

Village of Rosedale, Louisiana
Annual Financial Statements
Year ended December 31, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the Board of Aldermen
Village of Rosedale, Louisiana

I have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Rosedale, Louisiana, as of and for the year ended December 31, 2009, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. My responsibility is to express an opinion on these financial statements based on my audit. The prior year summarized comparative information has been derived from the Village's 2008 financial statements and, in my report dated June 26, 2009 I expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, and each major fund.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, and each major fund of the Village of Rosedale, Louisiana as of December 31, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated July 12, 2010 on my consideration of the Village of Rosedale's internal control over financial reporting and my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 9, and 33 and 34 be presented to supplement the basic financial statements. Such information, although not a part of the basis financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational,

economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Village of Rosedale, Louisiana's financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. I my opinion the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

W. Kathleen Beard

Certified Public Accountant

July 12, 2010

REQUIRED SUPPLEMENTARY INFORMATION (Part I)

VILLAGE OF ROSEDALE

Iberville Parish, Louisiana
P. O. Box 167
Rosedale, Louisiana 70772

INTRODUCTION

This annual report consists of -

- Our independent auditor's report on the financial statements in which she rendered an unqualified opinion.
- Management's discussion and analysis which provides in plain language an overview of our financial activities for the year.
- The basic financial statements which consists of government-wide financial statements, governmental fund financial statements, and the notes to those financial statements.
- The comparison of actual operations for the year compared to the budget.
- Our independent auditor's report on the Village's internal control over financial reporting and compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*. The results of those tests and observations found one significant deficiency in internal control (2009-1) and two instances of noncompliance (2009-2 and 2009-3). These findings have been corrected by management.
- Our independent auditor's report on the Village's compliance with requirements applicable to each major program and on internal control over compliance in accordance with OMB Circular A-133. The results of applying auditing procedures to the Assistance to Firefighters Grant 2008 found one instance of noncompliance (2009-4) which has been corrected by management.

Management's Discussion and Analysis

As management of the Village of Rosedale, Louisiana, we are pleased to provide an overview of our financial activities for the year ended December 31, 2009. The intended purpose of the Management Discussion and Analysis (MD&A) is to provide an introduction to the basic financial statements and notes, that provides an objective and easy to read analysis of our financial activities based on currently known facts, decisions, and conditions, by providing an easily readable summary of operating results and reasons for changes, which will help to determine if our financial position improved or deteriorated over the past year. This report addresses current operational activities the sources, uses, and changes in resources, adherence to budget, service levels, limitations of significant economic factors, and the status of infrastructure and its effects on our debt and operation. When referring to prior years data in this analysis we will be drawing upon information from last year's audited financial report.

Financial Highlights

- The Village's net assets increased by \$276,427 from \$2,805,283 in 2008 to \$3,081,710 in 2009
- Governmental revenues increased from \$813,956 to \$946,986
- Utility operating revenues decreased from \$47,748 to \$44,890

- Cash increased by \$335,580 for the year ended December 31, 2009

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements which are comprised of four components: (1) government-wide financial statements, (2) fund financial statements, (3) notes to the financial statements, and (4) other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The Village's *Government-wide Financial Statements* distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

The *Government-Wide Financial Statements*, presented on pages 10 and 11, are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of the Village's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in *net assets* may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The *Statement of Activities* presents information showing how the Village's *net assets* changed during the most recent fiscal year. All changes in *net assets* 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.

In the *Statement of Net Assets* and the *Statement of Activities*, the Village is divided into two kinds of activities:

Governmental activities – Most of the Village's basic services are reported here, including police and fire protection, roads/street and drainage, debt service and general administration. Sales taxes, franchise fees, occupational licenses, and federal and state grants finance most of these activities.

Business-type activities – The Village charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Village's water system is reported here.

Fund Financial Statements

A fund is a 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 of using certain taxes, grants, and other money. The Village's two kinds of funds – *governmental* and *proprietary* – use different accounting approaches.

Governmental Funds. -- Governmental funds, presented on pages 12 thru 18, focus on how money flows into and out of the funds and the balances left at year-end that are available for spending. Most of the Village's basic services are reported in governmental funds. These funds are reported using an accounting method called *modified accrual* accounting, which 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 helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. We describe the relationship (or differences) between *governmental activities* (reported in the *Statement of Net Assets* and the *Statement of Activities*) and *governmental funds* in a reconciliation following the fund financial statements.

Proprietary Fund – When the Village charges customers for the services it provides – whether to outside customers or to other units of the Village – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the Village's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash-flows, for proprietary funds.

Notes to the Financial Statements

The notes, presented on pages 19 thru 32, provide additional narrative and tabular information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's budgetary control, on page 31.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the Village's financial position. At the end of the most recent year, the assets of the Village exceeded its liabilities by \$3,081,710.

The Village's total assets are composed of \$761,072 (24.17%) in cash and receivables and \$2,366,320 (75.16%) investment in capital assets (land, buildings, utility systems, vehicles and equipment, etc.). The Village uses these capital assets to provide various services to residents and businesses in the incorporated area, these assets are not available for future spending.

The Village has \$715,392 to be used in future operations and acquisition of new capital assets that will improve the operations of the Village.

Statement of Net Assets

	Governmental Activities	Business-type Activities	Total 2009	Total 2008	% Change
Current and other assets	\$ 740,304	\$ 41,885	\$ 782,189	\$ 1,824,284	-57.12%
Capital assets	1,728,570	637,750	2,366,320	1,796,720	31.70%
Total assets	<u>2,468,874</u>	<u>679,635</u>	<u>3,148,509</u>	<u>3,621,004</u>	-13.05%
Current and other liabilities	38,839	27,958	66,797	154,155	-56.67%
Noncurrent liabilities			0	0	
Total liabilities	<u>38,839</u>	<u>27,958</u>	<u>66,797</u>	<u>154,155</u>	-56.67%
Net assets -					
Invested in capital assets, net of related debt	1,728,570	637,750	2,366,320	1,796,720	31.70%
Restricted	155,555		155,555		
Unrestricted	545,910	13,926	559,836	1,670,129	-66.48%
Total net assets	<u>\$ 2,430,035</u>	<u>\$ 651,676</u>	<u>\$ 3,081,711</u>	<u>\$ 3,466,849</u>	-11.11%

The Village's total revenues increased by \$173,433 from \$815,732 in 2008 to \$989,165 in 2009.

Total expenses increased by \$85,781 from \$626,958 in 2008 to \$712,739 in 2009.

Changes in Net Assets					
	Governmental Activities	Business-type Activities	Total 2009	Total 2008	% Change
Revenues:					
Program revenues -					
Charges for services	\$ 17,495	\$ 44,890	\$ 62,385	\$ 59,019	5.70%
Operating grants and contributions	20,491		20,491	22,934	
Capital grants and contributions	114,469		114,469	25,000	357.88%
General revenues -					
Sales taxes	728,165		728,165	610,303	19.31%
Other general revenues	63,574	81	63,655	98,476	-35.36%
Transfers	(22,667)	22,667	0	0	
Total revenues	921,527	67,638	989,165	815,732	21.26%
Functions/Program expenses -					
General government	167,647		167,647	145,274	15.40%
Public safety	193,807		193,807	174,123	11.30%
Public services	249,273		249,273	212,846	17.11%
Culture and recreation	2,874		2,874	2,790	3.01%
Utility operations		99,138	99,138	91,925	7.85%
Interest on long-term debt			0	0	
Total expenses	613,601	99,138	712,739	626,958	13.68%
Increase (Decrease) in net assets	\$ 307,926	\$ (31,500)	\$ 276,426	\$ 188,774	46.43%
Beginning net assets	2,122,107	683,176	2,805,283	2,616,510	7.21%
Ending net assets	\$ 2,430,033	\$ 651,676	\$ 3,081,709	\$ 2,805,284	9.85%

Governmental Fund Financial Analysis

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the Village's governmental fund is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

	General Fund	Special Revenue Fire Protection	Total 2009	Total 2008
Revenues	\$ 750,570	\$ 196,416	\$ 946,986	\$ 692,539
Expenditures	(489,786)	(146,276)	(636,062)	(482,779)
Surplus (deficit)	260,784	50,140	310,924	209,760
Transfers in (out)	(28,701)	6,034	(22,667)	(37,581)
Increase (Decrease) in net assets	\$ 232,083	\$ 56,174	\$ 288,257	\$ 172,179
Beginning net assets	328,352	66,080	394,432	343,461
Ending net assets	\$ 560,435	\$ 122,254	\$ 682,689	\$ 515,640

Budgetary Highlights

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. Amending the budget is a customary practice to reflect changes that occur with financially related matters throughout the year.

