</u>		<u>Business- type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>
Revenues:						
Program revenues:						
Charges for services	39,763	47,971	68,734	69,422	108,497	117,393
Operating grants & contrib.	-0-	7,810	-0-	-0-	-0-	7,810
Capital grants & contrib.	13,452	110,649	22,553	-0-	36,005	110,649
General revenues:						
Sales taxes	1,192,380	1,072,302	-0-	-0-	1,192,380	1,072,302
Franchise taxes	34,901	34,389	-0-	-0-	34,901	34,389
Investment earnings	6,659	18,891	114	242	6,773	19,133
Other general revenue	<u>14,258</u>	<u>13,065</u>	<u>989</u>	<u>206</u>	<u>15,247</u>	<u>13,271</u>
Total revenues	<u>1,301,413</u>	<u>1,305,077</u>	<u>92,390</u>	<u>69,870</u>	<u>1,393,803</u>	<u>1,374,947</u>
Expenses:						
General government	295,869	341,729	-0-	-0-	295,869	341,729
Public safety	159,433	142,958	-0-	-0-	159,433	142,958
Public works	307,459	234,961	-0-	-0-	307,459	234,961
Water system	-0-	-0-	<u>270,390</u>	<u>264,977</u>	<u>270,390</u>	<u>264,977</u>
Total expenses	<u>762,761</u>	<u>719,648</u>	<u>270,390</u>	<u>264,977</u>	<u>1,033,151</u>	<u>984,625</u>
Increase (decrease) in net						
Position before transfers	538,652	585,429	(178,000)	(195,107)	360,652	390,322
Transfers	<u>(102,675)</u>	<u>(91,799)</u>	<u>102,675</u>	<u>91,799</u>	<u>-0-</u>	<u>-0-</u>
Increase (decrease) in						
Net position	435,977	493,630	(75,325)	(103,308)	360,652	390,322
Net position 1/01	3,625,116	4,061,093	977,903	1,600,925	4,603,019	5,662,018
Adjustment	-0-	-0-	<u>698,347</u>	-0-	<u>698,347</u>	-0-
Net position 1/01 restated	<u>3,625,116</u>	<u>4,061,093</u>	<u>1,676,250</u>	<u>1,600,925</u>	<u>5,301,366</u>	<u>5,662,018</u>
Net position 12/31	<u>4,061,093</u>	<u>4,554,723</u>	<u>1,600,925</u>	<u>1,497,617</u>	<u>5,662,018</u>	<u>6,052,340</u>

Governmental Activities

The Governmental Activities of the Village include General Government, Public Safety, and Public Works. Sales taxes, franchise taxes, as well as occupational licenses and fines fund these governmental activities.

Sales taxes are the largest revenue source for the Village comprising 82.2% of total governmental revenue. These revenues decreased from fiscal year December 31, 2016 to December 31, 2017 by \$120,078.

Expenditures for the governmental activities decreased by \$43,113 or 5.7% due to decreased public safety and public works costs.

Business-Type Activities

The Business-Type Activities of the Village are those that the Village charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Village's water department is reported here.

VILLAGE OF ROSEDALE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

2. FUND FINANCIAL STATEMENTS

A fund is the grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and proprietary funds.

A. Governmental funds are used to account for most of the Village's basic services that are reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. Modified accrual accounting is used to report these funds. Modified accrual accounting measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. Governmental fund information aids in the determination of whether there are more or less financial resources that can be spent in the near future to finance the Village's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the governments near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are located on pages 13 and 15.

The Village maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for these funds. The basic fund financial statements can be found on pages 12 and 14 of this report.

Financial Analysis of the Governmental Funds

As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$2,532,773, an increase of \$394,869 from the prior year ending December 31, 2016. In the General Fund, the unassigned fund balance is \$1,416,650.

The general fund balance consists of a non-spendable balance of \$18,126 in the form of prepaid expenses and \$11,573 in the form of inventory, and assigned fund balance for subsequent year budget stabilization in the amount of \$277,756.

The Village's major fund, the General Fund, had an increase from the prior year of \$263,129, from \$1,460,976 in the year ending December 31, 2016 to \$1,724,105 in the year ending December 31, 2017. The restricted fund balances in the other governmental funds in the amount of \$808,668 indicates that these funds are not available for new spending because they have already been restricted for fire protection.

B. *Proprietary Funds*- Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for water system. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 16-18 of this report.

3. NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statement can be found on pages 20-36 of this report.

**VILLAGE OF ROSEDALE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017**

4. OTHER SUPPLEMENTARY INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found beginning on page 38 of this report.

The Village's annual operating budgets are the legally adopted expenditure control documents of the Village. These operating budgets were very conservative and during the year, the operating budgets were amended. Amending the budget is a customary practice to reflect changes that occur with financially related matters throughout the year.

The General Fund final budgeted revenues were \$1,129,290 which was \$29,344 more than actual revenues. Current expenditures were \$159,135 less than the amended budget. Capital Outlays were \$275,791 compared to budgeted capital outlays of \$377,500 during the fiscal year.

A budgetary comparison statement for the General Fund and Fire Protection Fund is required and can be found on page 38 and 39. These statements compare the original adopted budget, the final amended budget, and the actual expenditures prepared on a budgetary basis which was prepared on the modified accrual basis of accounting.

Additional required supplementary information includes information on employee retirement system information as it pertains to the Village (pages 40-42).

Supplemental Information

- A. Schedule of Compensation, Benefits, and Other Payments to Agency Head is shown on page 44.
- B. Other Reports required by Government Auditing Standards follow, starting on page 45.

Capital Assets

The Village's investment in capital assets for its governmental and business-type activities as of December 31, 2017 amounts to \$3,816,755 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, furniture and fixtures, and park facilities. The total increase in the Village's investment in capital assets for the current fiscal year was \$17,380 or 0.5%, less depreciation expense in the amount of \$258,411.

Major capital asset additions during the current fiscal year included the following:

- 1. Recreational trails and drainage for \$275,791.

Additional information on the Village's capital assets can be found in note 6 on pages 29 and 30 of this report.

Economic Factors and Next Year's Budget

The budget adopted for the fiscal year ending December 31, 2018 only shows a moderate increase to maintain the services provided to the citizens of the Village.

The Village relies heavily on sales tax revenues for the operations of both the General Fund (75%) and Fire Department (28%). Therefore, governmental activities are impacted by the economic growth of the area. The Fire Department budget also includes \$400,000 in state grants which will be used for capital outlay.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Karen Russo, Clerk, or Kathleen Beard, Financial Consultant, Village of Rosedale, Post Office Box 167, Rosedale, Louisiana, 70772.

BASIC FINANCIAL STATEMENTS

VILLAGE OF ROSEDALE, LOUISIANA
STATEMENT OF NET POSITION
December 31, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 352,984	\$ 60,323	\$ 413,307
Investments	1,999,804	25,179	2,024,983
Account receivables, net	8,592	5,926	14,518
Internal balances	541	-	541
Due from other governmental units	164,665	-	164,665
Prepaid expenses	24,537	2,634	27,171
Inventory	11,573	-	11,573
Capital assets, net of depreciation	2,412,352	1,404,403	3,816,755
Total assets	4,975,048	1,498,465	6,473,513
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	156,995	-	156,995
Total deferred outflows of resources	156,995	-	156,995
LIABILITIES			
Accounts payable and accrued expenses	27,456	307	27,763
Internal balances	-	541	541
Due to other governmental units	2,467	-	2,467
Net pension liability	530,830	-	530,830
Total liabilities	560,753	848	561,601
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	16,567	-	16,567
Total deferred inflows of resources	16,567	-	16,567
NET POSITION			
Invested in capital assets, net of related debt	2,412,352	1,404,403	3,816,755
Restricted for:			
Prepaid expenses	24,537	-	24,537
Inventory	11,573	-	11,573
Fire protection	802,257	-	802,257
Unrestricted (deficit)	1,304,004	93,214	1,397,218
Total net position	\$ 4,554,723	\$ 1,497,617	\$ 6,052,340

The accompanying notes are an integral part of this statement.

