

TOWN OF ROSELAND, LOUISIANA

Annual Financial Statements

For the Year Ended December 31, 2014

TOWN OF ROSELAND, LOUISIANA
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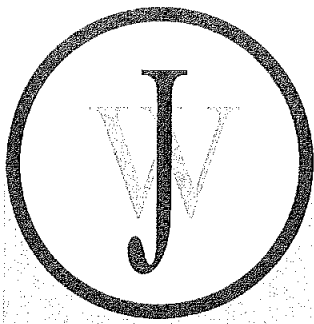
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J. WALKER & COMPANY_{APC}

ACCOUNTANTS AND ADVISORS

INDEPENDENT AUDITORS' REPORT

To Honorable Wanda McCoy
and the Members of the Board of Aldermen
Roseland, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Roseland, Louisiana, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Roseland, Louisiana, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

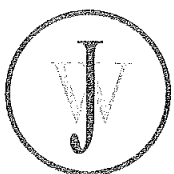
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5–12 and 44–48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Roseland, Louisiana's basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of compensation, benefits and other payments to agency head is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits and other payments to agency head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



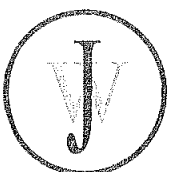
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2015, on our consideration of the Town of Roseland, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Roseland, Louisiana's internal control over financial reporting and compliance.

J. Walker & Company, APC

Lake Charles, Louisiana

June 26, 2015



REQUIRED SUPPLEMENTARY INFORMATION-PART I

TOWN OF ROSELAND, LOUISIANA

Management's Discussion and Analysis For the Year Ended December 31, 2014

Introduction

The Town of Roseland, Louisiana (the Town) is pleased to present its Annual Financial Statements developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments* (GASB 34), and current standards as more fully described in the financial statement as *Footnote 1. Summary of Significant Accounting Policies – Section B "Measurements Focus, Basis of Accounting, and Financial Statement Presentation"*.

The Town's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Town's financial activity, (c) identify changes in the Town's financial position, (d) identify any significant variations from the Town's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Town's financial statements.

Financial Highlights

- At December 31, 2014, the Town's assets exceeded its liabilities by \$2,259,204 (net position). Of this amount, \$329,093 (unrestricted net position) may be used to meet the Town's ongoing obligations to its citizens.
- The most significant on-going continuing revenue sources for governmental activities of the Town consisted of \$166,075 in sales tax revenues, \$48,992 in property taxes, \$32,653 in public utility franchise taxes, and \$43,633 for business licenses and permits. Charges for business-type activities of the utility fund were \$157,813 in water charges and \$98,788 in sewer charges.
- The Town's significant expenditures in the current year for governmental activities included \$154,882 for general governmental activities, \$178,515 for police and fire protection, and \$95,342 for public works, including streets and drainage maintenance. Expenses for business-type activities of the water, and sewer departments totaled \$323,750.
- For the year ended December 31, 2014, the Town's bonds payable in long term debt for the proprietary fund decreased by a net of \$22,033, resulting in ending bonds payable of \$458,129. Debt for governmental activities, consisting of a capital lease, decreased by a net of \$20,768, resulting in ending capital lease payable of \$9,058.

Overview of the Annual Financial Report

The financial statement focus is on both the Town as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the Town's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The MD&A is intended to serve as an introduction to the Town's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and

TOWN OF ROSELAND, LOUISIANA

Management's Discussion and Analysis For the Year Ended December 31, 2014

(3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business. Governmental activities, which normally are supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for support are presented in separate columns along with a total column for the primary government. If the Town determines that presentation of a component unit (which are other governmental units for which the Town can exercise significant influences or for which the Primary Government financial statements would be misleading if component unit information is not presented) is necessary to allow the reader to determine the relationship of the component unit and primary government, the component unit information is presented in a separate column of the financial statements or in a separate footnote. For the current fiscal year, the Town of Roseland has no component units.