The *General Fund* budgeted revenues was amended for increases in sales tax revenues, grants received from the State of Louisiana, reimbursements from FEMA for Hurricane Gustav, and equipment donations from Titan Industries. Capital Outlays were amended for the replacement of the Town Hall roof caused by Hurricane Gustav, renovations to the Old Store building, a new computer server, culverts to improve drainage, equipment for the backhoe, and various other equipment either purchased or donated by Titan Industries. A budgetary comparison statement for the General Fund is required and can be found on page 33. This statement compares the original adopted budget, the final budget if amended, and the actual expenditures prepared on a budgetary basis which was prepared on the modified accrual basis of accounting.

The *Special Revenue – Fire Protection Fund* revenues were amended for increases in sales tax revenues, grant received from FEMA/Department of Homeland Security for the acquisition of emergency mobile radios and damages caused by Hurricane Gustav. Current expenditures were amended for the increase in costs incurred by the Iberville Firefighters Association. Capital outlays were amended to account for the cost of emergency mobile radios acquired in part from the grant received from FEMA.

The *Proprietary – Water Fund* revenues were amended to reflect increased projections of water usage charges.

Capital Assets

At December 31, 2009 and 2008, the Village had \$2,366,320 and \$2,370,235, respectively, invested in a broad range of capital assets, including land, buildings, utility systems, vehicles, and equipment.

During 2009, the Village made the following capital outlays --

- \$ 22,756.00 - Renovations to the old store for use as a cultural center and museum
- \$ 21,500.00 - Replacement of roof on Town Hall
- \$ 3,375.00 - Replacement of fence on east side of Park
- \$ 3,510.00 - Fence for art council park
- \$ 13,118.40 - Improvements to old fire station
- \$132,375.76 - Drainage improvements
- \$ 1,747.56 - Computer server for Town Hall
- \$ 2,553.20 - Upgrade to old radios for fire department
- \$ 4,345.00 - Hose for fire department
- \$ 67,188.00 - 4 mobile and 12 portable radios purchased with 90% federal grant and 10% fire funds
- \$ 17,109.32 - various equipment of which \$8,508 was donated by Titan Industries
- \$ 36,257.53 - digital water meter system in progress

Further detail on capital assets is presented in Note 6 on page 29.

	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Land	\$ 151,373	\$ 151,373			\$ 151,373	\$ 151,373
Construction in progress	4,006	106,116	\$ 36,258		40,264	106,116
Buildings	386,926	338,024			386,926	338,024
Improvements other than buildings	670,136	579,696			670,136	579,696
Machinery and equipment	516,129	539,851	31,166	\$ 37,759	547,295	577,610
Utility property			570,327	617,416	570,327	617,416
Totals	\$ 1,728,570	\$ 1,715,060	\$ 637,751	\$ 655,175	\$ 2,366,321	\$ 2,370,235

Economic Factors and Next Year's Budgets and Rates

The budget adopted for the year 2010 only shows a moderate increase to maintain the services provided to the citizens of the Village.

The Village relies heavily on sales tax revenues for the operations of both the General Fund (90%) and Fire Department (100%). Therefore, governmental activities are impacted by the growth reflected in the following table of sales tax revenues.

Table of Sales Tax Revenues

Year	General Fund 1% General Use	General Fund 2/3% General Use	General Fund 1% Capital Outlay	Fire Protection from Parish	Total Revenues
2006	\$ 209,810	\$ 139,873		\$ 119,114	\$ 468,797
2007	226,250	150,834	67,240	122,220	566,544
2008	217,236	144,824	130,892	117,351	610,303
2009	236,179	157,453	206,948	127,584	728,164

In addition to normal operations, the Village anticipates the following capital outlays during the year 2010:

- ◆ new police unit with equipment
- ◆ new utility tractor
- ◆ new culvert clean out machine
- ◆ continuing drainage projects
- ◆ continued renovations to cultural center and museum

The *Water System* shows a negative return of 120.67% on operating revenues which has been a continuing trend over the past few years requiring transfers from the General Fund from sales tax collections. Improvements are in progress to install new meters that will allow more accurate reading of water consumption and at the same time, back flow preventers are being installed to provide health safety measures to protect the citizens of Rosedale from unexpected contamination of the water lines. The cost of these improvements is budgeted at \$77,963 (labor will be provided by employees) with \$50,000 appropriated from the General Fund. Consequently, the water rates will increase effective June 1, 2010 from \$5.00 for the first 2,000 gallons plus \$1.00 per thousand gallons or fraction thereof over 2,000 gallons to \$9.75 for the first 2,000 gallons plus \$1.50 per thousand or fraction thereof over 2,000 gallons. The rate increase should provide sufficient revenues to cover the cost of operations, establish reserves to replace the system, and some excess to cover unforeseen repairs or maintenance.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ken Amedee, Town Clerk at (225) 648-2333 or write to the Village of Rosedale, Post Office Box 167, Rosedale, LA 70772.

BASIC FINANCIAL STATEMENTS

Village of Rosedale
Statement of Net Assets
December 31, 2009 with summarized comparative totals for 2008

	<u>Primary Government</u>		<u>2009</u>	<u>2008</u>
	<u>Governmental</u>	<u>Business-type</u>		
	<u>Activities</u>	<u>Activities</u>	<u>Totals</u>	<u>Totals</u>
ASSETS:				
Cash and cash equivalents				
Cash on hand and in banks	\$ 266,415	\$ 4,556	\$ 270,971	\$ 74,782
Investment in LAMP	396,005	29,659	425,664	286,273
Accounts receivable (net)				
Franchise	4,798	0	4,798	5,920
Others	1,954	5,327	7,281	5,175
Due from other governments	52,358	0	52,358	80,739
Due from other funds	0	755	755	0
Prepays	18,774	1,588	20,362	13,390
Capital assets				
Non-depreciable	155,379	36,258	191,637	257,489
Depreciable, net of accumulated depreciation	1,573,191	601,492	2,174,683	2,112,747
Total assets	2,468,874	679,635	3,148,509	2,836,515
LIABILITIES:				
Accounts payable	15,911	1,978	17,889	11,399
Accrued liabilities	8,265	0	8,265	9,514
Contracts payable	0	25,980	25,980	0
Due to Iberville Firefighters Assn	1,975	0	1,975	0
Due to other funds	755	0	755	0
Due to other governments	0	0	0	323
Liabilities for compensated absences	11,933	0	11,933	9,995
Total liabilities	38,839	27,958	66,798	31,231
NET ASSETS:				
Invested in capital assets, net of related debt	1,728,570	637,750	2,366,319	2,304,155
Restricted for Fire Protection	155,555	0	155,555	66,080
Unrestricted	545,910	13,926	559,837	435,047
Total net assets	\$ 2,430,034	\$ 651,676	\$ 3,081,710	\$ 2,805,283

The accompanying notes to the financial statements are an integral part of this statement