VILLAGE OF ROSEDALE, LOUISIANA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 341,729	\$ 26,368	\$ 7,810	\$ 110,649	\$ (196,902)	-	\$ (196,902)
Public safety	142,958	9,063	-	-	(133,895)	-	(133,895)
Public works	234,961	12,540	-	-	(222,421)	-	(222,421)
Total governmental activities	719,648	47,971	7,810	110,649	(553,218)	-	(553,218)
Business-type activities:							
Water system	264,977	69,422	-	-	-	(195,555)	(195,555)
Total business-type activities	264,977	69,422	-	-	-	(195,555)	(195,555)
Total primary government	<u>\$ 984,625</u>	<u>\$ 117,393</u>	<u>\$ 7,810</u>	<u>\$ 110,649</u>	<u>(553,218)</u>	<u>(195,555)</u>	<u>(748,773)</u>
General revenues:							
Taxes:							
Sales taxes - general					891,303	-	891,303
Sales taxes - public safety					180,999	-	180,999
Franchise taxes					34,389	-	34,389
Gain(loss) on sale of fixed assets					5,700	-	5,700
Investment earnings					18,891	242	19,133
Miscellaneous					7,365	206	7,571
Transfers - internal activities					(91,799)	91,799	-
Total general revenues and transfers					<u>1,046,848</u>	<u>92,247</u>	<u>1,139,095</u>
Change in net position					493,630	(103,308)	390,322
Net position - beginning of the year					<u>4,061,093</u>	<u>1,600,925</u>	<u>5,662,018</u>
Net position - end of the year					<u>\$ 4,554,723</u>	<u>\$ 1,497,617</u>	<u>\$ 6,052,340</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF ROSEDALE, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017

	Special Revenue			
	General Fund	Fire Protection Fund	LCDBG Housing Program	Total
<u>ASSETS</u>				
Current Assets				
Cash	\$ 209,104	\$ 143,780	\$ 100	\$ 352,984
Investments	1,351,479	648,325	-	1,999,804
Accounts receivable, net	8,592	-	-	8,592
Due from other funds	641	-	-	641
Due from other governmental units	151,917	12,748	-	164,665
Prepaid expenses	18,126	6,411	-	24,537
Inventory	11,573	-	-	11,573
TOTAL ASSETS	1,751,432	811,264	100	2,562,796
<u>LIABILITIES & FUND BALANCE</u>				
<u>LIABILITIES:</u>				
Accounts payable	5,105	53	-	5,158
Accrued liabilities	10,258	76	-	10,334
Compensated absences	11,964	-	-	11,964
Due to other funds	-	-	100	100
Due to other governmental units	-	2,467	-	2,467
TOTAL LIABILITIES	27,327	2,596	100	30,023
<u>FUND BALANCE</u>				
Nonspendable:				
Prepaid expenses	18,126	6,411	-	24,537
Inventory	11,573	-	-	11,573
Restricted for:				
Fire protection	-	802,257	-	802,257
Assigned for:				
Budget stabilization	277,756	-	-	277,756
Unassigned	1,416,650	-	-	1,416,650
TOTAL FUND BALANCE	1,724,105	808,668	-	2,532,773
TOTAL LIABILITIES & FUND BALANCE	\$ 1,751,432	\$ 811,264	\$ 100	\$ 2,562,796

The accompanying notes are an integral part of this statement.

**VILLAGE OF ROSEDALE, LOUISIANA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

December 31, 2017

Total fund balance - governmental funds	\$ 2,532,773
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Balance sheet - governmental funds.	2,412,352
Long-term liabilities are not due and payable in the current period and therefore are not reported in the Balance Sheet - governmental funds.	
Net pension liability	(530,830)
Deferred outflows of resources related to pensions do not require the use of current financial resources and, therefore, are not reported in the Balance Sheet - governmental funds.	156,995
Deferred inflows of resources related to pensions do not require the use of current financial resources and, therefore, are not reported in the Balance Sheet - governmental funds.	<u>(16,567)</u>
Total net position of governmental activities	<u><u>\$ 4,554,723</u></u>

The accompanying notes are an integral part of this statement.

VILLAGE OF ROSEDALE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2017

	General Fund	Special Revenue		Total
		Fire Protection Fund	LCDBG Housing Program	
REVENUES				
Taxes and licenses	\$ 63,072	\$ -	\$ -	\$ 63,072
Intergovernmental revenue	891,821	185,232	-	1,077,053
Federal grants	89,367	-	282	89,649
State grants	21,000	-	-	21,000
Charges for services	12,540	-	-	12,540
Fines and forfeitures	9,063	-	-	9,063
Interest income	12,783	6,108	-	18,891
Miscellaneous	300	-	-	300
Total revenues	1,099,946	191,340	282	1,291,568
EXPENDITURES				
General government	201,136	-	282	201,418
Public safety	33,495	64,935	-	98,430
Public works	234,961	-	-	234,961
Capital outlay	275,791	-	-	275,791
Total expenditures	745,383	64,935	282	810,600
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	354,563	126,405	-	480,968
OTHER FINANCING SOURCES (USES)				
Transfers in	-	5,335	-	5,335
Sale of fixed assets	5,700	-	-	5,700
Transfers out	(97,134)	-	-	(97,134)
Total other financing sources (uses)	(91,434)	5,335	-	(86,099)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	263,129	131,740	-	394,869
FUND BALANCES AT BEGINNING OF YEAR	1,460,976	676,928	-	2,137,904
FUND BALANCES AT END OF YEAR	\$ 1,724,105	\$ 808,668	\$ -	\$ 2,532,773

The accompanying notes are an integral part of this statement.

VILLAGE OF ROSEDALE, 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, 2017

Net change in fund balances - total governmental funds	\$	394,869
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount which capital outlays exceeded depreciation in the current period.

Capital outlays	275,791
Depreciation expense	(139,811)

Governmental funds report the proceeds from the sale of capital assets as revenues. However, in the statement of activities only gains or losses are reported:

Gain (loss) on the disposal of capital assets	5,700
Proceeds from the sale of capital assets	(5,700)

Governmental funds report current year pension contributions as expenditures. However, in the statement of activities it is an actuarially calculated expense. This represents the difference between pension contributions and actuarially calculated expense.	(45,029)
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The Village's proportionate share of non-employer contributions to the pension plans do not provide current financial resources and, therefore, are not reported as revenue in the governmental funds.

	7,810
Change in net position of governmental activities	\$ 493,630

The accompanying notes are an integral part of this statement.