The statement of Net Assets presents information on the Town's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net position. Over time, the increases or decreases in net position and changes in the components of net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, that are supported by the Town's general tax and other revenues. This is intended to summarize and simplify the reader's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

In both of the government-wide financial statements, the Town's activities are divided into two types:

Governmental activities – Most of the Town's basic services are reported here, including general government, public safety, streets and sanitation, and health and welfare. These activities are financed primarily by property taxes, franchise taxes, sales taxes, fire insurance rebates, and fines.

Business-type activities – The Town charges a fee to customers to help it cover all of the cost of the services provided. The Town's water and sewer utility systems are reported in this section.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule, if applicable, are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

TOWN OF ROSELAND, LOUISIANA

Management's Discussion and Analysis For the Year Ended December 31, 2014

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 Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Town uses two categories of funds to account for financial transactions: governmental funds and proprietary funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

Governmental funds are used to account for most of the Town's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of 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 Town'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 Town's programs.

Proprietary funds account for water and sewer utility services provided by the Town to its customers. Proprietary funds statements provide the same type of information as the government-wide financial statements, but the fund presentation provides more detail.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Town's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

TOWN OF ROSELAND, LOUISIANA

Management's Discussion and Analysis For the Year Ended December 31, 2014

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Town's net position for the current year as compared to the prior year.

| Net Position 2014 and 2013 | | | | | | |
|--|------------------------------|--------------------|---------------------------------|--------------------|--------------------|--------------------|
| | <u>Government Activities</u> | | <u>Business Type Activities</u> | | <u>Total</u> | |
| | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> |
| Assets: | | | | | | |
| Current and Other Assets | \$ 486,344 | \$ 475,521 | \$ 212,234 | \$ 177,813 | \$ 698,578 | \$ 653,334 |
| Capital Assets | <u>665,838</u> | <u>690,940</u> | <u>1,660,817</u> | <u>1,762,834</u> | <u>\$2,326,655</u> | <u>\$2,453,774</u> |
| Total Assets | <u>\$1,152,182</u> | <u>\$1,166,461</u> | <u>\$1,873,051</u> | <u>\$1,940,647</u> | <u>\$3,025,233</u> | <u>\$3,107,108</u> |
| Liabilities: | | | | | | |
| Long Term Debt Outstanding | - | 9,058 | 434,672 | 458,707 | \$ 434,672 | \$ 467,765 |
| Other Liabilities | <u>54,810</u> | <u>38,366</u> | <u>274,040</u> | <u>263,553</u> | <u>\$ 328,850</u> | <u>\$ 301,919</u> |
| Total Liabilities | <u>54,810</u> | <u>47,424</u> | <u>708,712</u> | <u>722,260</u> | <u>763,522</u> | <u>769,684</u> |
| Deferred Inflows of Resources | | | | | | |
| Deferred Ad alorein Taxes | <u>2,507</u> | <u>2,507</u> | - | - | \$ 2,507 | \$ 2,507 |
| Total Deferred Inflows of Resources | <u>2,507</u> | <u>2,507</u> | - | - | <u>2,507</u> | <u>2,507</u> |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | 656,780 | 661,114 | 1,207,525 | 1,282,672 | \$1,864,305 | \$1,943,786 |
| Restricted | - | - | 65,806 | 65,806 | \$ 65,806 | \$ 65,806 |
| Unrestricted | <u>438,085</u> | <u>455,416</u> | <u>(108,992)</u> | <u>(130,091)</u> | <u>\$ 329,093</u> | <u>\$ 325,325</u> |
| Total Net Position | <u>\$1,094,865</u> | <u>\$1,116,530</u> | <u>\$1,164,339</u> | <u>\$1,218,387</u> | <u>\$2,259,204</u> | <u>\$2,334,917</u> |

Approximately eighty-three percent of the Town's net position reflect its investment in capital assets (land, buildings, equipment, infrastructure, and improvements) net of any outstanding related debt used to acquire those capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Approximately three percent of the Town's net position represent resources that are subject to external restriction on how they may be used. The Town's restricted net position primarily consist of cash for capital projects in governmental activities and cash reserves required for customer deposits in business-type activities net of corresponding liabilities. Approximately fourteen percent of the Town's net position are unrestricted and may be used to meet the Town's ongoing obligations to its citizens.