Village of Rosedale
Statement of Activities

For the Year Ended December 31, 2009 with summarized totals for 2008

Functions/Programs	Program Revenues			Net (Expense)Revenue and Changes in Net Assets			Primary Government	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	2009	2008
							Total	Total
Primary government:								
Governmental activities -								
General government	167,647	0	0	54,000	(113,647)	0	(113,647)	(145,274)
Public safety	193,807	3,805	8,190	60,469	(121,342)	0	(121,342)	(147,408)
Public services	249,273	13,690	12,300	0	(223,283)	0	(223,283)	(180,356)
Culture and recreation	2,874	0	0	0	(2,874)	0	(2,874)	(2,790)
Total governmental activities	613,601	17,495	20,491	114,469	(461,146)	0	(461,146)	(475,828)
Business-type activities -								
Water utilities	99,138	44,890	0	0	0	(54,248)	(54,248)	(44,177)
Total business-type activities	99,138	44,890	0	0	0	(54,248)	(54,248)	(44,177)
General revenues								
General purpose sales and use tax					600,581	0	600,581	492,952
Public safety sales and use tax					127,584	0	127,584	117,351
Franchise taxes					27,387	0	27,387	35,178
Occupational license					20,625	0	20,625	20,130
Building permits					3,535	0	3,535	1,781
Other taxes					947	0	947	950
Investment income					1,310	81	1,391	10,093
Other income					12,563	0	12,563	11,341
Special items - Gain on sale of capital assets					(2,793)	0	(2,793)	19,003
Transfers					(22,667)	22,667	0	0
Total general revenues and transfers					769,072	22,748	791,821	708,779
Change in net assets					307,926	(31,500)	276,427	188,774
Net assets, January 1,					2,122,107	683,176	2,805,283	2,616,510
Net assets, December 31,					\$ 2,430,034	\$ 651,676	\$ 3,081,710	\$ 2,805,283

The accompanying notes to the financial statements are an integral part of this statement

Village of Rosedale, Louisiana
Balance Sheet
Governmental Funds
December 31, 2009 with summarized comparative totals for 2008

	General Fund	Special Revenue Fire Protection Fund	2009 Total	2008 Total
ASSETS				
Cash and cash equivalents -				
Cash on hand and in banks	\$ 199,387	\$ 67,028	\$ 266,414	\$ 63,139
Investments in LAMP	347,258	48,747	396,004	274,695
Receivables -				
Franchise taxes	4,798	0	4,798	5,920
Other receivables	0	1,954	1,954	331
Due from other governments	43,497	8,861	52,358	80,739
Total Assets	\$ 594,939	\$ 126,590	\$ 721,529	\$ 424,823
LIABILITIES AND FUND BALANCES				
Accounts payable	\$ 13,715	\$ 2,196	\$ 15,911	\$ 10,615
Accrued liabilities	8,101	164	8,265	9,458
Due to Iberville Firefighters Assn.	0	1,975	1,975	0
Due to other funds	755	0	755	0
Due to other governments	0	0	0	323
Liabilities for compensated absences	11,933	0	11,933	9,995
Total Liabilities	34,504	4,335	38,839	30,391
Fund Balances -				
Reserved for grant restrictions	33,300	0	33,300	0
Reserved for fire protection	0	122,255	122,255	66,080
Unreserved	527,135	0	527,135	328,352
Total Fund Balances	560,435	122,255	682,690	394,432
Total Liabilities and Fund Balances	\$ 594,939	\$ 126,590	\$ 721,529	\$ 424,823

The accompanying notes to the financial statements are an integral part of this statement.

Village of Rosedale
Reconciliation of the Balance Sheet to the Statement of Net Assets
Governmental Funds
December 31, 2009 with summarized comparative totals for 2008

	2009	2008
Fund Balances - total governmental funds	\$ 682,690	\$ 394,432
 Amounts reported for governmental activities in the Statement of Net Assets are different because:		
 Capital assets used in governmental activities are not financial resources therefore are not reported in governmental funds		
Governmental capital assets	3,045,890	2,880,392
Less: accumulated depreciation	(1,317,320)	(1,165,330)
	1,728,570	1,715,061
 Prepaid insurance premiums in governmental activities are not recognized as expenditures for governmental funds		
	18,774	12,613
Net Assets of Governmental Funds	\$ 2,430,034	\$ 2,122,106

The accompanying notes to the financial statements are an integral part of this statement.

Village of Rosedale, Louisiana
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Years ended December 31, 2009 with summarized comparative totals for 2008

	<u>General</u> <u>Fund</u>	<u>Special Revenue</u> <u>Fire Protection</u> <u>Fund</u>	<u>Total</u>	<u>2008</u>
REVENUES:				
Taxes and licenses	\$ 51,547	\$ -	\$ 51,547	\$ 57,090
Intergovernmental revenue	671,325	196,243	867,568	662,620
Charges for services	13,890	0	13,690	7,490
Fines and forfeitures	3,805	0	3,805	3,781
Interest income	1,137	173	1,310	9,868
Miscellaneous	9,066	0	9,066	7,907
Sale of fixed assets	0	0	0	65,200
Total revenues	750,570	196,416	946,986	813,956
EXPENDITURES:				
Current -				
General government	159,854	0	159,854	136,625
Public safety	30,614	59,091	89,705	102,554
Public works	203,064	0	203,064	176,555
Capital outlay	96,254	87,185	183,439	504,191
Total expenditures	489,786	146,276	636,062	919,924
Excess Revenues Over (Under) Expenditures	260,784	50,141	310,925	(105,968)
OTHER FINANCING SOURCES (USES):				
Transfers in	0	6,034	6,034	4,988
Transfers (out)	(28,701)	0	(28,701)	(20,229)
Total Other Financing Sources (Uses)	(28,701)	6,034	(22,667)	(15,241)
Net Change in Fund Balances	232,083	56,175	288,258	(121,209)
FUND BALANCE:				
Beginning of Year	328,352	66,080	394,432	515,641
End of Year	\$ 560,435	\$ 122,255	\$ 682,690	\$ 394,432

The accompanying notes to the financial statements are an integral part of this statement

Village of Rosedale
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities
Governmental Funds
Year Ended December 31, 2009 summarized totals for 2008

	2009	2008
Net Change in Fund Balances - total governmental funds	\$ 288,258	\$ (121,209)
Amounts reported for governmental activities in Statement of Net Assets are different because:		
Expenditures in the Statement of Activities that do not use current financial resources are not reported as expenditures in the funds		
Current year	18,774	12,613
Prior year	(12,613)	(10,647)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives:		
Expenditures for capital assets	183,439	504,191
Less current year depreciation	(167,138)	(121,266)
Governmental funds report income equal to the proceeds from sale of capital assets whereas, the Statement of Activity reports gain or loss which reflects book value of assets when sold.		
	(2,793)	(46,197)
Net difference	19,668	338,694
Change in Net Assets of Governmental Funds	\$ 307,926	\$ 217,485

The accompanying notes to the financial statements are an integral part of this statement.

Village of Rosedale
Statement of Net Assets
Proprietary Funds
For the Year Ended December 31, 2009 with summarized comparative totals for 2008

		- Business-type Activities - Enterprise Fund - Water System	
ASSETS		2009	2008
Current assets -			
Cash and cash equivalents - Cash on hand and in checking	\$	4,556	\$ 11,643
Cash and cash equivalents - LAMP		29,659	11,578
Accounts receivable		5,327	4,844
Due from other funds		755	0
Prepaid expenses		1,588	777
Total Current Assets		41,884	28,842
Noncurrent assets -			
Capital assets			
Construction in progress		36,258	0
Distribution systems		1,220,396	1,220,396
Property and equipment		66,413	66,413
Less: accumulated depreciation		(685,316)	(631,635)
Property and equipment, net		637,750	655,174
Total Noncurrent Assets		637,750	655,174
Total Assets	\$	679,634	\$ 684,016
LIABILITIES			
Current liabilities -			
Accounts payable	\$	1,978	\$ 784
Contracts payable		25,980	0
Accrued liabilities		-	56
Total Current Liabilities		27,958	840
Total Liabilities		27,958	840
NET ASSETS			
Invested in capital assets, net of related debt		637,750	655,174
Unrestricted		13,926	28,002
Total Net Assets	\$	651,676	\$ 683,176

The accompanying notes to the financial statements are an integral part of this statement.