VILLAGE OF ROSEDALE, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUND
December 31, 2017

	<u>Business-Type Activities - Enterprise Fund Water System</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 60,323
Investments	25,179
Account receivables, net	5,926
Prepaid expenses	2,634
Total current assets	<u>94,062</u>
Non-current Assets:	
Capital assets, net of depreciation	1,404,403
Total noncurrent assets	<u>1,404,403</u>
Total assets	<u>1,498,465</u>
DEFERRED OUTFLOWS OF RESOURCES	
Total deferred outflows of resources	<u>-</u>
LIABILITIES	
Current Liabilities:	
Accounts payable and accrued expenses	307
Due to other funds	541
Total current liabilities	<u>848</u>
Total liabilities	<u>848</u>
DEFERRED INFLOWS OF RESOURCES	
Total deferred inflows of resources	<u>-</u>
NET POSITION	
Invested in capital assets, net of related debt	1,404,403
Unrestricted (deficit)	93,214
Total net position	<u>\$ 1,497,617</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF ROSEDALE, LOUISIANA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
For the Year Ended December 31, 2017

	Business-Type Activities - Enterprise Fund Water System
OPERATING REVENUES	
Charges for services	\$ 69,422
Miscellaneous	206
Total operating revenues	<u>69,628</u>
OPERATING EXPENSES	
Personnel services	94,203
Purchased professional services	13,026
Utilities	5,457
Insurance	6,945
Repairs, maintenance and supplies	21,270
Miscellaneous	5,476
Depreciation	118,600
Total operating expenses	<u>264,977</u>
Operating income (loss)	<u>(195,349)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	<u>242</u>
Total nonoperating revenues (expenses)	<u>242</u>
Income before operating transfers	<u>(195,107)</u>
OPERATING TRANSFERS	
Transfers in	<u>91,799</u>
Total operating transfers	<u>91,799</u>
CHANGE IN NET POSITION	(103,308)
NET POSITION AT BEGINNING OF YEAR	<u>1,600,925</u>
NET POSITION AT END OF YEAR	<u><u>\$ 1,497,617</u></u>

The accompanying notes are an integral part of this statement.

VILLAGE OF ROSEDALE, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Year Ended December 31, 2017

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND WATER SYSTEM
Cash flows from operating activities:	
Receipts from customers	\$ 69,597
Payments to suppliers of goods & services	(31,940)
Payments for salaries and related benefits	(94,203)
	<hr/>
Net cash provided (used) by operating activities	(56,546)
Cash flows from noncapital financing activities:	
Transfers received for other than capital purposes	91,799
	<hr/>
Net cash provided (used) by noncapital financing activities	91,799
Cash flows from capital and related financing activities:	
Net cash provided (used) by capital and related financing activities	<hr/> - <hr/>
Cash flows from investing activities:	
Purchase of investments	(242)
	<hr/>
Net cash provided (used) by investing activities	(242)
Net increase (decrease) in cash and cash equivalents	35,011
Cash and cash equivalents at beginning of year	<hr/> 25,312 <hr/>
Cash and cash equivalents at end of year	<hr/> \$ 60,323 <hr/>
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income	\$ (195,107)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	118,600
(Increase) decrease in accounts receivable	(31)
(Increase) decrease in grants receivable	22,553
(Increase) decrease in prepaid items	(1,002)
Increase (decrease) in accounts payable	(1,559)
	<hr/>
Total adjustments	138,561
	<hr/>
Net cash provided (used) by operating activities	(56,546)
	<hr/>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2017

INTRODUCTION

The Village of Rosedale, Louisiana (Village) was incorporated on August 2, 1955, under the provisions of Title 33, Chapter 2, Part I, of the Louisiana Revised Statutes (Lawrason Act - Act No. 36 of 1898). The Village operates under an elected Mayor - Board of Aldermen form of government (see note 16) and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, recreation, public improvements, and general administrative services. The Village also provides water utility services to its residents. The Village is located in Iberville Parish, Louisiana and has a population of 793. The Board of Aldermen is comprised of three persons and the Village has 7 full-time and 3 part-time employees.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Village 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 accompanying financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements- and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Audit Guide* and the industry audit guide, *Audit of States, Local Governments and Non-profit Organizations*, published by the American Institute of Certified Public Accountants.

B. REPORTING ENTITY

The Village's combined financial statements include the accounts of all the Village's operations. The criteria for including organizations as component units within the Village's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include:

- the organization is legally separate (can sue and be sued in their own name)
- the Village holds the corporate powers of the organization
- the Village appoints a voting majority of the organization's board
- the Village is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Village
- there is fiscal dependency by the organization on the Village

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the financial statements must present the Village (primary government) and its components. Pursuant to this criterion, no component units were identified for inclusion in the accompanying financial statements.

The accompanying financial statements present information only on the funds maintained by the Village of Rosedale.

C. FUND ACCOUNTING

The Village uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions and activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds of the Village are classified into two categories: governmental and proprietary. In

Village of Rosedale, Louisiana
Notes to the Financial Statements

turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

GOVERNMENTAL FUNDS

Governmental funds are used to account for all or most of the Village's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

GENERAL FUND - the general operating fund of the Village and accounts for all financial resources, except those required to be accounted for in other funds. Revenues are derived primarily from property and other local taxes, state and federal grants, licenses, permits, charges for services, and interest income.

SPECIAL REVENUE FUNDS - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

- Fire Protection – to account for the collection and distribution of proceeds of the 2/3 percent parish sales tax allocated to the Village of Rosedale for fire protection
- LCDBG Housing Program – to account for the receipt and disbursement of federal grant funds passed through the State of Louisiana for the rehabilitation of substandard residences within the Depot Park area of the Village

PROPRIETARY FUNDS

Proprietary funds are used to 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. Proprietary funds include:

ENTERPRISE FUNDS - account for operations (a) 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 revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Village as a whole. These statements include all the financial activities, both governmental and business, of the Village. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

Village of Rosedale, Louisiana
Notes to the Financial Statements

Program Revenues – Program revenues included in the Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the Village's general revenues.

Fund Financial Statements (FFS)

The amounts reflected in the governmental funds of the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Village's operations (See the reconciliation statements).

The amounts reflected in the governmental funds in the FFS use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues and other governmental fund financial resource increments are recognized in the accounting period when they become susceptible to accrual which is when they become both "measurable" and "available" to finance expenditures of the fiscal period.

Taxpayer-assessed sales taxes are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Utility and franchise taxes, licenses and permits, fines and forfeitures, charges for services and miscellaneous revenue (except investment earnings) are recorded as revenue when cash is received because they generally are not measurable until actually received. Investment earnings are recorded as earned when they are measurable and available. Where grant revenue is dependent upon expenditures by the Village, revenue is recognized when the related expenditures are incurred.

Expenditures are recognized under the accrual basis of accounting when the related fund liability is incurred.

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses).

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

The revenue of the water system, which is based upon rates authorized by the governing board, is determined by billings to customer. Earned but unbilled revenue is accrued and reported in the financial statements.

Village of Rosedale, Louisiana
Notes to the Financial Statements

E. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the Village may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

F. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Village's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less they are classified as cash equivalents. GASB Statement No. 31, allows the Village to report at amortized cost money market investments and participating interest-bearing investment contracts that have a remaining maturity at time of purchase of one year or less, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations. Interest earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts. Investments of the Village are reported at fair market value which approximates cost. (see note 4).

G. RECEIVABLES/PAYABLES

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (the current portion of inter-fund loans) or "advances to/from other funds" (non-current portion of inter-fund loans). Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

H. INVENTORIES

Inventories consists of materials and supplies which are stated at cost.

I. PREPAID ITEMS

The Village records prepaid assets for any significant expenditure that can be allocable to future periods in both the government-wide and fund financial statements.

J. RESTRICTED NET POSITION

Government-wide and proprietary fund net position are divided into three components:

- Net Investment in capital assets - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position - consist of net position that is restricted by the Village's creditors, by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by any other contributors.
- Unrestricted - all other net position is reported in this category.

Restricted or unrestricted amounts are considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted net assets are available. Restricted amounts would be reduced first, when expenditures are incurred for purposes for which restriction was established.