TOWN OF ROSELAND, LOUISIANA

Management's Discussion and Analysis For the Year Ended December 31, 2014

At the end of the current fiscal year, the Town was able to report positive balances in all three categories of net position, both for the Town as a whole, as well as for separate governmental activities. The business-type activities reported a negative balance in unrestricted net position. The Town's activities decreased its total net position by \$75,712, with governmental activities decreasing net position by \$21,665 and business-type activities decreasing net position by \$54,047.

In order to further understand what makes up the changes in net position, the following table provides a summary of the results of the Town's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table.

**Changes in Net Position
For the years ended December 31, 2014 and 2013**

| | <u>Government Activities</u> | | <u>Business Type Activities</u> | | <u>Total</u> | |
|---------------------------------------|------------------------------|--------------------|---------------------------------|--------------------|--------------------|--------------------|
| | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 65,623 | \$ 61,852 | \$ 268,045 | \$ 266,264 | \$ 333,668 | \$ 328,116 |
| Operating Grants and Contributions | - | - | - | - | - | - |
| Capital Grants and Contributions | 5,603 | 9,500 | - | 2,565 | 5,603 | 12,065 |
| General Revenues: | | | | | - | - |
| Taxes | 247,720 | 247,759 | - | - | 247,720 | 247,759 |
| Intergovernmental | 9,325 | 11,026 | - | - | 9,325 | 11,026 |
| Interest Income | 57 | 108 | 38 | 65 | 95 | 173 |
| Donations | 20 | 429 | - | - | 20 | 429 |
| Miscellaneous | 2,051 | 7,151 | 1,620 | 717 | 3,671 | 7,868 |
| Building Lease Proceeds | 78,000 | 78,000 | - | - | 78,000 | 78,000 |
| Total Revenues | <u>408,399</u> | <u>415,825</u> | <u>269,703</u> | <u>269,611</u> | <u>678,102</u> | <u>685,436</u> |
| Expenses: | | | | | | |
| General Government | 154,882 | 163,951 | - | - | 154,882 | 163,951 |
| Public Safety | 178,515 | 193,759 | - | - | 178,515 | 193,759 |
| Public Works | 95,342 | 124,939 | - | - | 95,342 | 124,939 |
| Capital Lease Interest | 1,325 | 2,705 | - | - | 1,325 | 2,705 |
| Water and Sewer Utility | - | - | 323,750 | 317,363 | 323,750 | 317,363 |
| Total Expenses | <u>430,064</u> | <u>485,354</u> | <u>323,750</u> | <u>317,363</u> | <u>753,814</u> | <u>802,717</u> |
| Change in Net Assets Before Transfers | (21,665) | (69,529) | (54,047) | (47,752) | (75,712) | (117,281) |
| Transfers (Out) In | - | - | - | - | - | - |
| Change in Net Position | (21,665) | (69,529) | (54,047) | (47,752) | (75,712) | (117,281) |
| Net Position, Beginning | <u>1,116,530</u> | <u>1,186,059</u> | <u>1,218,386</u> | <u>1,266,139</u> | <u>2,334,916</u> | <u>2,452,198</u> |
| Net Position, Ending | <u>\$1,094,865</u> | <u>\$1,116,530</u> | <u>\$1,164,339</u> | <u>\$1,218,387</u> | <u>\$2,259,204</u> | <u>\$2,334,917</u> |

TOWN OF ROSELAND, LOUISIANA

Management's Discussion and Analysis For the Year Ended December 31, 2014

Governmental Activities

The Town's governmental net position decreased by \$21,665 as compared to a prior fiscal year net position decrease of \$69,529.

