

**VILLAGE OF ROSEDALE
ROSEDALE, LOUISIANA**

**ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2021**

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INDEPENDENT AUDITORS' REPORT

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

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Rosedale, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of net pension liability, and schedule of pension contributions as listed in the foregoing table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Rosedale's basic financial statements. The accompanying supplementary information schedules listed in the foregoing table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in

accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2022 on our consideration of the Village of Rosedale'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's internal control over financial reporting and compliance.

Major, Morrison & David
New Roads, Louisiana
June 14, 2022

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

VILLAGE OF ROSEDALE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

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, 2021. 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 \$7,440,899, an increase of \$414,552 from last year. Of this amount of net position, \$2,369,756 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 \$3,902,364, an increase of \$576,709 in comparison with the prior year. The unrestricted fund balance in the general fund, \$2,577,805, 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 23.28 percent of unassigned fund balance for the general fund.
- Cash and investments increased by \$675,805 for the year ended December 31, 2021.

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

**VILLAGE OF ROSEDALE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021**

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.

- 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 \$7,440,899, an increase of \$414,552 from last year. The following is a summary of the Village's net position:

NET POSITION

	<u>Governmental Activities</u>		<u>Business- type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>
Current & Other Assets	3,355,336	3,946,904	143,859	306,044	3,499,195	4,252,948
Capital Assets	<u>2,855,840</u>	<u>2,742,132</u>	<u>1,170,319</u>	<u>1,061,392</u>	<u>4,026,159</u>	<u>3,803,524</u>
Total Assets	<u>6,211,176</u>	<u>6,689,036</u>	<u>1,314,178</u>	<u>1,367,436</u>	<u>7,525,354</u>	<u>8,056,472</u>
Deferred Outflows	<u>108,554</u>	<u>39,899</u>	<u>-0-</u>	<u>-0-</u>	<u>108,554</u>	<u>39,899</u>
Current Liabilities	29,681	44,540	7,268	155,337	36,949	199,877
Long-term Liabilities	<u>545,441</u>	<u>326,095</u>	<u>-0-</u>	<u>-0-</u>	<u>545,441</u>	<u>326,095</u>
Total liabilities	<u>575,122</u>	<u>370,635</u>	<u>7,268</u>	<u>155,337</u>	<u>582,390</u>	<u>525,972</u>
Deferred Inflows	<u>25,171</u>	<u>129,500</u>	<u>-0-</u>	<u>-0-</u>	<u>25,171</u>	<u>129,500</u>
Net Position:						
Invested in capital assets,						
Net of related debt	2,855,840	2,742,132	1,170,319	1,061,392	4,026,159	3,803,524
Restricted	1,176,591	1,267,619	-0-	-0-	1,176,591	1,267,619
Unrestricted	<u>1,687,006</u>	<u>2,219,049</u>	<u>136,591</u>	<u>150,707</u>	<u>1,823,597</u>	<u>2,369,756</u>
Total Net Position	<u>5,719,437</u>	<u>6,228,800</u>	<u>1,306,910</u>	<u>1,212,099</u>	<u>7,026,347</u>	<u>7,440,899</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.). The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The Village's net position increased by \$414,552 during the current fiscal year.

**VILLAGE OF ROSEDALE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021**

CHANGES IN NET POSITION

	<u>Governmental Activities</u>		<u>Business- type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>
Revenues:						
Program revenues:						
Charges for services	50,944	63,394	68,191	73,317	119,135	136,711
Operating grants & contrib.	8,559	8,748	-0-	-0-	8,559	8,748
Capital grants & contrib.	-0-	-0-	-0-	-0-	-0-	-0-
General revenues:						
Sales taxes	1,111,276	1,139,699	-0-	-0-	1,111,276	1,139,699
Franchise taxes	33,582	35,686	-0-	-0-	33,582	35,686
Investment earnings	16,829	1,608	412	106	17,241	1,714
Other general revenue	4,710	38,029	159	162	4,869	38,191
Total revenues	<u>1,225,900</u>	<u>1,287,164</u>	<u>68,762</u>	<u>73,585</u>	<u>1,294,662</u>	<u>1,360,749</u>
Expenses:						
General government	310,952	298,222	-0-	-0-	310,952	298,222
Public safety	154,508	148,803	-0-	-0-	154,508	148,803
Public works	262,625	217,710	-0-	-0-	262,625	217,710
Water system	-0-	-0-	290,866	281,462	290,866	281,462
Total expenses	<u>728,085</u>	<u>664,735</u>	<u>290,866</u>	<u>281,462</u>	<u>1,018,951</u>	<u>946,197</u>
Increase (decrease) in net						
Position before transfers	497,815	622,429	(222,104)	(207,877)	275,711	414,552
Transfers	(119,086)	(113,066)	119,086	113,066	-0-	-0-
Increase (decrease) in						
Net position	378,729	509,363	(103,018)	(94,811)	275,711	414,552
Net position 1/01	<u>5,340,708</u>	<u>5,719,437</u>	<u>1,409,928</u>	<u>1,306,910</u>	<u>6,750,636</u>	<u>7,026,347</u>
Net position 12/31	<u>5,719,437</u>	<u>6,228,800</u>	<u>1,306,910</u>	<u>1,212,099</u>	<u>7,026,347</u>	<u>7,440,899</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 88.5% of total governmental revenue. These revenues increased from December 31, 2020 to December 31, 2021 by \$28,423.