Village of Rosedale, Louisiana
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Fund
Year ended December 31, 2009 with summarized comparative totals for 2008

- Business-type Activities -
Enterprise Fund - Water System

	2009	2008
OPERATING REVENUES		
Charges for services	\$ 42,012	\$ 45,635
Connection/reconnection fees	1,925	1,975
Miscellaneous income	953	138
	44,890	47,748
OPERATING EXPENSES		
Personnel services	18,529	15,998
Purchased professional services	8,092	3,604
Current used in pumping	5,241	7,012
Other purchased services and expense	2,640	3,596
Repairs, maintenance & supplies	10,954	13,286
Depreciation	53,682	48,429
	99,138	91,925
Total Operating Expense	99,138	91,925
Operating Income (Loss)	(54,248)	(44,177)
NON-OPERATING REVENUES (EXPENSES)		
Interest income	81	225
	81	225
Total Nonoperating Revenues (Expenses)	81	225
Income (Loss) before transfers	(54,167)	(43,953)
Transfers in - General fund	22,667	15,241
	(31,500)	(28,712)
Change in net assets	(31,500)	(28,712)
Total net assets, beginning of year	683,176	711,888
Total net assets, end of year	\$ 651,676	\$ 683,176

The accompanying notes to the financial statements are an integral part of this statement.

**Village of Rosedale, Louisiana
Statement of Cash Flows
Proprietary Fund**

Year ended December 31, 2009 with summarized comparative totals for 2008

	- Business-type Activities - Enterprise Fund - Water System	
	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 44,407	\$ 47,601
Cash payments for goods and services	(28,217)	(28,274)
Cash payments for salaries	(17,667)	(15,998)
Net Cash Provided by (Used for) Operating Activities	(1,476)	3,329
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers in from general fund	22,667	15,241
Net Cash Provided by (Used for) Noncapital financing activities	22,667	15,241
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(10,278)	(10,051)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(10,278)	(10,051)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on Investments	81	225
Net Cash Provided by (Used for) Investing Activities	81	225
INCREASE (DECREASE) IN CASH	10,994	8,743
CASH AND CASH EQUIVALENTS, BEGINNING	23,221	14,478
CASH AND CASH EQUIVALENTS, ENDING	\$ 34,215	\$ 23,221
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating income (loss)	\$ (54,248)	\$ (44,177)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
Depreciation	53,682	48,429
Net Changes in Assets and Liabilities -		
(Increase) decrease in accounts receivable - customers	(483)	(147)
(Increase) decrease in prepaid expenses	(811)	72
(Increase) decrease in due from other funds	(755)	75
Increase (decrease) in accounts payable	1,194	(851)
Increase (decrease) in accrued liabilities	(56)	(73)
Increase (decrease) in due to other funds	0	0
Total adjustments	52,772	47,506
Net Cash provided by (used for) operating activities	\$ (1,476)	\$ 3,329

The accompanying notes to the financial statements are an integral part of this statement.

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2009

Introduction

The Village of Rosedale was incorporated August 2, 1955, under the provisions of Title 33, Chapter 2, Part 1, of the Louisiana Revised Statutes (Lawrason Act - Act No. 36 of 1898). The "Village" operates under a Mayor - Board of Aldermen form of government 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 is located in Iberville Parish, Louisiana and has a population of 881. The Board of Aldermen is comprised of three persons and the Village has 14 employees.

The Village's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Village has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Village has chosen not to do so. The more significant accounting policies established in GAAP and used by the Village are discussed below.

1. Summary of Significant Accounting Policies

A. Reporting Entity

GASB Statement No. 14, *The Financial 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 municipality is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the municipality may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The municipality has oversight of other component units that are, either blended into the municipality's basic financial statements or discretely presented in a separate column in the government-wide financial statements

Based on the aforementioned criteria, the Village of Rosedale has no component units.

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2009

1. Summary of Significant Accounting Policies (Continued)

B. Basic Financial Statements – Government–Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Village's police and fire protection, parks and recreation, public works and general administrative services are classified as governmental activities. The Village's water services are classified as business-type activities.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Village's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Village utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities. The net costs by function are normally covered by general revenue. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (public safety, public works and general administrative, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grant column reports capital-specific grants.

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net assets resulting from the current year's activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2009

1. Summary of Significant Accounting Policies (Continued)

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund presented in the financial statements is described as follows:

Governmental Funds: Governmental Funds are those through which general governmental functions of the Village are financed. The focus of the governmental fund's measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses and balances of current financial resources) rather than upon net income. Expendable assets are assigned to funds according to the purpose for which they may be used. Current liabilities are assigned to funds from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period operations of the Village.

General Fund - The General Fund is the main operating fund of the Village. It is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue resources (other than assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Proprietary Fund Types: Proprietary Funds are accounted for on a flow of economic resources measurement focus. The accounting objectives are a determination of net income, financial position and changes in cash flow. All assets and liabilities associated with a Proprietary Fund's activities are included on its balance sheet. The following are the Village's Proprietary Funds:

Enterprise Fund - Used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing water services to the general public on a continuing basis are financed through user charges.

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2009

1. Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting

Basis of Accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It related to the timing of the measurements made regardless of the measurement focus applied.

Accrual: Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Non-exchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges, and other exchange revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual: The governmental fund financial statement is presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are generally recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt, if any, is recognized when due, and employee vacation and sick leave, which are recognized when due and payable.

E. Use of Estimates

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

F. Defining Operating Revenues and Expenses

The Village's proprietary funds distinguish between operating and non-operating revenues and expenses. Operating revenues and expenses of the Village's water fund consists of charges for services and the costs of providing those services, including depreciation. All other revenues and expenses are reported as non-operating.

G. Comparative Information

The financial statements include prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Village's financial statements for 2008 from which the summarized information was derived.

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2009

1. Summary of Significant Accounting Policies (Continued)

H. Cash and Investments

State statutes authorize the Village of Rosedale to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the state laws of the State of Louisiana, which operates a local government investment pool. Investments are stated at fair value.

I. Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Proprietary Fund considers cash balances above the day to day needs and funds set aside for portfolio strategy reasons invested in demand deposits, certificates of deposit, obligations of the U. S. Treasury, federal agencies, or U. S. government instrumentalities with original maturities of 90 days or less to be cash equivalents. Investments in Louisiana Asset Management Pool (LAMP) are also considered cash equivalents. LAMP assets are restricted to maturities of 90 days or less, at balance sheet date.

J. Accounts Receivable

Bad debts are charged to operations in the year in which the account is determined uncollectible. If the reserve method of accounting for uncollectible accounts were used, it would not have a material effect on the financial statements.

K. Inventories and Prepaid Items

All inventories are valued at cost. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and business-type fund financial statements.

L. Interfund Activity

Legally authorized transfers are included in the results of operations of both Governmental and Proprietary Funds. Advances between funds which are expected to be repaid are classified as the current receivable/liabilities, "Due to/from other funds".

The Village allocates to the Special Revenue and Enterprise Funds a percentage of salaries and wages and related costs of personnel who perform services for the Fire Department and Water System but were paid through the General Fund.

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2009

1. Summary of Significant Accounting Policies (Continued)

M. Capital Assets

Capital assets, which include property, plant equipment, and infrastructure assets (e.g. roads, bridges, sidewalk 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 historical cost. Contributed assets are reported at fair market value as of the date received.

Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. The Village maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the current fiscal year no interest was incurred in the capitalized projects.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	40 Years
Land improvements	20 Years
Water distribution system	20 Years
Mowers, tractors and attachments	15 Years
Fire trucks	15 Years
Fire fighting equipment	10 Years
Light trucks & equipment	5 Years

N. Compensated Absences

Employees of the Village earn personal leave (vacation or sick leave) at various rates depending upon length of employment. 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 month period. Employees who resign or retire, or who are dismissed from employment shall not be paid for accrued leave.

Compensatory leave may be earned by a full-time employee and by the municipal clerk at time and one-half for overtime work and for work required on an observed holiday whenever the employee or clerk is not paid compensation for such work. Any employee who accrues two hundred forty hours of compensatory leave shall, for any additional overtime hours or work, be paid overtime compensation at time and one-half rate. Upon separation, each employee shall be paid the value of his accrued compensatory leave in a lump sum.

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2009

1. Summary of Significant Accounting Policies (Continued)

O. Government-wide and Proprietary Fund Net Assets

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

- Invested in capital assets, net of related debt - 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 assets - consist of net assets that are 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 assets are reported in this category.