The significant factors in this change in net position are the result of a \$7,426 decrease in revenue, offset by decreases of \$15,244 and \$29,597 respectively for Public Safety and Public Works expenditures.

Total expenses in governmental activities decreased \$55,290.

Business-Type Activities

The Town's business-type net position decreased \$54,047, or four percent of prior year ending net position, to \$1,164,339. Charges for services increased by \$1,781. Capital grants decreased by \$2,265. Expenses for the utility fund increased \$6,387 or two percent.

Fund Financial Analysis

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

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the year. At the end of the current year, the Town's governmental funds reported combined ending fund balances of \$438,085. Fund balance was as follows: non-spendable \$1,493, assigned \$204,297, and unassigned \$232,295.

This represents a decrease of \$17,331, for all governmental funds, from the prior year's ending fund balance. Principal payments on capital lease of \$20,768 were made in the current fiscal year. The General Fund is the chief operating fund of the Town. At the end of the current year, the total fund balance for the General Fund was \$233,788. All funds had a positive ending fund balance.

Proprietary Funds

The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Governmental Fund Budgetary Highlights

Budget information is detailed in Note 1 – Summary of Significant Accounting Policies under the section *Stewardship, Compliance, and Accountability*. There were no budget findings. Budget to actual reports for the governmental funds are presented in the Required Supplementary Information (Part II) section as listed on the table of contents.

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Management's Discussion and Analysis For the Year Ended December 31, 2014

Capital Assets and Debt Administration

Capital Assets

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2014 amounts to \$2,326,655 (net of depreciation). The total decrease in the Town's investment in capital assets for the current fiscal year was \$127,119 (net of depreciation). The following table provides a summary of the Town's capital assets (net of depreciation) at the end of the current year as compared to the prior year.

Capital Assets (Net of Depreciation) 2014 and 2013

| | Government Activities | | Business Type Activities | | Total | |
|--------------------------------|-----------------------|-------------------|--------------------------|--------------------|--------------------|--------------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Capital Assets | | | | | | |
| Land | \$ 58,693 | \$ 58,693 | \$ 6,500 | \$ 6,500 | \$ 65,193 | \$ 65,193 |
| Buildings and Improvements | 702,835 | 702,835 | 20,640 | 20,640 | 723,475 | 723,475 |
| Machinery and Equipment | 589,110 | 561,922 | 21,960 | 14,415 | 611,070 | 576,337 |
| Water Utility System | - | - | 2,131,847 | 2,131,847 | 2,131,847 | 2,131,847 |
| Sewer Utility System | - | - | 2,150,807 | 2,150,807 | 2,150,807 | 2,150,807 |
| Subtotal Capital Assets | 1,350,638 | 1,323,450 | 4,331,754 | 4,324,209 | 5,682,392 | 5,647,659 |
| Less: accumulated Depreciation | (684,800) | (632,510) | (2,670,937) | (2,561,375) | (3,355,737) | (3,193,885) |
| Capital Assets, Net | <u>\$ 665,838</u> | <u>\$ 690,940</u> | <u>\$1,660,817</u> | <u>\$1,762,834</u> | <u>\$2,326,655</u> | <u>\$2,453,774</u> |

Significant capital additions for the fiscal year ending December 31, 2014, consisted of the following. For governmental funds, park equipment was added for \$33,339, and City Hall improvements and equipment totaling \$1,757 were added. For business-type funds, equipment was added at a cost \$4,275 and sewer system improvements were completed at a cost of \$3,270.

Long-Term debt

At December 31, 2014, the Town had total debt outstanding of \$467,187. Of this total, \$32,515 (including current bonds payable) is due within one year and \$434,672 is due within greater than one year. The following table provides a summary of the Town's outstanding debt at the end of the current year as compared to the prior year.