Expenditures for the governmental activities decreased by \$63,350 or 8.7% due to decreased general government and public safety costs.

Business-Type Activities

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

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.

**VILLAGE OF ROSEDALE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021**

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 14 and 16.

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 13 and 15 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 \$3,902,364, an increase of \$576,709 from the prior year ending December 31, 2020. In the General Fund, the unassigned fund balance is \$2,577,805.

The general fund balance consists of a non-spendable balance of \$14,317 in the form of prepaid expenses and \$11,126 in the form of inventory, and assigned fund balance for subsequent year budget stabilization in the amount of \$56,940.

The Village's major fund, the General Fund, had an increase from the prior year of \$480,940, from \$2,179,248 in the year ending December 31, 2020 to \$2,660,188 in the year ending December 31, 2021. The restricted fund balances in the other governmental funds in the amount of \$1,242,176 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 17-18 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 21-38 of this report.

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 40 of this report.

**VILLAGE OF ROSEDALE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021**

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 once.

The General Fund budgeted revenues were \$968,190 which was \$107,776 less than actual revenues. Current expenditures were \$130,473 less than the budgeted expenditures. Capital Outlays were \$17,115 compared to budgeted capital outlays of \$25,500 during the fiscal year.

A budgetary comparison statement for the General Fund and Fire Protection Fund is required and can be found on pages 40 and 41. These statements compare the adopted budgets 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 42-44).

Supplemental Information

- A. Schedule of Compensation, Benefits, and Other Payments to Agency Head is shown on page 46.
- B. Other Reports required by Government Auditing Standards follow, starting on page 47.

Capital Assets

The Village's investment in capital assets for its governmental and business-type activities as of December 31, 2021 amounts to \$3,803,524 (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 decrease in the Village's investment in capital assets for the current fiscal year was \$222,635 or 5.5%, including depreciation expense in the amount of \$153,916.

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

- 1. One vehicle for \$5,000
- 2. Construction in progress on shed & water lines for \$18,343
- 3. Fire Department Gear for \$23,093

Additional information on the Village's capital assets can be found in note 5 on page 30 of this report.

Economic Factors and Next Year's Budget

The General Fund budget adopted for the fiscal year ending December 31, 2022 only shows a moderate increase in expenditures to maintain the services provided to the citizens of the Village. Revenues are budgeted consistent with the prior year to remain conservative.

The Village relies heavily on sales tax revenues for the operations of both the General Fund (83%) and Fire Department (17%). Therefore, governmental activities are impacted by the economic growth of the area. The Fire Department budget also includes \$760,000 in state grants which will be used for capital outlay.

Due to the COVID-19 pandemic, the United States has experienced volatile economic conditions and disruption of general business activities. It is unknown how this will affect the Village's operations in the coming year at the date of this report.

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 Courtney Bourgoyne, Clerk, Village of Rosedale, Post Office Box 167, Rosedale, Louisiana, 70772.

BASIC FINANCIAL STATEMENTS

VILLAGE OF ROSEDALE, LOUISIANA
STATEMENT OF NET POSITION
December 31, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 211,871	\$ 68,358	\$ 280,229
Investments	3,555,758	214,029	3,769,787
Account receivables, net	26,533	5,464	31,997
Due from other governmental units	120,568	-	120,568
Prepaid expenses	21,048	18,192	39,240
Inventory	11,126	-	11,126
Capital assets, net of depreciation	2,742,132	1,061,392	3,803,524
Total assets	6,689,036	1,367,436	8,056,472
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	39,899	-	39,899
Total deferred outflows of resources	39,899	-	39,899
LIABILITIES			
Accounts payable and accrued expenses	44,540	155,337	199,877
Net pension liability	326,095	-	326,095
Total liabilities	370,635	155,337	525,972
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	129,500	-	129,500
Total deferred inflows of resources	129,500	-	129,500
NET POSITION			
Invested in capital assets, net of related debt	2,742,132	1,061,392	3,803,524
Restricted for:			
Prepaid expenses	21,048	-	21,048
Inventory	11,126	-	11,126
Fire protection	1,235,445	-	1,235,445
Unrestricted (deficit)	2,219,049	150,707	2,369,756
Total net position	\$ 6,228,800	\$ 1,212,099	\$ 7,440,899

The accompanying notes are an integral part of this statement.