Village of Rosedale, Louisiana
Notes to the Financial Statements

K. CAPITAL ASSETS

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Village maintains a threshold level of \$500 or more for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Buildings	40 Years
Land improvements	20 Years
Water distribution system	20 Years
Machinery & equipment	5-20 Years
Furniture & fixtures	5-10 Years
Fire trucks & equipment	10-15 Years
Vehicles	5 Years

L. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The Village follows GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides guidance for reporting deferred outflows, deferred inflows and net position in a statement of financial position and related disclosures and applies to transactions that result in the consumption or acquisition of net assets in one period that are applicable to future periods. The Village's deferred outflows/inflows consist of resources related to pensions (see note 9).

M. COMPENSATED ABSENCES

Employees of the Village earn personal leave at various rates depending upon length of employment. Employees with less than 5 years of service will accumulate total leave time at the rate of 3/4 day per month worked. Employees with more than 5 years of service will accumulate total leave time at the rate of 1 ½ days per month worked. The maximum leave time which may be accumulated is an amount equal to the number of days which can be earned by the employee during a twenty-four (24) month period. However, personal leave accumulated in excess of the maximum permitted shall be credited to the employee as sick leave.

Under the federal Family and Medical Leave Act of 1993 eligible employees must substitute accumulated personal leave and then all unused sick leave for any part or all of the weeks of leave the employee is entitled under that Act.

Personal leave may be taken as earned by an employee with the approval of the employee's department head. Employees who resign or retire, or who are dismissed from employment shall not be paid for accrued leave. However, any unused sick leave credited to an employee who terminates employment by retirement shall be reported to the retirement system of which the employee is a member.

N. PENSIONS

Financial reporting information pertaining to the Village's participation in the Municipal Employees' Retirement System (MERS) is prepared in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which have been adopted by the Village for the fiscal year ended December 31, 2015.

Village of Rosedale, Louisiana
Notes to the Financial Statements

The fiduciary net position, as well as additions to and deductions from the fiduciary net position, of MERS have been determined on the same basis as they are reported by MERS. The financial statements were prepared using the accrual basis of accounting, member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due and payable in accordance with the statutes governing MERS. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value on a trade date basis. The fiduciary net position is reflected in the measurement of the Village's proportionate share of the plan's net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense.

O. FUND EQUITY

The Village has adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The following describes the different classifications available for fund balances of governmental funds:

Nonspendable – amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted – amounts for which constraints have been externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or amounts that are imposed by law through constitutional provisions or enabling legislation.

Committed – amounts that can be used only for specific purposes determined by formal action of the Village Board, who is the highest level of decision-making authority for the Village of Rosedale. Commitments cannot be used for any other purpose unless the same action that established them decides to modify or remove them.

Assigned – amounts that do not meet the criteria to be classified as either restricted or committed but are intended to be used for specific purposes. Amounts can only be assigned by the Village Board or by a body or individual designated for that purpose.

Unassigned – the residual fund balance in the general fund.

When fund balance resources are available for a specific purpose, the Village considers the most restrictive funds to be used first. However, the Village reserves the right to spend unassigned resources first and to defer the use of more restrictive funds.

P. INTER-FUND TRANSACTIONS

Permanent reallocation of resources between funds of the reporting entity is classified as inter-fund transfers. For the purposes of the statement of activities, all inter-fund transfers between individual governmental and business-type funds have been eliminated.

Q. STATEMENT OF CASH FLOWS

For purposes of the Statement of Cash Flows, the Proprietary Fund considers cash and cash equivalents those amounts invested in demand deposits.

Village of Rosedale, Louisiana
Notes to the Financial Statements

R. 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 expenses during the reported period. Actual results may differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

The Village uses the following budget practices for the General Fund and Special Revenue Funds.

1. The proposed budget for fiscal year December 31, 2017 was made available for public inspection in accordance with RS 39:1306 beginning on November 15, 2016. The proposed budget was published in the official journal in accordance with RS 39:1306 on December 1, 2016. The public hearing was held in accordance with RS 39:1306 on December 14, 2016. The budget is legally adopted and amended, as necessary.
2. All unencumbered budget appropriations, except project budgets, lapse at the end of each fiscal year.
3. Budgets are adopted on a GAAP basis.
4. Budget 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 requires the approval of the Village Board. Amendments were made to the original budget for the year ending December 31, 2017 and are reflected in the budget comparisons.

B. DEPOSITS AND INVESTMENT LAWS AND REGULATIONS

In accordance with state law, all uninsured deposits of Village funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. As reflected in note 4 regarding cash and cash equivalents, the Village was in compliance with the deposits and investment laws and regulations.

C. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following funds had actual expenditures over budgeted appropriations for the year ended December 31, 2017.

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
None				

NOTE 3 – CONSTRUCTION COMMITMENTS

The Village of Rosedale had several capital projects and related funding in various stages of progress at year end. At December 31, 2017, the Village had no construction commitments payable from local funds.

Village of Rosedale, Louisiana
Notes to the Financial Statements

NOTE 4 - DEPOSITS AND INVESTMENTS

A. Cash and Cash Equivalents

Cash and Cash equivalents include bank accounts and short-term investments. See Note 1(E) for additional cash disclosure note information.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure the Village's deposits may not be returned. Deposits are exposed to custodial credit risk if they are either (a) uninsured and uncollateralized, or (b) uninsured and collateralized with securities held by the pledging financial institution or its trust department/agent but not in the name of the Village. The Village's cash and investment policy, as well as state law, require that deposits be fully secured by federal deposit insurance or the pledge of securities owned by the bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the bank. The following chart represents bank balances for the Village as of December 31, 2017. Deposits are listed in terms of whether they are exposed to custodial credit risk.

Bank Balances

		Uninsured & Collateralized with Securities Held by Pledging Institution or It's Trust Department/Agent But <u>Not in the Entity's Name</u>	Total Bank Balances – <u>All Deposits</u>		Total Carrying Value – All <u>Deposits</u>
	Uninsured & <u>Uncollateralized</u>				
Cash and Cash Equivalents	\$ -0-	\$ -0-	\$ 429,019	\$	413,207

Total bank balances do not include petty cash amounts on hand of \$100 at year end.

B. Investments

Investments are stated at fair value. See also Note 1 (F) for additional investment disclosure information.

Credit Risk - Investments

Investments permitted by state statute include obligations issued, insured or guaranteed by the U.S. government including certificates or other ownership interest in such obligations and/or investments in registered mutual or trust funds consisting solely of U.S. government securities. The Village's investment program is limited to purchases of bank certificate of deposits, U.S. treasury and government agency obligations as well as investments in the Louisiana Asset Management Pool, Inc. (LAMP). LAMP is a nonprofit corporation formed by an initiative of the State Treasurer, and organized under the laws of the State of Louisiana which operates a local government investment pool. It is the Village's opinion that since these securities are governmental agencies, credit risk is not a factor. LAMP is rated AAAM by Standard & Poor's.

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the Village will not be able to recover the value of the investment. Investments are exposed to custodial risk if the securities are (a) uninsured and unregistered and held by the counterparty or (b) uninsured, unregistered and held by the counterparty's trust department or agent but not in the name of the Village. The following chart presents the investment position of the Village as of December 31, 2017. The various types of investments are listed and presented by whether they are exposed to custodial credit risk.