TOWN OF ROSELAND, LOUISIANA

Management's Discussion and Analysis For the Year Ended December 31, 2014

Outstanding Debt 2014 and 2013

| | <u>Government Activities</u> | | <u>Business Type Activities</u> | | <u>Total</u> | |
|------------------------|------------------------------|------------------|---------------------------------|-------------------|-------------------|-------------------|
| | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> |
| Capital Leases | \$ 9,058 | \$ 29,826 | \$ - | \$ - | \$ 9,058 | \$ 29,826 |
| Revenue Bonds | - | - | 458,129 | 480,162 | \$ 458,129 | \$ 480,162 |
| Total Outstanding Debt | <u>\$ 9,058</u> | <u>\$ 29,826</u> | <u>\$ 458,129</u> | <u>\$ 480,162</u> | <u>\$ 467,187</u> | <u>\$ 509,988</u> |

Other Factors Affecting the Town

The Town of Roseland's management approach is conservative. When possible, the Mayor and Aldermen attempt to provide services for the Town based on existing revenues and to borrow for long-term projects only when absolutely necessary, actively pursuing grant funds to minimize the cost of major projects. The Town is facing increasing costs and has no obligation to its citizens to maintain or increase the level of services being provided.

Contacting the Town's Financial Management

This financial report is designed to provide the Town's citizens, taxpayers, creditors and investors with a general overview of the Town's finances and show the Town's accountability for the money it receives. If you have questions regarding this report or need additional information, contact Sharlet Jackson, Town Clerk, P.O. Box 302, Roseland, Louisiana 70456.

BASIC FINANCIAL STATEMENTS

TOWN OF ROSELAND, LOUISIANA

Government-Wide Statement of Net Position As of December 31, 2014

| | <u>Primary Government</u> | | |
|--|------------------------------------|--------------------------------|----------------------------|
| | <u>Governmental Activities</u> | <u>Business Activities</u> | <u>Total</u> |
| ASSETS | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | \$ 61,291 | \$ 35,510 | \$ 96,801 |
| Receivables, net | | | |
| Intergovernmental | 37,431 | - | 37,431 |
| Accounts and Other | 10,312 | 48,345 | 58,657 |
| Due from Other Funds | 205,990 | - | 205,990 |
| Prepaid Insurance | 1,493 | 1,002 | 2,495 |
| Total Current Assets | <u>316,517</u> | <u>84,857</u> | <u>401,374</u> |
| Restricted Assets: | | | |
| Restricted Cash and Cash Equivalents | <u>169,827</u> | <u>127,377</u> | <u>297,204</u> |
| Total Cash and Cash Equivalents | 169,827 | 127,377 | 297,204 |
| Capital Assets: | | | |
| Land | 58,693 | 6,500 | 65,193 |
| Capital Assets, net | <u>607,145</u> | <u>1,654,317</u> | <u>2,261,462</u> |
| Total Capital Assets | <u>665,838</u> | <u>1,660,817</u> | <u>2,326,655</u> |
| Total Assets | <u><u>\$ 1,152,182</u></u> | <u><u>\$ 1,873,051</u></u> | <u><u>\$ 3,025,233</u></u> |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts Payable | \$ 13,960 | \$ 4,116 | \$ 18,076 |
| Other Accrued Payables | 13,312 | 4,398 | 17,710 |
| Due to Other Funds | 18,480 | 187,510 | 205,990 |
| Customer Deposits | - | 53,878 | 53,878 |
| Bonds Payable | - | 23,457 | 23,457 |
| Capital Leases | 9,058 | - | 9,058 |
| Accrued Interest on Long-term Debt | - | 681 | 681 |
| Total Current Liabilities | <u>54,810</u> | <u>274,040</u> | <u>328,850</u> |
| Long-term Liabilities: | | | |
| Bonds Payable | <u>-</u> | <u>434,672</u> | <u>434,672</u> |
| Total Long-term Liabilities | <u>-</u> | <u>434,672</u> | <u>434,672</u> |
| Total Liabilities | 54,810 | 708,712 | 763,522 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Ad Valorem Taxes | <u>2,507</u> | <u>-</u> | <u>2,507</u> |
| Total Deferred Inflows of Resources | 2,507 | - | 2,507 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 656,780 | 1,207,525 | 1,864,305 |
| Restricted For: | | | |
| Capital Projects and Debt Service | - | 65,806 | 65,806 |
| Unrestricted | <u>438,085</u> | <u>(108,992)</u> | <u>329,093</u> |
| Total Net Position | <u>1,094,865</u> | <u>1,164,339</u> | <u>2,259,204</u> |
| Total Liabilities, Deferred Inflows, and Net Position | <u><u>\$ 1,152,182</u></u> | <u><u>\$ 1,873,051</u></u> | <u><u>\$ 3,025,233</u></u> |