VILLAGE OF ROSEDALE, LOUISIANA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

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	\$ 298,222	\$ 29,332	\$ 8,748	\$ -	\$ (260,142)	-	\$ (260,142)
Public safety	148,803	11,572	-	-	(137,231)	-	(137,231)
Public works	217,710	22,490	-	-	(195,220)	-	(195,220)
Total governmental activities	664,735	63,394	8,748	-	(592,593)	-	(592,593)
Business-type activities:							
Water system	281,462	73,317	-	-	-	(208,145)	(208,145)
Total business-type activities	281,462	73,317	-	-	-	(208,145)	(208,145)
Total primary government	\$ 946,197	\$ 136,711	\$ 8,748	\$ -	(592,593)	(208,145)	(800,738)
General revenues:							
Taxes:							
Sales taxes - general					946,907	-	946,907
Sales taxes - public safety					192,792	-	192,792
Franchise taxes					35,686	-	35,686
Gain(loss) on sale of fixed assets					5,200	-	5,200
Investment earnings					1,608	106	1,714
Miscellaneous					32,829	162	32,991
Transfers - internal activities					(113,066)	113,066	0
Total general revenues and transfers					1,101,956	113,334	1,215,290
Change in net position					509,363	(94,811)	414,552
Net position - beginning of the year					5,719,437	1,306,910	7,026,347
Net position - end of the year					\$ 6,228,800	\$ 1,212,099	\$ 7,440,899

The accompanying notes are an integral part of this statement.

VILLAGE OF ROSEDALE, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

	Special Revenue		
	General Fund	Fire Protection Fund	Total
<u>ASSETS</u>			
Current Assets			
Cash	\$ 117,568	\$ 94,303	\$ 211,871
Investments	2,445,225	1,110,533	3,555,758
Accounts receivable, net	26,533	-	26,533
Due from other funds	233	-	233
Due from other governmental units	89,276	31,292	120,568
Prepaid expenses	14,317	6,731	21,048
Inventory	11,126	-	11,126
TOTAL ASSETS	2,704,278	1,242,859	3,947,137
<u>LIABILITIES & FUND BALANCE</u>			
LIABILITIES:			
Accounts payable	28,828	416	29,244
Accrued liabilities	9,103	34	9,137
Compensated absences	6,159	-	6,159
Due to other funds	-	233	233
TOTAL LIABILITIES	44,090	683	44,773
FUND BALANCE			
Nonspendable:			
Prepaid expenses	14,317	6,731	21,048
Inventory	11,126	-	11,126
Restricted for:			
Fire protection	-	1,235,445	1,235,445
Assigned for:			
Budget stabilization	56,940	-	56,940
Unassigned	2,577,805	-	2,577,805
TOTAL FUND BALANCE	2,660,189	1,242,176	3,902,364
TOTAL LIABILITIES & FUND BALANCE	\$ 2,704,278	\$ 1,242,859	\$ 3,947,137

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, 2021

Total fund balance - governmental funds	\$ 3,902,364
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.	2,742,132
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	(326,095)
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.	39,899
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>(129,500)</u>
Total net position of governmental activities	<u><u>\$ 6,228,800</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, 2021

	<u>Special Revenue</u>		<u>Total</u>
	<u>General Fund</u>	<u>Fire Protection Fund</u>	
REVENUES			
Taxes and licenses	\$ 66,182	\$ -	\$ 66,182
Intergovernmental revenue	947,422	196,634	1,144,056
Charges for services	22,490	-	22,490
Fines and forfeitures	11,572	-	11,572
Interest income	993	615	1,608
Miscellaneous	27,307	-	27,307
Total revenues	1,075,966	197,249	1,273,215
EXPENDITURES			
General government	190,629	-	190,629
Public safety	56,603	83,490	140,093
Public works	217,710	-	217,710
Capital outlay	17,115	23,093	40,208
Total expenditures	482,057	106,583	588,640
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	593,909	90,666	684,575
OTHER FINANCING SOURCES (USES)			
Transfers in	-	5,103	5,103
Sale of fixed assets	5,200	-	5,200
Transfers out	(118,169)	-	(118,169)
Total other financing sources (uses)	(112,969)	5,103	(107,866)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	480,940	95,769	576,709
FUND BALANCES AT BEGINNING OF YEAR	2,179,248	1,146,407	3,325,655
FUND BALANCES AT END OF YEAR	\$ 2,660,188	\$ 1,242,176	\$ 3,902,364

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, 2021

Net change in fund balances - total governmental funds	\$	576,709
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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		40,208
Depreciation expense		(153,916)

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		5,200
Proceeds from the sale of capital assets		(5,200)

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.

37,614

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.

8,748

Change in net position of governmental activities

\$ 509,363

The accompanying notes are an integral part of this statement.