Village of Rosedale, Louisiana
Notes to the Financial Statements

Investments

	Uninsured, Unregistered, And Held by the Counterparty	Uninsured, Unregistered & Held by the Counterparty's Trust Department or Agent But Not in the Entity's Name	All Investments – Reported Amount	All Investments – Fair Value
Investments Not Categorized:				
LAMP	\$ -0-	\$ -0-	\$ 2,024,983	\$ 2,024,983
Total	\$ -0-	\$ -0-	\$ 2,024,983	\$ 2,024,983

Interest Rate Risk - Investments

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of investments. Investments can be highly sensitive to changes in interest rates due to their terms or characteristics. The Village's investment policy with regards to interest rate risk is to match cash flow requirements with cash flows from investments. This matching allows for securities to be held to maturity thereby avoiding realizing losses due to liquidation of securities prior to maturity, especially in a rising interest rate environment. Investing in longer term maturities that contain a "step up" in coupon interest rates will also contribute to the reduction of interest rate risk. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 89 as of December 31, 2017. Investments classified by maturity dates at December 31, 2017 are summarized below:

	Fair Value	0-1 Years Before Maturity	1-5 Years Before Maturity	6+ Years Before Maturity
LAMP	\$ 2,024,983	\$ 2,024,983	\$ -	\$ -
Total	\$ 2,024,983	\$ 2,024,983	\$ -	\$ -

NOTE 5 - ACCOUNTS AND INTERGOVERNMENTAL RECEIVABLES

The following is a summary of receivables at December 31, 2017.

<u>Class of Receivable</u>	General Fund	Special Rev. Fund	Enterprise Fund
Intergovernmental			
Sales Tax	\$ 62,413	\$ 12,748	\$ -0-
Federal	89,367	-0-	-0-
State	137	-0-	-0-
Accounts	-0-	-0-	5,926
Other	8,592	-0-	-0-
Total	\$ 160,509	\$ 12,748	\$ 5,926

The Village uses the allowance method whereby uncollectible amounts due from customers' utility receivables are recognized as bad debts through the use of an allowance account or are charged off at the time information becomes available which indicates the particular receivable is not collectible. An allowance for doubtful accounts balance of \$2,000 was recorded at December 31, 2017.

Village of Rosedale, Louisiana
Notes to the Financial Statements

NOTE 6 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2017 are as follows:

Governmental activities:	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
Capital assets not depreciated:				
Land	\$ 201,373	\$ -0-	\$ -0-	\$ 201,373
Construction in progress	81,660	225,211	-0-	306,871
Capital assets being depreciated:				
Buildings	762,900	-0-	-0-	762,900
Improvements other than buildings	2,397,871	50,580	-0-	2,448,451
Machinery & equipment	1,370,766	-0-	20,000	1,350,766
Total assets	4,814,570	275,791	20,000	5,070,361
Less accumulated depreciation:				
Buildings	398,098	22,339	-0-	420,437
Improvements other than buildings	874,145	80,091	-0-	954,236
Machinery & equipment	1,265,955	37,381	20,000	1,283,336
Totals	\$ 2,538,198	\$ 139,811	\$ 20,000	\$ 2,658,009
Capital assets, net of accumulated depreciation	\$ 2,276,372	\$ 135,980	\$ -0-	\$ 2,412,352

Depreciation expense of \$139,811 for the year ended December 31, 2017, was charged to the general government function.

Proprietary activities:	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
Capital assets not depreciated:				
Construction in progress	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital assets being depreciated:				
Distribution system	2,629,274	-0-	-0-	2,629,274
Machinery & equipment	63,427	-0-	-0-	63,427
Total assets	2,692,701	-0-	-0-	2,692,701
Less accumulated depreciation:				
Distribution system	1,107,281	117,590	-0-	1,224,871
Machinery & equipment	62,417	1,010	-0-	63,427
Totals	\$ 1,169,698	\$ 118,600	\$ -0-	\$ 1,288,298
Capital assets, net of accumulated depreciation	\$ 1,523,003	\$ (118,600)	\$ -0-	\$ 1,404,403

Village of Rosedale, Louisiana
Notes to the Financial Statements

Depreciation expense of \$118,600 for the year ended December 31, 2017, was charged to the proprietary activities.

NOTE 7 – INTER-FUND TRANSFERS

The following is a summary of inter-fund transfers which occurred during the year ended December 31, 2017. The transfers were made to allocate salaries and related benefit costs from the General Fund to the Special Revenue and Enterprise Funds to account for services performed.

	Transfer In From	Transfer Out To
General Fund –		
Fire Protection Fund	\$ -0-	\$ 5,335
Water System	-0-	91,799
Special Revenue Fund –		
Fire Protection:		
General Fund	5,335	-0-
Enterprise Fund		
Water System:		
General Fund	91,799	-0-
Totals	<u>\$ 97,134</u>	<u>\$ 97,134</u>

NOTE 8 – INTER-FUND RECEIVABLES AND PAYABLES

The following is a summary of inter-fund receivables and payables which occurred during the year ended December 31, 2017. Due to/from accounts are used by the Village for short-term financing between funds.

	Due From	Due To
General Fund –		
LCDBG Housing Program	\$ 100	\$ -0-
Water System	541	-0-
Special Revenue Fund –		
LCDBG Housing Program:		
General Fund	-0-	100
Enterprise Fund		
Water System:		
General Fund	-0-	541
Totals	<u>\$ 641</u>	<u>\$ 641</u>

NOTE 9 - PENSION PLAN

Municipal Employees' Retirement System of Louisiana (MERS)

Plan Description. The System was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana to provide retirement benefits to employees of all incorporated villages, towns, and cities within the state, which did not have their own retirement system and which elected to become members of the system. The System is administered by a Board of Trustees composed of eleven members, three of whom shall be active and contributing members of the System with at least ten years creditable service and who are elected to office in accordance with the Louisiana Election Code, three of whom shall be active and contributing members of the System with at least ten years creditable service and who are not elected officials; one of whom shall be president of the Louisiana Municipal Association who shall serve as an ex-officio member during his tenure; one of whom shall be Chairman of the Senate Retirement Committee; one of whom shall be the Chairman of the House Retirement Committee

Village of Rosedale, Louisiana
Notes to the Financial Statements

of the Legislature of Louisiana; the commissioner of administration, who shall be a nonvoting member; and the State Treasurer, who shall be a nonvoting member. The System is the administrator of a cost-sharing multiple-employer defined benefit pension plan. The System was established and provided for by R.S. 11:1731 of the Louisiana Revised Statutes (LRS). Act 569 of the year 1968 established by the Legislature of the State of Louisiana provides an optional method for municipalities to cancel Social Security and come under supplementary benefits in the MERS, effective on and after June 30, 1970. Effective October 1, 1978, under Act 788, the "regular plan" and the "supplemental plan" were replaced, and are now known as Plan "A" and Plan "B". Plan A combines the original plan and the supplemental plan for those municipalities participating in both plans, while Plan B participates in only the original plan.

Eligibility Requirements

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the System with exceptions as outlined in the statutes. Any person eligible for membership but whose first employment making him eligible for membership in the System occurred on or after January 1, 2013 shall become a member of the MERS Plan A Tier 2 or MERS Plan B Tier 2 of the System as a condition of employment. All employees of the Village are members of Plan A, therefore only Benefits for Plan A are reflected below.

Retirement Benefits

Benefit provisions are authorized within Act 356 of the 1954 regular session and amended by LRS 11:1756-11:1785. The following brief description of the plan and its benefits is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Any member of Plan A who commenced participation in the System prior to January 1, 2013 can retire providing he/she meets one of the following criteria:

- 1) Any age with twenty-five (25) or more years of creditable service.
- 2) Age 60 with a minimum of ten (10) years of creditable service.
- 3) Any age with five (5) years of creditable service eligible for disability benefits
- 4) Survivor's benefits require five (5) or more years creditable service with legal spouse and at least last 12 months before death – 40% at age 60 or minimum of 20% immediately (actuarially calculated).
- 5) Any age with 20 years of creditable service, exclusive of military service with an actuarially reduced early benefit.

Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to three percent of the member's monthly average final compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service is interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. See Plan booklet for further details.

Any member of Plan A Tier 2 can retire providing he meets one of the following requirements.

- 1) Age 67 with seven years of creditable service.
- 2) Age 62 with ten years of creditable service.
- 3) Age 55 with thirty years of creditable service.
- 4) Any age with twenty-five years of creditable service with an actuarially reduced early benefit.
- 5) Survivor's benefits require five or more years of creditable service with legal spouse at least 12 months before death- 40% at age 60 or minimum of 20% immediately (actuarially calculated).

Generally, the monthly amount of the retirement allowance for any member of Plan A Tier 2 shall consist of an amount equal to three percent of the member's final average compensation multiplied by his years of

Village of Rosedale, Louisiana
Notes to the Financial Statements

creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service is interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. See Plan booklet for further details.

Survivor Benefits

Upon death of any member of Plan A with five (5) or more years of creditable service, not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children as outlined in the statutes. Any member of Plan A who is eligible for normal retirement at the time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

- 1) Surviving spouse who is not eligible for social security survivorship or retirement benefits, married no less than twelve (12) months immediately preceding death of member, shall be paid a monthly benefit equal to thirty percent of the member's final compensation, payable when the surviving spouse attains the age of sixty years or becomes disabled and payable for as long as the surviving spouse lives, or
- 2) A monthly benefit equal to the actuarial equivalent of the benefit described above, but not less than fifteen percent of the member's final compensation, payable upon death of the member and payable for as long as the surviving spouse lives. Selecting this benefit precludes the survivor from eligibility for the thirty-percent benefit payable when the surviving spouse attains the age of sixty years.

Any member of Plan A who had not withdrawn their accumulated contributions and had at least twenty years of service credit at time of death, surviving spouse shall receive benefits for as long as he/she lives as outlined in the statutes.

DROP Benefits

In lieu of terminating employment and accepting a service allowance, any member of Plan A who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year. Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. If a participant dies during the participation in the DROP, a lump sum equal to the balance in his/her account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in the System.

Disability Benefits

For Plan A, a member shall be eligible to retire and receive a disability benefit if he has at least five years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of forty-five percent of his final average compensation or three percent of his final average compensation multiplied by his years of creditable service, whichever is greater, or an amount equal to three percent of the member's final average compensation multiplied by his years of creditable service projected to his earliest normal retirement age.

Village of Rosedale, Louisiana
Notes to the Financial Statements

Cost of Living Increases

The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant additional cost of living increases to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

Deferred Benefits

Plan A provides for deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable. Benefits are based in statutes in effect at time of withdrawal.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.50% (9.50% before July 1, 2017) of their annual covered salary and the Village is required to contribute at an actuarially determined rate. The current rate is 24.75% (22.75% before July 1, 2017) of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The System also receives revenue sharing funds each year as appropriated by the legislature. These additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities. The contribution requirements of plan members and the Village are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Village's contributions to the System under Plan A for the years ending December 31, 2017, 2016, and 2015, were \$55,365, \$46,714, and \$42,465, respectively, equal to the required contributions for each year. The amount of non-employer contributions recognized as revenue in the government-wide statement of activities was \$7,810 for the year ended December 31, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2017, the Village reported a liability of \$530,830 for its proportionate share of net pension liability within the governmental activities. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. At June 30, 2017, the Village's proportion was 0.126889%, which was a decrease of 0.006071% from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the Village recognized pension expense of \$100,394. At December 31, 2017, the Village recognized deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -0-	\$ 16,167
Changes in assumptions	8,876	-0-
Net difference between projected and actual earnings on pension plan investments	107,043	-0-
Changes in proportion and differences between Village's contributions and proportionate share of contributions	12,284	400
Village contributions subsequent to the measurement date	28,792	-0-
Total	<u>\$ 156,995</u>	<u>\$ 16,567</u>

Village of Rosedale, Louisiana
Notes to the Financial Statements

The \$28,792 reported as deferred outflows of resources relating to pensions resulting from the Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	
2018	\$ 34,843
2019	48,768
2020	23,225
2021	4,800
2022	-0-
Thereafter	<u>-0-</u>
Total	<u>\$ 111,636</u>

Actuarial assumptions. The total pension liability in the June 30, 2017 actuarial valuation was determined based on the results of an experience study for the period July 2009 through June 30, 2014 using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal Cost.
Investment Rate of Return:	7.40%
Expected Remaining Service Lives:	3 years
Inflation rate	2.775%
Projected Salary increases:	5.0% (including inflation & merit increases).
Annuitant & beneficiary mortality:	RP-2000 Healthy Annuitant Sex Distinct Mortality Tables set forward 2 years for males and 1 year for females projected to 2028 using scale AA.
Employee mortality:	RP-2000 Employees Sex Distinct Table set back 2 years for both males and females.
Disabled lives mortality:	RP-2000 Disabled Lives Mortality Tables set back 5 years for males and 3 years for females.

Discount Rate. The long term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Public entity	50%	2.3%
Public fixed income	35%	1.6%
Alternatives	15%	0.7%
Totals	<u>100%</u>	<u>4.6%</u>
Inflation		<u>2.6%</u>
Expected Arithmetic Nominal Return		<u>7.2%</u>

Village of Rosedale, Louisiana
Notes to the Financial Statements

The discount rate used to measure the total pension liability was 7.40% for the year ended June 30, 2017. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. The Expected Remaining Service Lives (ERSL) for 2017 is 3 years for Plan A.

Sensitivity to Changes in Discount Rate. The following presents the Village's proportionate share of the net pension liability using the discount rate of 7.4%, as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage lower, or one percentage point higher than the current rate as of June 30, 2017.

	1% Decrease (6.40%)	Current Discount Rate (7.40%)	1% Increase (8.40%)
Village's proportionate share of the net pension liability	\$ 676,453	\$ 530,830	\$ 406,617

The Municipal Employees' Retirement System has issued a stand-alone audit report on their financial statements for the year ended June 30, 2017. Access to the report can be found on their website, www.mersla.com, or by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

NOTE 10 - ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables of \$27,763 at December 31, 2017, are as follows:

<u>Class of Payable</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Enterprise Fund</u>
Salaries & Withholdings	\$ 22,222	\$ 76	\$ -0-
Accounts	5,105	53	307
Total	<u>\$ 27,327</u>	<u>\$ 129</u>	<u>\$ 307</u>

NOTE 11 - COMPENSATED ABSENCES

At December 31, 2017, employees of the Village have accumulated and vested \$11,964 of employee leave benefits, which was computed in accordance with GASB Codification C60.

Village of Rosedale, Louisiana
Notes to the Financial Statements

NOTE 12 - RISK MANAGEMENT

The Village 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 has elected to purchase commercial insurance to cover its exposure to loss. The Village is insured up to policy limits for each of the above risks. There have been no significant reductions in coverage retentions or limits since the prior year.

NOTE 13 - LITIGATION

There is no litigation pending against the Village at December 31, 2017. No litigation costs were incurred for the year ended December 31, 2017.