The accompanying notes are an integral part of the financial statements

TOWN OF ROSELAND, LOUISIANA

Government-Wide Statement of Activities For the Year Ended December 31, 2014

| Functions/Programs: Primary Government: | Program Revenues | | | | Net (Expenses), Revenues, and Changes of Primary Government | | |
|--|--------------------------|--------------------------|--|--|--|---------------------------------|--------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Govern- mental Activities | Business- Type Activities | Total |
| Governmental Activities: | | | | | | | |
| General Government | \$ 154,882 | \$ 60,770 | \$ - | \$ - | \$ (94,112) | \$ - | \$ (94,112) |
| Public Safety | 178,515 | 4,853 | - | - | (173,662) | - | (173,662) |
| Public Works | 95,342 | - | - | 5,603 | (89,739) | - | (89,739) |
| Capital Lease Interest | <u>1,325</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,325)</u> | <u>-</u> | <u>(1,325)</u> |
| Total Governmental Activities | 430,064 | 65,623 | - | 5,603 | (358,838) | - | (358,838) |
| Business-type Activities: | | | | | | | |
| Water and Sewer | <u>323,750</u> | <u>268,045</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(55,705)</u> | <u>(55,705)</u> |
| Total Business-type Activities | <u>323,750</u> | <u>268,045</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(55,705)</u> | <u>(55,705)</u> |
| Total Primary Government | <u>\$ 753,814</u> | <u>\$ 333,668</u> | <u>\$ -</u> | <u>\$ 5,603</u> | (358,838) | (55,705) | (414,543) |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Ad Valorem Taxes | | | | | 48,992 | - | 48,992 |
| Sales Taxes | | | | | 166,075 | - | 166,075 |
| Franchise Taxes | | | | | 32,653 | - | 32,653 |
| Intergovernmental | | | | | 9,325 | - | 9,325 |
| Interest Income | | | | | 57 | 38 | 95 |
| Building Lease Proceeds - Rent | | | | | 78,000 | - | 78,000 |
| Donations | | | | | 20 | - | 20 |
| Miscellaneous | | | | | <u>2,051</u> | <u>1,620</u> | <u>3,671</u> |
| Total General Revenues | | | | | <u>337,173</u> | <u>1,658</u> | <u>338,831</u> |
| Change in Net Position | | | | | (21,665) | (54,047) | (75,712) |
| Net Position - Beginning | | | | | <u>1,116,530</u> | <u>1,218,386</u> | <u>2,334,916</u> |
| Net Position - Ending | | | | | <u>\$1,094,865</u> | <u>\$1,164,339</u> | <u>\$2,259,204</u> |