VILLAGE OF ROSEDALE, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUND
December 31, 2021

	Business-Type Activities -
	Enterprise Fund
	Water System
ASSETS	
Current Assets:	
Cash and cash equivalents	68,358
Investments	214,029
Account receivables, net	5,464
Prepaid expenses	18,192
Total current assets	306,043
Non-current Assets:	
Restricted Assets:	
Capital assets, net of depreciation	1,061,392
Total noncurrent assets	1,061,392
Total assets	1,367,436
DEFERRED OUTFLOWS OF RESOURCES	
Total deferred outflows of resources	-
LIABILITIES	
Current Liabilities:	
Accounts payable and accrued expenses	155,337
Total current liabilities	155,337
Total liabilities	155,337
DEFERRED INFLOWS OF RESOURCES	
Total deferred inflows of resources	-
NET POSITION	
Invested in capital assets, net of related debt	1,061,392
Unrestricted (deficit)	150,707
Total net position	\$ 1,212,099

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, 2021**

	Business-Type Activities - Enterprise Fund
	Water System
OPERATING REVENUES	
Charges for services	\$ 73,317
Miscellaneous	162
	73,479
Total operating revenues	73,479
OPERATING EXPENSES	
Personnel services	99,058
Purchased professional services	10,086
Utilities	4,959
Insurance	4,790
Repairs, maintenance and supplies	27,982
Miscellaneous	18,368
Depreciation	116,219
	281,462
Total operating expenses	281,462
Operating income (loss)	(207,983)
NONOPERATING REVENUES (EXPENSES)	
Interest income	106
	106
Total nonoperating revenues (expenses)	106
Income before operating transfers	(207,877)
OPERATING TRANSFERS	
Transfers in	113,066
	113,066
Total operating transfers	113,066
CHANGE IN NET POSITION	(94,811)
NET POSITION AT BEGINNING OF YEAR	1,306,910
NET POSITION AT END OF YEAR	\$ 1,212,099

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, 2021

	BUSINESS-TYPE ACTIVITIES -
	ENTERPRISE FUND
	WATER SYSTEM
Cash flows from operating activities:	
Receipts from customers	\$ 73,313
Payments to suppliers of goods & services	65,240
Payments for salaries and related benefits	(99,058)
	39,495
 Cash flows from noncapital financing activities:	
Transfers received for other than capital purposes	113,066
	113,066
 Cash flows from capital and related financing activities:	
Payments related to the acquisition of capital assets	(7,292)
	(7,292)
 Cash flows from investing activities:	
Interest payments received	106
Purchase of investments	(137,445)
	(137,339)
 Net increase (decrease) in cash and cash equivalents	7,930
 Cash and cash equivalents at beginning of year	60,428
 Cash and cash equivalents at end of year	\$ 68,358
 Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income	\$ (207,983)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	116,219
(Increase) decrease in accounts receivable	(167)
(Increase) decrease in prepaid items	(16,644)
Increase (decrease) in accounts payable	148,069
	247,478
 Total adjustments	247,478
 Net cash provided (used) by operating activities	39,495

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, 2021

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 14) 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 6 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

Village of Rosedale, Louisiana
Notes to the Financial Statements

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 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

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*.

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

Village of Rosedale, Louisiana
Notes to the Financial Statements

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 3).

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 8).

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 1/2 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*

Village of Rosedale, Louisiana
Notes to the Financial Statements

for Contributions Made Subsequent to the Measurement Date, which have been adopted by the Village for the fiscal year ended December 31, 2015.

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, 2021 was made available for public inspection in accordance with RS 39:1306 beginning on November 10, 2020. The proposed budget was published in the official journal in accordance with RS 39:1306 on November 19, 2020. The public hearing was held in accordance with RS 39:1306 on December 15, 2020. 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. One amendment was made to the original budget for the year ending December 31, 2021.

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 3 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, 2021.

Fund	Original Budget	Final Budget	Actual	Unfavorable Variance
None				

NOTE 3 - 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.

Village of Rosedale, Louisiana
Notes to the Financial Statements

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, 2021. Deposits are listed in terms of whether they are exposed to custodial credit risk.

Bank Balances

	<u>Uninsured & Uncollateralized</u>		<u>Uninsured & Collateralized with Securities Held by Pledging Institution or It's Trust Department/Agent but Not in the Entity's Name</u>		<u>Total Bank Balances – All Deposits</u>	<u>Total Carrying Value – All Deposits</u>
Cash and Cash Equivalents	\$ -0-	\$	-0-	\$	\$ 449,190	\$ 280,129

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, 2021. 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

	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-	\$ 3,769,787	\$ 3,769,787
Total	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 3,769,787</u>	<u>\$ 3,769,787</u>

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 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 58 as of December 31, 2021. Investments classified by maturity dates at December 31, 2021 are summarized below:

	Fair Value	0-1 Years Before Maturity	1-5 Years Before Maturity	6+ Years Before Maturity
LAMP	\$ 3,769,787	\$ 3,769,787	\$ -	\$ -
Total	<u>\$ 3,769,787</u>	<u>\$ 3,769,787</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 4 - ACCOUNTS AND INTERGOVERNMENTAL RECEIVABLES

The following is a summary of receivables at December 31, 2021.