NOTE 14 – ECONOMIC DEPENDENCE

The Village of Rosedale receives 82% of its total revenue from parish sales tax. Proceeds of the 1% sales tax are to be used for the purposes of opening, constructing, paving and improving streets, sidewalks, roads and alleys, constructing bridges, purchasing or constructing waterworks, sewers, drains, drainage canals, pumping plants, sewerage disposal works, light and power plants, gas plants, halls, jails, fire department stations and equipment, hospitals, auditoriums, public parks, natatoriums, libraries, docks, wharves, river terminals and other public buildings, including the necessary equipment and furnishings there for. The 1% sales and use tax is used by the Village to pay the cost of capital outlay projects; to maintain and operate public facilities, to administer local governments, and to provide other lawful services. Additionally, proceeds of the 2/3% sales and use tax provided by the Iberville Parish Council is dedicated for fire protection for the Village.

NOTE 15 - COMPENSATION PAID TO VILLAGE OFFICIALS

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, compensation paid to board members during the year ended December 31, 2017 is as follows:

Mayor – Riley J. Blanchet	\$ 14,400
Board of Alderman:	
Carroll Devillier	7,200
Dana N. Alexander	7,200
John T. Doiron	<u>7,200</u>
 Total Compensation	 <u>\$ 36,000</u>

NOTE 16 – SUBSEQUENT EVENTS

Management has performed an evaluation of the Village's activities through June 27, 2018, and has concluded that there are no significant subsequent events requiring recognition or disclosure through the date and time these financial statements were available to be issued on June 27, 2018.

REQUIRED SUPPLEMENTAL INFORMATION

**VILLAGE OF ROSEDALE, LOUISIANA
GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2017**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Taxes and licenses	\$ 60,650	\$ 60,650	\$ 63,072	\$ 2,422
Intergovernmental revenue	925,750	925,750	891,821	(33,929)
Federal grants	-	-	89,367	89,367
State grants	136,000	115,000	21,000	(94,000)
Charges for services	13,590	13,590	12,540	(1,050)
Fines and forfeitures	2,000	2,000	9,063	7,063
Interest income	3,000	12,000	12,783	783
Miscellaneous	300	300	300	-
Total revenues	1,141,290	1,129,290	1,099,946	(29,344)
EXPENDITURES				
General government	216,403	234,603	201,136	33,467
Public safety	57,688	46,688	33,495	13,193
Public works	235,727	245,727	234,961	10,766
Capital outlay	457,500	377,500	275,791	101,709
Total expenditures	967,318	904,518	745,383	159,135
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	173,972	224,772	354,563	129,791
OTHER FINANCING SOURCES (USES)				
Sale of fixed assets	-	-	5,700	5,700
Transfers out	(110,206)	(110,206)	(97,134)	13,072
Total other financing sources (uses)	(110,206)	(110,206)	(91,434)	18,772
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	63,766	114,566	263,129	148,563
FUND BALANCES AT BEGINNING OF YEAR	1,286,167	1,460,976	1,460,976	-
FUND BALANCES AT END OF YEAR	\$ 1,349,933	\$ 1,575,542	\$ 1,724,105	\$ 148,563

**VILLAGE OF ROSEDALE, LOUISIANA
SPECIAL REVENUE FUND
FIRE PROTECTION FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2017**

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Intergovernmental revenue	\$ 164,000	\$ 164,000	\$ 185,232	\$ 21,232
Interest income	1,800	1,800	6,108	4,308
Total revenues	165,800	165,800	191,340	25,540
EXPENDITURES				
Public safety	101,246	96,175	64,935	31,240
Capital outlay	408,000	8,000	-	8,000
Total expenditures	509,246	104,175	64,935	39,240
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(343,446)	61,625	126,405	64,780
OTHER FINANCING SOURCES (USES)				
Transfers in	5,296	5,304	5,335	31
Total other financing sources (uses)	5,296	5,304	5,335	31
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(338,150)	66,929	131,740	64,811
FUND BALANCES AT BEGINNING OF YEAF	652,714	676,928	676,928	-
FUND BALANCES AT END OF YEAR	\$ 314,564	\$ 743,857	\$ 808,668	\$ 64,811

VILLAGE OF ROSEDALE, LOUISIANA

**SCHEDULE OF VILLAGE'S PROPORTIONATE SHARE OF NET PENSION LIABILITY -
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM**

December 31, 2017

<u>Fiscal Year Ended June 30:</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Village's proportion of the net pension liability (asset)	0.126889%	0.120818%	0.121222%
Village's proportionate share of the net pension liability (asset)	\$ 530,830	\$ 495,198	\$ 433,024
Village's covered-employee payroll	\$ 230,438	\$ 215,731	\$ 206,896
Village's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	230.36%	229.54%	209.30%
Plan fiduciary net position as a percentage of the total pension liability	62.49%	62.11%	66.18%

Schedule is intended to report information for 10 years.
Additional years will be displayed as they become available.

VILLAGE OF ROSEDALE, LOUISIANA
SCHEDULE OF VILLAGE'S CONTRIBUTIONS -
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

December 31, 2017

<u>Fiscal Year Ended June 30:</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 52,425	\$ 42,607	\$ 40,862
Contributions in relation to the contractually required contribution	<u>\$ 52,425</u>	<u>\$ 42,607</u>	<u>\$ 40,862</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered-employee payroll	\$ 230,438	\$ 215,731	\$ 206,896
Contribution as a percentage of covered-employee payroll	22.75%	19.75%	19.75%

Schedule is intended to report information for 10 years.
Additional years will be displayed as they become available.

VILLAGE OF ROSEDALE, LOUISIANA
Rosedale, Louisiana

Notes to Required Supplementary Information
For the Year Ended December 31, 2017

Municipal Employees' Retirement System

Changes in Assumptions or Other Inputs. Changes in assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Changes in Proportion. Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

OTHER SUPPLEMENTAL INFORMATION

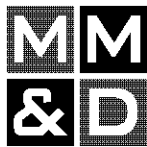
VILLAGE OF ROSEDALE, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD

For the Year Ended December 31, 2017

AGENCY HEAD NAME: Riley J. Blanchet, Mayor

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	14,400
Conference Travel	898
Registration Fees	365
Telephone	<u>356</u>
TOTAL	<u><u>\$ 16,019</u></u>



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Van P. Major, CPA (1951-2005)

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

The Honorable Riley J. Blanchet
And Members of the Board of Alderman
Village of Rosedale, 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 Village of Rosedale, Louisiana, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Village of Rosedale, Louisiana's basic financial statements and have issued our report thereon dated June 27, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Village of Rosedale, Louisiana'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 Village of Rosedale, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of Village of Rosedale, Louisiana's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

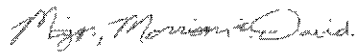
As part of obtaining reasonable assurance about whether the Village of Rosedale, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described on the accompanying schedule of findings and responses as item 17-1.

Village of Rosedale, Louisiana's Response to Findings

The Village of Rosedale, Louisiana's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Village of Rosedale, Louisiana'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

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Major, Morrison & David
New Roads, Louisiana
June 27, 2018

VILLAGE OF ROSEDALE
Rosedale, Louisiana
Schedule of Findings and Responses
For the Year Ended December 31, 2017

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? _____yes X no

Significant deficiency(ies) identified? _____yes X none reported

Noncompliance material to financial statements noted? X yes _____no

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding 17-1

Criteria: Louisiana Revised Statute 39:1225 states that the amount of the securities pledged by the financial institution shall at all times be equal to one hundred percent of the amount of collected funds on deposit to the credit of each depositing authority except that portion of the deposits insured by FDIC.

Condition: Upon performing tests of securities pledged by financial institutions for deposits in excess of FDIC insurance, it was determined that the Village had unsecured deposits in the amount of \$8,048.

Effect: Results in noncompliance with Louisiana Revised Statute 39:1225.