2. Stewardship, Compliance and Accountability

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

1. A proposed budget is prepared and submitted to the Mayor and Board of Aldermen prior to the beginning of each fiscal year. The proposed budget summary is published in the official journal and made available for public inspection. A public hearing is called to obtain taxpayer comments.
2. The budget is adopted through passage of an ordinance prior to commencement of the fiscal year for which the budget is being adopted.
3. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require approval from the Board of Aldermen.
4. Budgets for the General and Special Revenue Funds are adopted on a GAAP basis, therefore these funds utilize the same basis of accounting for both budgetary purposes and actual results. The Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - for presents a comparison of budgetary data and actual results of operations for which budgets are legally adopted. Capital Projects Funds are budgeted over the life of the project and not on an annual basis therefore budgetary data for this fund has not been presented in the accompanying financial statements.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The level of budgetary control is total appropriations.

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2009

3. Deposits and Investments

Cash and Cash equivalents include Cash on hand, petty cash, bank accounts and short-term investments. See Note 1 (H) and (I) for additional cash disclosure information. At December 31, 2009 the Village had cash and cash equivalents (book balances) totaling \$696,633 comprised of the following:

Petty cash	\$	100
Checking accounts		270,870
LAMP		425,663
	\$	<u>696,633</u>

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. State law requires 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.

Deposits in financial institutions reported as components of cash and cash equivalents had a bank balance of \$276,160 at December 31, 2009, of which \$250,000 was fully insured by federal deposit insurance. The remainder was secured by deposit collateral consisting of pledged securities having a market value of \$ 327,795, held by the pledging financial institution's safekeeping agent but not the Village's name (GASB Category 3).

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

Investments

Investments held at December 31, 2009 include \$425,663 invested in the Louisiana Asset Management Pool, Inc. (LAMP) (see Summary of Significant Accounting Policies). The LAMP portfolio includes only securities and other obligations in which local governments are authorized to invest in accordance with LA-RS 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U. S. government or one of its agencies, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2009

3. Deposits and Investments (Continued)

days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. LAMP issues a publicly available financial report that included financial statements and required supplementary information for MPERS. The report may be obtained by calling 1-800-272-8162.

Investment Credit Risk: LAMP is rated AAAM by Standard's & Poor's.

4. Intergovernmental Receivables and Revenues

Intergovernmental receivables and revenues at December 31, 2009 were as follows:

Receivables:	General Fund	Special Revenue Fire Protection	Total
Iberville Parish Sales Tax	\$ 39,534	\$ 8,265	\$ 47,799
State of Louisiana -			
Beer tax	218	-	218
Highway Maintenance	3,745	-	3,745
Village of Grosse Tete	-	596	596
Totals	<u>\$ 43,497</u>	<u>\$ 8,861</u>	<u>\$ 52,358</u>
Revenues:			
Iberville Parish Sales Tax -	\$ 393,632	\$ 127,584	\$ 521,217
Iberville Parish Sales Tax - 1%	206,948	-	206,948
State Beer Tax	947	-	947
State Act 19 Grant	19,000	-	19,000
State Act 22 Grant	35,000	-	35,000
State Fire Insurance Rebate	3,497	-	3,497
DHS/FEMA - Diaster Grants Public Assistance	12,300	8,190	20,490
DHS/FEMA Assistance to Firefighters Grant	-	60,469	60,469
Totals	<u>\$ 671,325</u>	<u>\$ 186,243</u>	<u>\$ 867,568</u>

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2009

5. Interfund Transactions

A summary of interfund receivables and payables at December 31, 2009 and interfund transfers during 2009 follows:

Interfund Receivables/Payables:	General Fund	Special Revenue Fire Protection	Enterprise Fund Water System
Due from other funds	\$ -	\$ -	\$ 755
Due to other funds	755	-	-
Totals	\$ 755	\$ -	\$ 755

Interfund Transfers In/(Out):

Transfers In -			
Salaries	\$ -	\$ 6,033	\$ 22,667
Operating	-	-	-
Capital acquisitions	-	-	-
Totals	\$ -	\$ 6,033	\$ 22,667

Transfers (Out) -			
Salaries	\$ (28,701)	\$ -	\$ -
Operating	-	-	-
Capital acquisitions	-	-	-
Totals	\$ (28,701)	\$ -	\$ -

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2009

6. Capital Assets

A summary of the capital assets associated with the governmental funds are as follows:

	<u>Balance</u> <u>1/1/2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2009</u>
Governmental Activities				
Non-depreciable: Land	\$ 151,373			\$ 151,373
Construction in progress	106,116	4,006	(106,116)	4,006
Total Non-depreciable	<u>257,489</u>	<u>4,006</u>	<u>(106,116)</u>	<u>155,379</u>
Depreciable:				
Buildings	566,856	64,259		631,115
Improvements other than buildings	1,006,291	128,366	(2,950)	1,131,707
Machinery & equipment	1,049,755	92,923	(14,990)	1,127,688
Total Depreciable	<u>2,622,903</u>	<u>285,548</u>	<u>(17,940)</u>	<u>2,890,511</u>
Total Capital Assets	<u>2,880,392</u>	<u>289,554</u>	<u>(124,056)</u>	<u>3,045,890</u>
Less: Accumulated depreciation				
Buildings	228,832	15,358		244,189
Improvements other than buildings	426,595	36,468	(1,491)	461,572
Machinery & equipment	509,904	115,312	(13,657)	611,559
Total	<u>1,165,330</u>	<u>167,138</u>	<u>(15,148)</u>	<u>1,317,320</u>
Net Book Value	<u><u>\$ 1,715,061</u></u>			<u><u>\$ 1,728,570</u></u>

Depreciation expense charged to functions of the primary government as follows:

General government	\$ 8,654
Public safety - police & fire	110,933
Public services	44,678
Culture & recreation	2,874
	<u>\$ 167,138</u>

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2009

6. Capital Assets (Continued)

A summary of proprietary fund type property, plant and equipment at December 31, 2009 follows:

Enterprise Fund - Water System:

	<u>Balance</u> <u>1/1/2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2009</u>
Business-type Activities				
Non-depreciable - Construction in progress	\$ -	\$ 36,258	\$ -	\$ 36,258
Total Non-depreciable	0	36,258	0	36,258
Depreciable:				
Distribution system	1,220,396	0	0	1,220,396
Machinery & equipment	66,413	0	0	66,413
Total Depreciable	<u>1,286,809</u>	<u>0</u>	<u>0</u>	<u>1,286,809</u>
Total Capital Assets	1,286,809	36,258	0	1,323,068
Less: Accumulated depreciation				
Distribution system	602,980	47,089	0	650,069
Machinery & equipment	<u>26,654</u>	<u>6,593</u>	<u>0</u>	<u>35,247</u>
Total Accumulated depreciation	<u>631,635</u>	<u>53,682</u>	<u>0</u>	<u>685,316</u>
 Net Book Value	 <u>\$ 655,174</u>			 <u>\$ 637,750</u>

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2009

7. Pension Plans

Municipal Employees' Retirement System -

Plan Description Substantially all of the Village of Rosedale's full time employees participate in the Municipal Employees' Retirement System ("MERS") - Plan "A", a cost sharing multiple-employer defined benefit pension plan administered by the Louisiana Municipal Employee's Retirement System. All Village full-time employees are eligible to participate in the System. Employees who retire at or after age 55 with 30 years of credited service and at or after 60 with 10 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 % of their final compensation for each year of creditable service. Final compensation is the employee's average highest compensation for 36 consecutive months. Benefits fully vest on reaching 10 years of service. Vested employees may retire before age 60 and receive reduced retirement benefits. The System also provides death and disability benefits. Benefits are established by State statute. The Municipal Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for MERS. The report may be obtained by calling 1-225-925-4810.

Funding Policy The payroll for employees covered by the System for the year ended December 31, 2008 was \$ 97,496; the Village's total payroll was \$215,480. Covered employees are required by State statute to contribute 9.25% of their salary to the System. The Village is required by the same statute to contribute 13.5% of the employee's eligible compensation quarterly to the System. The contribution requirement for the years ended December 31, 2009, 2008 and 2007 was \$29,637, \$24,813 and \$22,830, respectively.