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Rev. Fund</u>	<u>Enterprise Fund</u>
Intergovernmental			
Sales Tax	\$ 89,174	\$ 31,292	\$ -0-
State	102	-0-	-0-
Accounts	-0-	-0-	5,464
Other	26,533	-0-	-0-
Total	<u>\$ 115,809</u>	<u>\$ 31,292</u>	<u>\$ 5,464</u>

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, 2021.

Village of Rosedale, Louisiana
Notes to the Financial Statements

NOTE 5 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2021 are as follows:

Governmental activities:	Balance 1/1/21	Additions	Deletions	Balance 12/31/21
Capital assets not depreciated:				
Land	\$ 288,190	\$ -0-	\$ -0-	\$ 288,190
Construction in progress	58,890	12,115	-0-	71,005
Capital assets being depreciated:				
Buildings	779,696	-0-	-0-	779,696
Improvements other than buildings	3,337,924	-0-	-0-	3,337,924
Machinery & equipment	1,503,073	28,093	31,437	1,499,729
Total assets	5,967,773	40,208	31,437	5,976,544
Less accumulated depreciation:				
Buildings	486,024	21,612	-0-	507,636
Improvements other than buildings	1,255,963	100,230	-0-	1,356,193
Machinery & equipment	1,369,946	32,074	31,437	1,370,583
Totals	\$ 3,111,933	\$ 153,916	\$ 31,437	\$ 3,234,412
Capital assets, net of accumulated depreciation	<u>\$ 2,855,840</u>	<u>\$ (113,708)</u>	<u>\$ -0-</u>	<u>\$ 2,742,132</u>

Depreciation expense of \$153,916 for the year ended December 31, 2021, was charged to the general government function.

Proprietary activities:	Balance 1/1/21	Additions	Deletions	Balance 12/31/21
Capital assets not depreciated:				
Construction in progress	\$ 6,357	\$ 6,228	\$ -0-	\$ 12,585
Capital assets being depreciated:				
Distribution system	2,713,580	-0-	-0-	2,713,580
Machinery & equipment	84,577	1,064	-0-	85,641
Total assets	2,804,514	7,292	-0-	2,811,806
Less accumulated depreciation:				
Distribution system	1,569,761	113,168	-0-	1,682,929
Machinery & equipment	64,434	3,051	-0-	67,485
Totals	\$ 1,634,195	\$ 116,219	\$ -0-	\$ 1,750,414
Capital assets, net of accumulated depreciation	<u>\$ 1,170,319</u>	<u>\$ (108,927)</u>	<u>\$ -0-</u>	<u>\$ 1,061,392</u>

Depreciation expense of \$116,219 for the year ended December 31, 2021, was charged to the proprietary activities.

Village of Rosedale, Louisiana
Notes to the Financial Statements

NOTE 6 – INTER-FUND TRANSFERS

The following is a summary of inter-fund transfers which occurred during the year ended December 31, 2021. 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 and to assist with cost of water system improvements.

	Transfer In From	Transfer Out To
General Fund –		
Fire Protection Fund	\$ -0-	\$ 5,103
Water System	-0-	113,066
Special Revenue Fund –		
Fire Protection:		
General Fund	5,103	-0-
Enterprise Fund		
Water System:		
General Fund	113,066	-0-
Totals	\$ 118,169	\$ 118,169

NOTE 7 – INTER-FUND RECEIVABLES AND PAYABLES

The following is a summary of inter-fund receivables and payables which occurred during the year ended December 31, 2021. Due to/from accounts are used by the Village for short-term financing between funds.

	Due From	Due To
General Fund –		
Fire Protection	\$ 233	\$ -0-
Special Revenue Fund –		
Fire Protection:		
General Fund	-0-	233
Totals	\$ 233	\$ 233

NOTE 8 - 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 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

Village of Rosedale, Louisiana
Notes to the Financial Statements

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).

Village of Rosedale, Louisiana
Notes to the Financial Statements

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 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,

Village of Rosedale, Louisiana
Notes to the Financial Statements

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.

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 10.00% of their annual covered salary and the Village is required to contribute at an actuarially determined rate. The current rate is 29.50% (29.50% before July 1, 2021) 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, 2021, 2020, and 2019, were \$58,327, \$71,417, and \$68,069, 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 \$8,748 for the year ended December 31, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2021, the Village reported a liability of \$326,095 for its proportionate share of net pension liability within the governmental activities. The net pension liability was measured as of June 30, 2021 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, 2021, the Village's proportion was 0.117237%, which was a decrease of 0.008923% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Village recognized pension expense of \$20,713. At December 31, 2021, the Village recognized deferred outflows of resources and deferred inflows of resources related to pensions from the following:

Village of Rosedale, Louisiana
Notes to the Financial Statements

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 118	\$ 3,730
Changes in assumptions	11,917	-0-
Net difference between projected and actual earnings on pension plan investments	-0-	91,877
Changes in proportion and differences between Village's contributions and proportionate share of contributions	(791)	33,893
Village contributions subsequent to the measurement date	28,655	-0-
Total	\$ 39,899	\$ 129,500