Cause: Failure to monitor deposits and ensure the financial institution has pledged a sufficient amount of securities to be in compliance with Louisiana Revised Statute 39:1225.

Recommendation: We recommend the Village monitor deposits on a recurring basis to ensure compliance with Louisiana Revised Statute 39:1225.

Management's Response: Management agrees with the finding and will monitor deposits on a recurring basis to ensure compliance with Louisiana Revised Statute 39:1225.

VILLAGE OF ROSEDALE
Rosedale, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2017

Section I – Internal Control and Compliance Material to the Financial Statements:

There were no prior year findings.

Section II – Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III – Management Letter:

No management letter issued.

VILLAGE OF ROSEDALE
Rosedale, Louisiana

Summary Schedule of Current Audit Findings
For the Year Ended December 31, 2017

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completed</u>
Section I – Internal Control and Compliance Material to the Financial Statements:				
17-1	The Village's deposits were not fully collateralized at December 31, 2017. At December 31, 2017, the Village had unsecured deposits in the amount of \$8,048.	The Village agrees with this finding and will monitor deposits on a recurring basis to ensure compliance with Louisiana Revised Statute 39:1225.	K. Russo	06/2018

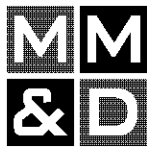
Section II – Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III – Management Letter:

No management letter issued.

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**



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**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To Mayor Blanchet and
Members of the Board of Alderman
Rosedale, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of the Village of Rosedale and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the year ended December 31, 2017. Management of the Village of Rosedale is responsible for those C/C 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 applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget

Written policies and procedures were obtained and address the functions noted above.

- 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.

Written policies and procedures were obtained and address the functions noted above.

- c) **Disbursements**, including processing, reviewing, and approving

Written policies and procedures were obtained and address the functions noted above.

- d) **Receipts**, including receiving, recording, and preparing deposits

Written policies and procedures were obtained and address the functions noted above.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Written policies and procedures were obtained and address the functions noted above.

- 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

Written policies and procedures were obtained and address the functions noted above.

- 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, and (5) monitoring card usage

Written policies and procedures were obtained and address the functions noted above.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Written policies and procedures were obtained and address the functions noted above.

- 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.

Written policies and procedures were obtained and address the functions noted above.

- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Not applicable – the Village does not have any debt.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Obtained board minutes and noted that meetings were held monthly.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

The minutes budget to actual comparisons and discussions on the budget at each scheduled meeting.

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

Deficit spending was not noted during the fiscal period nor does the Village have any funds with a deficit fund balance.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

The minutes do reference non-budgetary financial information for at least one meeting during the fiscal period.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Obtained listing of client bank accounts from management and management's representation that the listing is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Obtained bank statements and reconciliations for all months in the fiscal period for all selected accounts noting that reconciliations had been prepared for all months.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

The bank reconciliations prepared for all accounts examined had evidence of management review.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Obtained bank statements and reconciliations for all months in the fiscal period noting no documentation of management's research for items that have been outstanding for more than 6 months.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

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

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Written documentation was obtained and addresses the functions noted above.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

Written documentation was obtained and addresses the functions noted above.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

Collections documentation was obtained and deposits were made within one week of collection.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Daily cash collections are completely supported by collection documentation.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Written policies and procedures were obtained and address the functions noted above.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Obtained a listing of entity disbursements (and complete general ledger) and management's representation that the listing is complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Examined supporting documentation for each of the 25 disbursements selected and found that purchases were initiated using a purchase order equivalent process.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

Examined supporting documentation for each of the 25 disbursements selected and found appropriate approval of purchase order equivalents.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Examined supporting documentation for each of the 25 disbursements selected and found all payments were processed with proper approval, receiving report, and approved invoice.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Written policies and procedures were obtained and address the functions noted above.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Written policies and procedures were obtained and address the functions noted above.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Inquiry of management and observation noted no exceptions.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

No signature stamp or machine used by entity.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Obtained from management a complete listing of active credit cards along with representation that the listing is complete.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Selected all credit cards used during the fiscal period (less than 10 used).

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

Obtained monthly statement or combined statement for the month with the largest dollar activity and noted supporting documentation, review, and approval in writing by someone other than the cardholder.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

On the monthly statements or combined statements selected, no finance charges or late fees were assessed.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

Supporting documentation was obtained with no exceptions.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

Supporting documentation was obtained with no exceptions.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Supporting documentation was obtained with no exceptions.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

Each transaction's detail was compared to the Village's purchasing/disbursement policies and the Louisiana Public Bid Law with no exceptions.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Each transaction's documentation of the business/public purpose was compared to the requirements of Article 7, Section 14 of the Louisiana Constitution with no exceptions.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Obtained from management a listing of travel and expense reimbursements by person and management's representation that the listing is complete.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Obtained the Village's written policies related to travel and expense reimbursements. No amounts listed exceeded GSA rates.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

Expenses were paid in accordance to written policies.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

Expenses were supported with no exceptions.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

Documentation of the business/public purposes was supported with no exceptions.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

Other documentation as needed was supported with no exceptions.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Documentation of the business/public purpose was compared to Article 7, Section 14 of the Louisiana Constitution with no exceptions.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Expenses and related documentation were reviewed and approved in writing by someone other than the person receiving reimbursement with no exceptions.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Obtained listing of all contracts in effect (and general ledger) and management's representation that the listing is complete.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

Formal written contracts were examined supporting the services arrangements and the amounts paid with no exceptions.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

Obtained supporting contract documentation and noted no noncompliance with legal requirements.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

Obtained supporting contract documentation and noted solicitations for quotes as a best practice.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

No contracts selected were amended.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

Selected the largest payment from each contract along with supporting documentation and compared to the contract terms reflecting compliance with the terms and conditions of the contract with no exceptions.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Proper approval was obtained on the contracts within the board meetings.

Payroll and Personnel

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Obtained listing of employees with their related salaries and management's representation that the listing is complete.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

Compensation paid to each employee was reviewed with no exceptions noted.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Changes were made one time during the current fiscal period for raises granted by the board and were approved in writing and in accordance with written policy.

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Randomly selected one third of employees/officials along with documentation of attendance and leave records with no exceptions noted.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Written documentation was obtained and reviewed with no exceptions noted.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Written leave records were maintained on the selected employees who earn leave with no exceptions.

- 24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Obtained from management a listing of employees that were terminated during the fiscal period along with management's representation that the listing is complete. No employees were terminated during the fiscal year.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Obtained supporting documentation relating to payroll taxes, retirement contributions and reporting forms during the fiscal period, which were submitted to the proper agencies by the required deadlines with no exceptions.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Examined the five randomly selected employees’ ethics compliance documentation maintained in personnel files with no exceptions noted.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Management has asserted that they received no allegations during the fiscal period.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Not applicable.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Not applicable.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Not applicable.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Management has asserted to us that the Village did not have any misappropriation of public funds or assets during the fiscal year.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.lla.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

The required notice was posted on the Village's premises. The Village does not have a website.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Major, Morrison & David
New Roads, Louisiana
June 27, 2018

VILLAGE OF ROSEDALE, LOUISIANA
New Roads, Louisiana

Management's Response to Statewide Agreed-Upon Procedures
For the Year Ended December 31, 2017

Management Response to Item:

- 4c. Effective immediately, management will begin researching all outstanding items on a monthly basis.
- 6c. Management makes all deposits collected during the week on Friday. A daily cash collection log is maintained independent of the deposit process and is reconciled frequently. Collections are held in a secure location during the week. Management feels that this procedure is sufficient and that it is not cost effective to make deposits on a daily basis due to limited personnel available.