8. Risk Management

The Village purchases commercial insurance to protect against risk of loss in these areas: workers' compensation liability, general liability, law enforcement liability, public officials' errors and omissions, automobile liability and physical damage coverage and property fire coverage. There have been no significant reductions in coverage since the prior year

9. Economic Dependence

The Village of Rosedale received 75% of its total revenue from parish sales tax. Proceeds of the 1% sales tax are to be used for the purposes of opening, constructing, paving and improving streets, sidewalks, roads and alleys, constructing bridges, purchasing or constructing waterworks, sewers, drains, drainage canals, pumping plants, sewerage disposal works, light and power plants, gas plants, halls, jails, fire departments' stations, and equipment, hospitals, auditoriums, public parks, natatoriums, libraries, docks, wharves, river terminals and other public buildings, including the necessary equipment and furnishings there for. The 1% sales and use tax is used by the Village to pay the cost of capital outlay projects; to maintain and operate public facilities, to administer local governments, and to provide other lawful services. Additionally, proceeds of the 2/3% sales and use tax provided by the Iberville Parish Council is dedicated for fire protection for the Village.

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2009

10. Federal funds

During 2009 the Village of Rosedale acted as regional host (pass-through entity) for the Assistance to Firefighters Grant from the U. S. Department of Homeland Security for the purchase of radios. The approved project cost was \$1,092,461, the federal share was 90 % or \$983,215 of the approved amount, and the local share was 10% or \$109,246. The federal share passed through to sub-recipients and the local share cost was allocated based on the number of radios each department received as follows:

Sub-Recipient	Mobile Radios @ \$ 4,788.00	Portable Radios @ \$ 4,003.00	Project Cost Total	Federal Funds Passed Through	Local Contribution
Maringouin	5	16	\$ 87,988.00	\$ 79,189.20	\$ 8,798.80
Bayou Blue	8	28	150,388	135,349	15,039
Plaquemine	8	46	222,442	200,198	22,244
East Iberville	8	30	158,394	142,555	15,839
Bayou Goula	3	11	58,397	52,557	5,840
White Castle	8	25	138,379	124,541	13,838
Bayou Pigeon	3	11	58,397	52,557	5,840
Bayou Sorrell	4	11	63,185	56,867	6,319
Grosse Tete	4	17	87,203	78,483	8,720
Rosedale	4	12	67,188	60,469	6,719
	<u>55</u>	<u>207</u>	<u>1,091,961</u>	<u>982,765</u>	<u>109,196</u>
Other Costs:					
Grant Writer Fee			500	450	50
Total Project Cost			<u>\$ 1,092,461</u>	<u>\$ 983,215</u>	<u>\$ 109,246</u>

11. Contingencies

The Village participates in various federal and state grant assisted programs. The programs are subject to program compliance audits by the grantors or their representatives. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

REQUIRED SUPPLEMENTARY INFORMATION (Part II)

Village of Rosedale, Louisiana
Budgetary Comparison Schedule
General Fund

For the Year Ended December 31, 2009 with summarized comparative totals for 2008

	<u>Budgeted Amounts</u>		2009	Variance with	2008
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Over (Under)</u>	<u>Actual Amounts</u> <u>(Budgetary Basis)</u>
Revenues					
Taxes and licenses	\$ 53,850	\$ 50,900	\$ 51,547	\$ 647	\$ 57,090
Intergovernmental revenue	599,500	731,900	671,325	(60,575)	545,269
Charges for services	7,500	13,500	13,690	190	7,490
Fines & Forfeitures	3,000	3,500	3,805	305	3,781
Interest income	4,500	1,200	1,137	(63)	5,797
Miscellaneous	5,200	9,100	9,066	(34)	7,567
Sale of capital assets	0	0	0	0	200
Total Revenues	673,350	810,100	750,570	(59,530)	627,193
Expenditures					
General administration	157,440	180,825	159,854	20,971	136,825
Public safety - Police	33,910	30,810	30,614	196	34,199
Public works - Streets & sanitation	225,500	201,150	203,064	(1,914)	176,555
Capital outlay	0	121,414	96,254	25,160	215,954
Total Expenditures	416,850	534,199	489,786	44,413	563,333
Excess (Deficiency) of Revenues Over Expenditures	256,500	275,901	260,784	(15,117)	63,860
OTHER FINANCING SOURCES (USES):					
Operating transfers (out)	(24,400)	(23,500)	(28,701)	(5,201)	(20,229)
Total Other Financing Sources (Uses)	(24,400)	(23,500)	(28,701)	(5,201)	(20,229)
Net Change in Fund Balances	232,100	252,401	232,083	(20,318)	43,631
Beginning Fund Balance	350,970	328,345	328,352	7	284,720
Ending Fund Balance	\$ 583,070	\$ 580,746	\$ 560,435	\$ (20,311)	\$ 328,352

Notes to Budgetary Schedule:

- Budget reflects Modified Accrual Basis of Accounting

Village of Rosedale, Louisiana
Budgetary Comparison Schedule
Special Revenue Fund - Fire Protection
For the Year Ended December 31, 2009 with summarized comparative totals for 2008

	<u>Budgeted Amounts</u>		2009	Variance with	2008
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Over (Under)</u>	<u>Actual Amounts</u> <u>(Budgetary Basis)</u>
REVENUES					
Intergovernmental revenue	\$ 116,000	\$ 177,069	\$ 196,243	\$ 19,174	\$ 117,351
Interest income	600	200	173	(27)	4,071
Miscellaneous income	0	0	0	0	340
Sale of capital assets	0	0	0	0	65,000
Total Revenue	116,600	177,269	196,416	19,147	186,762
EXPENDITURES					
Public safety - Fire	64,600	82,250	59,091	23,159	68,355
Capital outlay	0	57,032	87,185	(30,153)	288,237
Total Expenditures	64,600	139,282	146,275	(6,993)	356,592
Excess (Deficiency) of Revenues Over					
Charges to Expenditures	52,000	37,987	50,141	12,154	(169,829)
OTHER FINANCING SOURCES (USES):					
Operating transfers (in)	5,400	6,300	6,034	(266)	4,988
Total Other Financing Sources (Uses)	5,400	6,300	6,034	(266)	4,988
Net Change in Fund Balances	57,400	44,287	56,175	11,888	(164,841)
Beginning Fund Balance	57,370	66,077	66,080	3	230,921
Ending Fund Balance	\$ 114,770	\$ 110,364	\$ 122,255	\$ 11,891	\$ 66,080

Notes to Budgetary Schedule:

- Budget reflects Modified Accrual Basis of Accounting

OTHER SUPPLEMENTARY INFORMATION

Village of Rosedale, Louisiana
Schedule of Per Diem and Paid to the Mayor and Board Members
Year ended December 31, 2009

	Total
Mayor -	
Lawrence J. Badeaux	\$14,400
Members of the Board of Aldermen	
Kevin Gantt	7,200
Randel J. Badeaux	7,200
Dana Alexander	7,200
	<u>21,600</u>
	<u>\$36,000</u>

INFORMATION REQUIRED BY GOVERNMENT AUDITING STANDARDS

W. Kathleen Beard
Certified Public Accountant
10191 Bueche Rd. - Erwinville, LA 70729
(225) 627-4537 - FAX (225) 627-4584

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

To the Honorable Mayor and
Members of the Board of Aldermen
Village of Rosedale, Louisiana

I have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the of the Village of Rosedale, Louisiana, as of and for the year ended December 31, 2009, which collectively comprise the Village of Rosedale's basic financial statements, and have issued my report thereon dated July 12, 2010. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Village of Rosedale, Louisiana's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Rosedale, Louisiana's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Village of Rosedale, Louisiana's internal control over financial reporting.

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.

My consideration of internal control over financial reporting was for a limited purpose described in the first paragraph of this section and designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above. However, I identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as item 2009-1. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Rosedale's basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Item 2009-2 and 2009-3.

The Village of Rosedale's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. I did not audit the Village of Rosedale's response and, accordingly, I express no opinion on it.