The accompanying notes are an integral part of the financial statements

TOWN OF ROSELAND, LOUISIANA

Governmental Funds Balance Sheet December 31, 2014

| | General Fund | Fire Protection Special Revenue Fund | Total Governmental Funds |
|--|--------------------------|--|--------------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 61,291 | \$ 169,827 | \$ 231,118 |
| Receivables, net | | | |
| Intergovernmental | 22,603 | 14,828 | 37,431 |
| Accounts and Other | 10,312 | - | 10,312 |
| Due from Other Funds | 184,481 | 21,509 | 205,990 |
| Prepaid Insurance | 1,493 | - | 1,493 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Assets | <u><u>\$ 280,180</u></u> | <u><u>\$ 206,164</u></u> | <u><u>\$ 486,344</u></u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts Payable | \$ 13,681 | \$ 279 | \$ 13,960 |
| Other Accrued Payables | 13,312 | - | 13,312 |
| Due to Other Funds | 18,480 | - | 18,480 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Liabilities | 45,473 | 279 | 45,752 |
| Deferred Inflows of Resources: | | | |
| Deferred Ad Valorem Taxes | 919 | 1,588 | 2,507 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Deferred Inflows of Resources | 919 | 1,588 | 2,507 |
| Fund Balances: | | | |
| Nonspendable | 1,493 | - | 1,493 |
| Assigned | - | 204,297 | 204,297 |
| Unassigned | 232,295 | - | 232,295 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Fund Balances | 233,788 | 204,297 | 438,085 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Liabilities and Fund Balances | <u><u>\$ 280,180</u></u> | <u><u>\$ 206,164</u></u> | <u><u>\$ 486,344</u></u> |

The accompanying notes are an integral part of the financial statements

TOWN OF ROSELAND, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position For the Year Ended December 31, 2014

Total Fund Balances - Governmental Funds \$ 438,085

The cost of capital assets (buildings, machinery, and equipment) purchased or constructed is reported as an expenditure in governmental funds. In the Statement of Activities these costs are allocated over their estimated useful lives as a depreciation expense. Because depreciation does not affect financial resources, it is not reported in governmental funds.

| | | |
|------------------------------|------------------|---------|
| Costs of capital assets | 1,350,638 | |
| Depreciation expense to date | <u>(684,800)</u> | 665,838 |

Long-term liabilities including bonds payable, loans payable, and compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds. Current accrued interest on long-term debt is also not reported in the governmental funds.

| | | |
|------------------------|----------------|----------------|
| Capital leases payable | <u>(9,058)</u> | <u>(9,058)</u> |
|------------------------|----------------|----------------|

Net Position - Governmental Activities \$ 1,094,865

TOWN OF ROSELAND, LOUISIANA

Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances For the Year Ended December 31, 2014

| | General Fund | Fire Protection Special Revenue Fund | Total Governmental Funds |
|--|--------------|--|--------------------------------|
| REVENUES | | | |
| Taxes | \$ 219,293 | \$ 28,427 | \$ 247,720 |
| Intergovernmental | 14,928 | - | 14,928 |
| Licenses and Permits | 43,633 | - | 43,633 |
| Fines and Forfeitures | 17,137 | - | 17,137 |
| Charges for Services | 4,853 | - | 4,853 |
| Interest | 20 | 37 | 57 |
| Donations | 20 | - | 20 |
| Miscellaneous | 2,051 | - | 2,051 |
| Total Revenues | 301,935 | 28,464 | 330,399 |
| EXPENDITURES | | | |
| General Government | 133,861 | - | 133,861 |
| Public Safety | | | |
| Police | 126,719 | - | 126,719 |
| Fire | 22,775 | 7,708 | 30,483 |
| Public Works | 77,479 | - | 77,479 |
| Capital Outlay | 35,095 | - | 35,095 |
| Total Expenditures | 395,929 | 7,708 | 403,637 |
| Excess (Deficiency) of Revenues Over (Expenditures) | (93,994) | 20,756 | (73,238) |
| OTHER FINANCING SOURCES (USES) | | | |
| Capital Lease Principal | (20,768) | - | (20,768) |
| Capital Lease Interest | (1,325) | - | (1,325) |
| Building Lease Proceeds | 78,000 | - | 78,000 |
| Total Other Financing Sources and (Uses) | 55,907 | - | 55,907 |
| Net Change in Fund Balance | (38,087) | 20,756 | (17,331) |
| Fund Balances - Beginning | 271,875 | 183,541 | 455,416 |
| Fund Balances - Ending | \$ 233,788 | \$ 204,297 | \$ 438,085 |