The \$28,655 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, 2022. 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,	
2022	\$ (35,006)
2023	(28,462)
2024	(23,687)
2025	(31,101)
Thereafter	-0-
Total	\$ (118,256)

Actuarial assumptions. The total pension liability in the June 30, 2021 actuarial valuation was determined based on the results of an experience study for the period July 1, 2013 through June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal Cost.
Investment Rate of Return:	6.85%, net of pension plan investment expense, including inflation
Expected Remaining Service Lives:	3 years
Inflation rate	2.5%
Salary increases, including inflation and merit increases:	6.4% - 1 to 4 years of service 4.5% - more than 4 years of service
Annuitant & beneficiary mortality:	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Employee mortality:	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Disabled lives mortality:	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.

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 expense and inflation) are developed for each

Village of Rosedale, Louisiana
Notes to the Financial Statements

major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2021 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	53%	2.31%
Public fixed income	38%	1.65%
Alternatives	<u>9%</u>	<u>0.39%</u>
Totals	<u>100%</u>	<u>4.35%</u>
Inflation		<u>2.60%</u>
Expected Arithmetic Nominal Return		<u>6.95%</u>

The discount rate used to measure the total pension liability was 6.85% for the year ended June 30, 2021. 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.

Sensitivity to Changes in Discount Rate. The following presents the Village's proportionate share of the net pension liability using the discount rate of 6.85%, 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, 2021 (assuming all other assumptions remain unchanged):

	<u>1% Decrease (5.85%)</u>	<u>Current Discount Rate (6.85%)</u>	<u>1% Increase (7.85%)</u>
Village's proportionate share of the net pension liability	\$ 482,963	\$ 326,095	\$ 193,598

Changes in Net 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 Municipal Employees' Retirement System has issued a stand-alone audit report on its financial statements for the year ended June 30, 2021. Access to the report can be found on the System's website, www.mersla.com, or on the Louisiana Legislative Auditor's website, www.la.gov.

Village of Rosedale, Louisiana
Notes to the Financial Statements

NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables of \$199,877 at December 31, 2021, are as follows:

<u>Class of Payable</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Enterprise Fund</u>
Salaries & Withholdings	\$ 9,103	\$ 34	\$ -0-
Accounts	28,828	416	17,937
Other	-0-	-0-	137,400
Total	<u>\$ 37,931</u>	<u>\$ 450</u>	<u>\$ 155,337</u>

The other payable for the Enterprise Fund consists of unearned revenue of \$137,400 of federal awards received under the American Rescue Plan Act (ARPA). The ARPA established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to provide governments with the resources needed to respond to the pandemic and its economic effects and to build a stronger, more equitable economy during the recovery. The Village is required to spend the funds in accordance with assistance listing 21.027 guidance with the funds obligated by December 21, 2024 and expended by December 31, 2026. The Village is required to maintain documentation of the use of these funds and report expenditures to the Office of Recovery Programs with the US Department of Treasury with any misused funds to be repaid to the federal government. An additional second round payment is expected under the ARPA in the subsequent fiscal year.

NOTE 10 - COMPENSATED ABSENCES

At December 31, 2021, employees of the Village have accumulated and vested \$6,159 of employee leave benefits, which was computed in accordance with GASB Codification C60.

NOTE 11 - 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 12 - LITIGATION

There is no litigation pending against the Village at December 31, 2021. No litigation costs were incurred for the year ended December 31, 2021.

NOTE 13 - 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, 2021 is as follows:

Mayor – Riley J. Blanchet	\$ 14,400
Board of Alderman:	
Carroll Devillier	8,400
Dana N. Alexander	8,400
John T. Doiron	<u>8,400</u>
Total Compensation	<u>\$ 39,600</u>

Village of Rosedale, Louisiana
Notes to the Financial Statements

NOTE 14 – SUBSEQUENT EVENTS

Management has performed an evaluation of the Village's activities through June 14, 2022, and has concluded that the following significant subsequent event requires recognition or disclosure through the date and time these financial statements were available to be issued on June 14, 2022.

In the spring of 2020, there was a global outbreak of a new strain of coronavirus, COVID-19. The public health crisis has caused volatile economic conditions, impacting financial markets and disrupting general business activities across the United States. The timing and extent of the impact of COVID-19 on the Village's current and future operations is unknown at the date of this report.