This report is intended for the information of the mayor and members of the Board of Aldermen of the Village of Rosedale, Louisiana and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

W. Kathleen Beard
Certified Public Accountant
July 12, 2010

INFORMATION REQUIRED BY OMB CIRCULAR A-133

W. Kathleen Beard
Certified Public Accountant

10191 Bueche Rd. - Erwinville, LA 70729
(225) 627-4537 - FAX (225) 627-4584

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Honorable Mayor and
Members of the Board of Aldermen
Village of Rosedale, Louisiana

Compliance

I have audited the compliance of Village of Rosedale, Louisiana, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. Village of Rosedale, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Village of Rosedale, Louisiana's management. My responsibility is to express an opinion on the Village of Rosedale, Louisiana's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village of Rosedale, Louisiana's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of the Village of Rosedale, Louisiana's compliance with those requirements.

In my opinion, the Village of Rosedale, Louisiana, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009. However, the results of my auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2009-4.

Internal Control Over Compliance

Management of the Village of Rosedale, Louisiana, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered the Village of Rosedale, Louisiana's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Village of Rosedale, Louisiana's internal control over compliance.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. However, as discussed below, I identified certain deficiencies in internal control over compliance that I consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. I consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2009-4 to be a material weakness.

Village of Rosedale, Louisiana's responses to the findings identified in my audit are described in the accompanying schedule of findings and questioned costs. I did not audit Village of Rosedale, Louisiana's responses and, accordingly, I express no opinion on the responses.

This report is intended solely for the information and use of management, Village Board of Aldermen, others within the entity, and federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

W. Kathleen Beard

Certified Public Accountant

July 12, 2010

Village of Rosedale
Schedule of Expenditures of Federal Awards
Year ended December 31, 2009

<u>Grantor Program Name</u>	<u>CFDA Number</u>	<u>Grant Amount</u>	<u>Federal Receipts</u>	<u>Federal Expenditures</u>
Federal Emergency Management Agency Assistance to Firefighters Grant 2008 Operations and Safety Program	97.044	\$ 983,215	\$ 983,215	\$ 983,215

Notes to Schedule of Expenditures of Federal Awards

General -

The Village of Rosedale's Schedule of Expenditures of Federal Awards presents the activity of the federal financial assistance programs of the Village. All federal financial assistance received directly from federal agencies is included on the schedule.

Basis of Accounting -

The Village of Rosedale's Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Village of Rosedale's financial statements for the year ended December 31, 2009.

Sub-recipients -

The Village of Rosedale acted as the pass-through entity for the Assistance to Firefighters Grant, federal financial assistance in the form of equipment was passed through to sub-recipients as follows:

<u>Sub-Recipient</u>	<u>Mobile Radios @</u>	<u>Portable Radios @</u>	<u>Project Cost Total</u>	<u>Federal Share (90%) Passed Through</u>	<u>Local Share (10%)</u>
Maringouin Fire Department	5	16	\$ 87,988.00	\$ 79,189.20	\$ 8,798.80
Bayou Blue Fire Department	8	28	150,388	135,349.20	15,038.80
Plaquemine Fire Department	8	46	222,442	200,197.80	22,244.20
East Iberville Fire Department	8	30	158,394	142,554.60	15,839.40
Bayou Goula Fire Department	3	11	58,397	52,557.30	5,839.70
White Castle Fire Department	8	25	138,379	124,541.10	13,837.90
Bayou Pigeon Fire Department	3	11	58,397	52,557.30	5,839.70
Bayou Sorrell Fire Department	4	11	63,185	56,866.50	6,318.50
Grosse Tete Fire Department	4	17	87,203	78,482.70	8,720.30
Rosedale Fire Department	4	12	67,188	60,469.20	6,718.80
	<u>55</u>	<u>207</u>	<u>1,091,961</u>	<u>982,765</u>	<u>109,196</u>

Other Costs:

Grant Writer Fee

500	450	50
<u>Total Project Cost</u>	<u>\$ 1,092,461</u>	<u>\$ 983,215</u>
	<u>\$ 109,246</u>	

Village of Rosedale, Louisiana
Schedule of Findings and Questioned Costs
As of and for the year ended December 31, 2009

Summary of Audit Results

Financial Statements

Type of auditor's report issued: Unqualified

Report on Internal Control and Compliance Material to the Financial Statements

- Material Weaknesses Yes No Significant deficiencies Yes No
- Noncompliance Material to the Financial Statements Yes No

Federal Awards

Internal Control over major federal awards

- Material Weaknesses Yes No Significant Deficiencies Yes No

Type of auditor's report issued on compliance for major Programs: Unqualified

Any findings disclosed that are required to be reported in accordance
with section 510(a) of Circular A-133 Yes No

Identification of major programs:

CFDA Number

Name of Federal Program or Cluster

97.044

Assistance to Firefighters Grant 2008

- The threshold for distinguishing Type A and B programs was program expenditures exceeding \$300,000.
- Village of Rosedale qualifies as a low-risk auditee.
- Management letter issued? Yes No

Village of Rosedale, Louisiana
Schedule of Findings and Questioned Costs
As of and for the year ended December 31, 2009

Findings – Financial Reporting

2009-1 Invoice paid without prior approval

Condition: An invoice in the amount of \$13, 010.56 was paid without approval of the governing board, nor was it provided for in the operating budget. Additionally, there was no intergovernmental cooperative agreement authorizing the transaction between the two parties.

Criteria: Expenditures of public funds should be approved by the governing body before the obligation for payment is incurred, whether by official act in public meeting or by approved budget. The Village of Rosedale's internal control policies and procedures require approval by the governing board prior to obligating the Village's funds for significant and unusual expenditures.

Cause: Lack of communication between department heads and governing body, resulting in inadequate oversight of certain activities by the governing board.

Effect: Lack of control over expenditure of public funds.

Recommendation: Develop and adopt an internal control policy that clearly defines the roles and responsibilities of all employees and includes a procurement policy that sets forth specific procedures for obligating the Village's funds.

Management's Response: Internal control policies and procedures are being drafted in written form which will require the Town Clerk to certify that all purchase requests are in compliance with the adopted budget and that funds are available to cover the purchase request. If the purchase request is not covered in the budget, the Mayor must request approval of the Town Council to amend the budget and state which funds will be used to pay for the purchase request. The Village attorney will draft an intergovernmental agreement.

2009-2 Personal Use of public vehicle

Condition: A vehicle assigned to Village personnel was used as a personal vehicle beyond the permitted commuting to and from home and work.

Criteria: Louisiana Constitution Article VII, Section 14 contains the constitutional standard for the lawful use of public funds and property and generally prohibits the state and its political subdivisions from loaning, pledging or donating public funds, assets or property to persons, associations or corporations, public or private.

Cause: Oversight

Village of Rosedale, Louisiana
Schedule of Findings and Questioned Costs
As of and for the year ended December 31, 2009

Findings – Financial Reporting (continued)

2009-2 Personal Use of public vehicle (continued)

Recommendation: Adopt a policy for use of all vehicles owned by the Village that includes a definition of and prohibition of personal use.

Management's Response: The Village has adopted a policy notifying all employees that Village assets can only be used for town business.

2009-3 Violation of LRS 39:1303 "Local Budget Act"

Condition: Actual revenues were 7.35% under budget in the General Fund; actual expenditures were 5.02% over budget in the Special Revenue – Fire Protection Fund.

Criteria: As required by LRS 39:1303, the Board is required to amend the budget when actual revenues are less than five percent under budget or expenditures are more than five percent over budget.

Cause: Timing differences in budgeting grant revenue, and miscalculation of FEMA reimbursements due to failure to reverse prior year accrual caused revenues to be over budgeted. Miscalculation in amending the budget for expenditures was due to lack of accurate information with regards to participation in the Assistance to Firefighters Grant.

Effect: Violation of LRS 39:1303 and lack of control over expenditure of funds.

Recommendation: Define procedures for expenditure approvals and use of budget as a management tool, closely monitor budget and obtain all relevant information when amending budget.

Management's Response: The new internal control policies and procedures should correct the communication problem that resulted in erroneous figures used in amending the budget for the effects of the Assistance to Firefighters Grant.

Village of Rosedale, Louisiana
Schedule of Findings and Questioned Costs
As of and for the year ended December 31, 2009

Findings and Questioned Costs – Major Federal Award Programs

97.044 Assistance to Firefighters Grant FY 2008

2009-4 Procurement, Suspension and Debarment

Condition: The Village of Rosedale received the U. S. Department of Homeland Security FEMA - Assistance to Firefighters Grant of \$983,215 to purchase radios for the 10 fire departments in Iberville Parish. The total cost of the radios was \$1,091,961, the 10% matching share of \$109,264 was allocated based on the number of radios received by each department. Internal controls were not established requiring written documentation of procurement procedures performed. There was no written documentation justifying their determination for use of sole source purchase method prior to ordering the radios. Specifically there was no written documentation of the following:

- verification with the manufacturer Harris Corporation that Tri Parish Communication was the sole source for this product
- cost analysis or attempts to obtain price quotes from other distributors and their decline to provide quotes due to corporate policy
- consideration of other alternatives or documentation that equipment purchased was the only viable option
- verification that the vendor was not suspended, debarred or otherwise excluded

Additionally, there was no monitoring of the procurement activities performed by Village management, particularly in the initial stages of the procurement process.

Criteria: The Assistance to Firefighters Grant requires compliance with OMB Circular A – 102 and 44CFR Emergency Management and Assistance, specifically Part §13.36 entitled “Procurement”, which states that purchase by noncompetitive proposals may be used only when the award of a contract is infeasible under specific circumstances, one of which is when the item is available only from a single source. It also requires grantees’ to maintain records sufficient to detail the significant history of a transaction. Additionally grantees are required to maintain documentation of all procurement procedures performed.

The grant also required compliance with 44CFR Part 17 Government-wide Debarment and Suspension (Non-procurement) which requires that contracts not be made with parties on the General Services Administrations’ *Excluded Parties List System (EPLS)*. The list contains the names of parties, debarred, suspended or otherwise excluded by agencies, and contractors declared ineligible. This verification is accomplished by checking the *Excluded Parties List System (EPLS)* which can be accessed on the internet at <http://epls.arnet.gov>.

Village of Rosedale, Louisiana
Schedule of Findings and Questioned Costs
As of and for the year ended December 31, 2009

Findings and Questioned Costs – Major Federal Award Programs (continued)

97.044 Assistance to Firefighters Grant FY 2008 (continued)

2009-4 Procurement, Suspension and Debarment (continued)

Context: The per unit cost of the equipment was included in the application approved by the grantor, no deviations from the approved unit cost were noted.

Questioned Costs: N/A

Cause of Condition: Absence of procedures for identification of significant laws and regulations applicable to the program, absence of effective policies and procedures for ensuring compliance with those laws and regulations and absence of involvement and monitoring by Village of Rosedale management, particularly in the initial stages of the procurement process, due to lack of communication between the fire personnel and management.

Effect of Condition: Possible violation of grant compliance requirements.

Recommendation: Establish policies and procedures to ensure that all applicable laws, regulations and provisions of contracts or grant agreements are identified and complied with.

Management's Response: This was the first grant of this type that the Village administered. Advice from consultants stated that the radios had to meet certain criteria for the radios to work with Iberville Parish's communications equipment. We were told which equipment met this criteria and that there was only one vendor in the State of Louisiana. However, no evidence to support the sole source was received before the purchases were made.

We received a letter dated July 1, 2010 from Harris Corporation (manufacturer) that Iberville Parish was using their equipment and there was no other equipment manufactured that will operate with the Parish system.

We received a letter dated June 30, 2010 from Harris Corporation (manufacturer) stating that they authorize exclusive distributorship areas to their qualified distributors and forbids the distributor from quoting or selling these proprietary products outside of their assigned territory.

We received a letter dated July 1, 2010 from Harris Corporation (manufacturer) stating that Tri Parish Communications was the only authorized dealer in 2009 for the State of Louisiana.

Since the purchase was from a sole source, it was management's opinion that there was no need to perform a cost comparison because there was no other equipment that could be used with the Iberville Parish communications equipment.

Village of Rosedale, Louisiana
Schedule of Prior Year Audit Findings
As of and for the year ended December 31, 2009

Prior Year Findings:

Section I – Internal Control and Compliance to the Financial Statements

None

Section II – Internal Control and Compliance Material to Federal Awards

N/A – Federal awards below \$500,000 thresh hold required by OMB Circular A- 133

Section III - Management Letter

Recommendation:

Perform review and evaluation of general accounting procedures, utility billing and collection procedures and job descriptions for accounting and utility billing staff

Current Status:

The Village engaged an accounting consultant and the recommendation was implemented.

VILLAGE OF ROSEDALE

LAWRENCE J. "FOOTBALL" BADEAUX

MAYOR/MAGISTRATE

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BOARD OF ALDERMEN

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ATTORNEY

PYBURN & ODOM
ENGINEERS



July 9, 2010

Legislative Auditor
State of Louisiana
and
Federal Oversight Agency

The Village of Rosedale, Louisiana respectfully submits the following corrective action plan for the year ended December 31, 2009.

Name and address of independent public accounting firm: W. Kathleen Beard, CPA, 10191 Bueche Rd., Erwinville, LA 70729.

Audit period: January 1, 2009 to December 31, 2009

The findings from the December 31, 2009, schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

Findings – Financial Reporting

2009-1 Invoice paid without prior approval

Condition

An invoice in the amount of \$13,010.56 was paid without approval of the governing board, nor was it provided for in the operating budget. Additionally, there was no intergovernmental cooperative agreement authorizing the transaction between the two parties.

Action Taken

We have engaged a CPA to draft internal control policies and procedures. A section on purchasing of goods, services, and capital outlays will require the Town Clerk to verify whether the purchase was contemplated in the budget before authorizing the purchase order to be issued. If the budget did not authorize the purchase, the Mayor will present a budget amendment to the Town Council stating why the purchase is necessary and what funds will be used to make the purchase.

2009-2 Personal use of public vehicle

Condition

A vehicle assigned to Village personnel was used as a personal vehicle beyond the permitted commuting to and from home and work.

Action Taken

The Village has adopted a policy notifying all employees that Village assets can only be used for town business. This policy has been incorporated into the internal control policies and procedures being drafted.

2009-3 Violation of LRS 39:1303 "Local Budget Act"

Condition

Actual revenues were 7.35% under budget in the General Fund and actual expenditures were 5.02% over budget expenditures in the Special Revenue – Fire Protection Fund.

Action Taken

The Village has addressed this oversight in its new internal control policies and procedures being drafted. The procedures will require that revenues will be budgeted only when there is a clear indication that grant/appropriation funds will be awarded by the State of Louisiana. Also, more accurate information must be received in estimating expenditures for the budget.

2009-4 Procurement, Suspension and Debarment

Condition

The Village of Rosedale received the U.S. Department of Homeland Security FEMA - Assistance to Firefighters Grant of \$983,215 to purchase radios for the 10 fire departments in Iberville Parish. The total cost of the radios was \$1,091,961, the 10% matching share of \$109,264 was allocated based on the number of radios received by each department. Internal controls were not established requiring written documentation of procurement procedures performed. There was no written documentation justifying their determination for use of sole source purchase method prior to ordering the radios. Specifically there was no written documentation of the following:

- verification with the manufacturer, Harris Corporation, that Tri Parish Communication was the sole source for this product
- cost analysis or attempts to obtain price quotes from other distributors and their decline to provide quotes due to corporate policy
- consideration of other alternatives or documentation that equipment purchased was the only viable option
- verification that the vendor was not suspended, debarred or otherwise excluded

Additionally, there was no monitoring of the procurement activities performed by Village management, particularly in the initial stages of the procurement process.

Action Taken

The Village has obtained the necessary documentation from the manufacturer which corroborates the statements furnished by the consultants.

The new internal control policies and procedures should correct the deficiencies noted in this finding.

If the Legislative Auditor has questions regarding this plan, please call Ken Amedee, Town Clerk at (225) 648-2333 or write to the Village of Rosedale, Post Office Box 167, Rosedale, LA 70772.