REQUIRED SUPPLEMENTARY INFORMATION

**VILLAGE OF ROSEDALE, LOUISIANA
GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2021**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Taxes and licenses	\$ 57,350	\$ 57,350	\$ 66,182	\$ 8,832
Intergovernmental revenue	875,750	875,750	947,422	71,672
State grants	25,000	-	-	-
Charges for services	16,090	16,090	22,490	6,400
Fines and forfeitures	12,000	12,000	11,572	(428)
Interest income	15,000	1,500	993	(507)
Miscellaneous	-	5,500	27,307	21,807
Total revenues	1,001,190	968,190	1,075,966	107,776
EXPENDITURES				
General government	212,460	199,580	190,629	8,951
Public safety	86,150	86,150	56,603	29,547
Public works	336,000	301,300	217,710	83,590
Capital outlay	220,000	25,500	17,115	8,385
Total expenditures	854,610	612,530	482,057	130,473
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	146,580	355,660	593,909	238,249
OTHER FINANCING SOURCES (USES)				
Sale of fixed assets	-	9,500	5,200	(4,300)
Transfers out	(106,200)	(106,000)	(118,169)	(12,169)
Total other financing sources (uses)	(106,200)	(96,500)	(112,969)	(16,469)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	40,380	259,160	480,940	221,780
FUND BALANCES AT BEGINNING OF YEAR	2,647,128	2,179,248	2,179,248	-
FUND BALANCES AT END OF YEAR	\$ 2,687,508	\$ 2,438,408	\$ 2,660,188	\$ 221,780

**VILLAGE OF ROSEDALE, LOUISIANA
SPECIAL REVENUE FUND
FIRE PROTECTION FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2021**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Intergovernmental revenue	179,000	179,000	\$ 196,634	\$ 17,634
State grants	760,500	-	-	-
Interest income	10,000	750	615	(135)
Total revenues	949,500	179,750	197,249	17,499
EXPENDITURES				
Public safety	159,500	97,330	83,490	13,840
Capital outlay	1,047,000	25,000	23,093	1,907
Total expenditures	1,206,500	122,330	106,583	15,747
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(257,000)	57,420	90,666	33,246
OTHER FINANCING SOURCES (USES)				
Transfers in	-	6,000	5,103	(897)
Total other financing sources (uses)	-	6,000	5,103	(897)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(257,000)	63,420	95,769	32,349
FUND BALANCES AT BEGINNING OF YEAR	411,407	1,146,407	1,146,407	-
FUND BALANCES AT END OF YEAR	\$ 154,407	\$ 1,209,827	\$ 1,242,176	\$ 32,349

VILLAGE OF ROSEDALE, LOUISIANA

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

December 31, 2021

<u>Fiscal Year Ended June 30:</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Village's proportion of the net pension liability (asset)	0.117237%	0.126160%	0.134967%	0.129262%	0.126889%	0.120818%	0.121222%
Village's proportionate share of the net pension liability (asset)	\$ 326,095	\$ 545,441	\$ 563,981	\$ 535,232	\$ 530,830	\$ 495,198	\$ 433,024
Village's covered-employee payroll	\$ 232,152	\$ 241,132	\$ 249,848	\$ 235,997	\$ 230,438	\$ 215,731	\$ 206,896
Village's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	140.47%	226.20%	225.73%	226.80%	230.36%	229.54%	209.30%
Plan fiduciary net position as a percentage of the total pension liability	77.82%	64.52%	64.68%	63.94%	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, 2021

<u>Fiscal Year Ended June 30:</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 68,485	\$ 66,914	\$ 64,961	\$ 58,409	\$ 52,425	\$ 42,607	\$ 40,862
Contributions in relation to the contractually required contribution	\$ 68,485	\$ 66,914	\$ 64,961	\$ 58,409	\$ 52,425	\$ 42,607	\$ 40,862
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Village's covered-employee payroll	\$ 232,152	\$ 241,132	\$ 249,848	\$ 235,997	\$ 230,438	\$ 215,731	\$ 206,896
Contribution as a percentage of covered-employee payroll	29.50%	27.75%	26.00%	24.75%	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, 2021

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 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.

SUPPLEMENTARY INFORMATION

VILLAGE OF ROSEDALE, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
For the Year Ended December 31, 2021

AGENCY HEAD NAME: Riley J. Blanchet, Mayor

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	14,400
Telephone	<u>721</u>
TOTAL	<u>\$ 15,121</u>

VILLAGE OF ROSEDALE, LOUISIANA

COLLECTING/DISBURSING ENTITY SCHEDULE
AS REQUIRED BY ACT 87 OF 2020 LEGISLATIVE SESSION

Cash Basis Presentation	First Six Month Period Ended 6/30/2021	Second Six Month Period Ended 12/31/2021
Beginning Balance of Amounts Collected (cash on hand)	\$ -	\$ -
Add: Collections		
Criminal fines - other	8,521	3,001
Total Collections	8,521	3,001
Less: Disbursements to Governments & Nonprofits		
Louisiana Traumatic Head and Spinal Cord Injury Trust Fund - Criminal fines - other	225	210
Louisiana Commission on Law Enforcement Crime Victims Reparation Fund - Criminal fines - other	88	83
Louisiana Supreme Court - Louisiana Judicial College - Criminal fines - other	23	21
Treasurer, State of Louisiana - Trial Court Case Management Information System - Criminal fines - other	45	42
Less: Amounts Retained by Collecting Agency		
Amounts Self-Disbursed - Criminal fines - other	8,140	2,645
Total Disbursements/Retainage	8,521	3,001
Ending Balance of Amounts Collected but not Disbursed	<u>\$ -</u>	<u>\$ -</u>
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected (receivable)	-	-
Total Waivers During the Fiscal Period	-	-

**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 the Village of Rosedale, Louisiana, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Village of Rosedale, Louisiana's basic financial statements and have issued our report thereon dated June 14, 2022.

Report on Internal Control Over Financial Reporting

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

Report on 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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of

noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 14, 2022

VILLAGE OF ROSEDALE
Rosedale, Louisiana
Schedule of Findings and Responses
For the Year Ended December 31, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unmodified

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?

___ Yes X No

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no current year findings.

VILLAGE OF ROSEDALE
Rosedale, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2021

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

No 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, 2021

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

No findings.

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**

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

To Mayor Blanchet and Members of the Board of Alderman
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Village of Rosedale's management is responsible for those C/C areas identified in the SAUPs.

The Village of Rosedale has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

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.

Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

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

- d) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

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

- e) **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.

- f) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

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

- g) **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.

- h) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

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

- i) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

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

- j) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

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

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Obtained board minutes and noted that meetings were held monthly.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public fund if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

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

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

The Village does not have any funds with a deficit fund balance.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Obtained listing of client bank accounts from management and management's representation that the listing is complete. Obtained bank statements and reconciliations for all bank accounts (4 total) for one random month during the period.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

No exceptions were found as a result of this procedure.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No exceptions were found as a result of this procedure.

- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

All bank reconciliations selected had items outstanding for more than 12 months with no documentation that management has researched or was in the process of clearing up those outstanding items.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Obtained listing of deposit sites (only 1 site) and management's representation that listing is complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees responsible for cash collections do not share cash drawers/registers.

Employees responsible for cash collections share one cash drawer.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

The employee responsible for collecting cash is not responsible for preparing/making bank deposits.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

The employee responsible for collecting cash is not responsible for posting collection entries to the general ledger.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

The employee responsible for reconciling cash collections to the general ledger is not responsible for collecting cash.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

No exceptions were found as a result of this procedure.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #2 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Deposits are made once a week on Friday for all cash collections from the week.

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

No exceptions were found as a result of this procedure.

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

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

The Village Hall is the only location that processes payments.

- 9. For each location selected under #7 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

No exceptions were found as a result of this procedure.

- b) At least two employees are involved in processing and approving payments to vendors.

No exceptions were found as a result of this procedure.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

No exceptions were found as a result of this procedure.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

No exceptions were found as a result of this procedure.

- 10. For each location selected under #7 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

No exceptions were found as a result of this procedure.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #8, as applicable.

No exceptions were found as a result of this procedure.

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

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

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

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

No exceptions were found as a result of this procedure.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions were found as a result of this procedure.

13. Using the monthly statements or combined statements selected under #11 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions were found as a result of this procedure.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

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

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

Contracts

- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

Obtained from management a listing of all agreements/contracts and management's representation that the listing is complete.

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

Payroll and Personnel

- 16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Obtained from management a listing of all employees and officials employed during the fiscal period and management's representation that the listing is complete.

- 17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #14 above, obtain attendance records and leave documentation for the pay period, and:

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

No exceptions were found as a result of this procedure.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

No exceptions were found as a result of this procedure.

- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exceptions were found as a result of this procedure.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exceptions were found as a result of this procedure.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

No exceptions were found as a result of this procedure.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions were found as a result of this procedure.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #15 under "Payroll and Personnel" above: obtain ethics documentation from management, and:

- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

No exceptions were found as a result of this procedure.

- b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

No exceptions were found as a result of this procedure.

Fraud Notice

21. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

No exceptions were found as a result of this procedure.

22. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions were found as a result of this procedure.

Information Technology Disaster Recovery/Business Continuity

23. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #15 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

No exceptions were found as a result of this procedure.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

No exceptions were found as a result of this procedure.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

a) Number and percentage of public servants in the agency who have completed the training requirements;

No exceptions were found as a result of this procedure.

b) Number of sexual harassment complaints received by the agency;

No exceptions were found as a result of this procedure.

c) Number of complaints which resulted in a finding that sexual harassment occurred;

No exceptions were found as a result of this procedure.

d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

No exceptions were found as a result of this procedure.

e) Amount of time it took to resolve each complaint.

No exceptions were found as a result of this procedure.

We were engaged by the Village of Rosedale to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Village of Rosedale and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Major, Morrison & David
New Roads, Louisiana
June 14, 2022

**VILLAGE OF ROSEDALE
Rosedale, Louisiana**

**Management's Response to Statewide Agreed-Upon Procedures
For the Year Ended December 31, 2021**

Management Response to Item:

- 3c. Effective immediately, management will begin researching all outstanding items on a monthly basis.
- 7d. 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.