The accompanying notes are an integral part of the financial statements

TOWN OF ROSELAND, LOUISIANA

Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities For the Fiscal Year Ended December 31, 2014

Total Net Change in Fund Balances - Governmental Funds \$ (17,331)

Amounts reported for governmental activities in the Statement of
Activities are different because:

Capital outlays are reported in governmental funds as expenditures.
However, in the Statement of Activities, the cost of those assets
is allocated over their estimated useful lives as depreciation
expense. This is the amount by which capital outlay exceeds
depreciation in the period:

| | | |
|----------------------|-----------------|----------|
| Capital outlay | 35,095 | |
| Depreciation expense | <u>(60,197)</u> | (25,102) |

Repayment of bond principal and capital lease principal is an expenditure in
governmental funds but the repayment reduces long-term liabilities in the
statement of net position. Proceeds obtained from obtaining long-term debt
are treated as revenue in governmental funds but the amounts increase
long-term liabilities in the statement of net position.

| | | |
|-------------------------------------|---------------|---------------|
| Principal payments - capital leases | <u>20,768</u> | <u>20,768</u> |
|-------------------------------------|---------------|---------------|

Change in Net Position of Governmental Activities \$ (21,665)

TOWN OF ROSELAND, LOUISIANA

Proprietary Fund Statement of Net Position December 31, 2014

ASSETS

Current Assets:

| | |
|---------------------------|---------------|
| Cash and Cash Equivalents | \$ 35,510 |
| Accounts Receivable, net | 47,950 |
| Other Receivables | 395 |
| Prepaid Insurance | 1,002 |
| Total Current Assets | <u>84,857</u> |

Non-current Assets:

Restricted Assets:

| | |
|--------------------------------------|----------------|
| Restricted Cash and Cash Equivalents | <u>127,377</u> |
| Total Restricted Assets | 127,377 |

Capital Assets:

| | |
|--------------------------|------------------|
| Land | 6,500 |
| Depreciable Assets, net | <u>1,654,317</u> |
| Total Capital Assets | <u>1,660,817</u> |
| Total Non-current Assets | <u>1,788,194</u> |

TOTAL ASSETS 1,873,051

LIABILITIES

Current Liabilities (Payable from Current Assets):

| | |
|---|----------------|
| Accounts Payable | 4,116 |
| Other Accrued Payables | 4,398 |
| Due to Other Funds | <u>187,510</u> |
| Total Current Liabilities (Payable from Current Assets) | 196,024 |

Current Liabilities (Payable from Restricted Assets):

| | |
|--|------------|
| Customer Deposits | 53,878 |
| Revenue Bonds Payable | 23,457 |
| Interest Payable on Long Term Debt | <u>681</u> |
| Total Current Liabilities (Payable from Restricted Assets) | 78,016 |

Long-term Liabilities:

| | |
|-----------------------------|----------------|
| Bonds Payable | <u>434,672</u> |
| Total Long-term Liabilities | <u>434,672</u> |

TOTAL LIABILITIES 708,712

NET POSITION

| | |
|-----------------------------------|----------------------------|
| Net Investment in Capital Assets | 1,207,525 |
| Restricted for: | |
| Capital Projects and Debt Service | 65,806 |
| Unrestricted | <u>(108,992)</u> |
| TOTAL NET POSITION | <u><u>\$ 1,164,339</u></u> |

The accompanying notes are an integral part of the financial statements

TOWN OF ROSELAND, LOUISIANA

**Proprietary Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2014**

| | <u>Enterprise Fund</u> <u>Utility System</u> |
|--|---|
| Operating Revenues | |
| Water Sales | \$ 157,813 |
| Sewer Service Charges | 98,788 |
| Penalties | 11,134 |
| Other | <u>1,930</u> |
| Total Operating Revenues | 269,665 |
| Operating Expenses | |
| Operating Expenses | 7,700 |
| Bad Debt | - |
| Contract Services | 16,800 |
| Depreciation | 109,562 |
| Equipment Rental | - |
| Insurance | 14,360 |
| Meter Reading | - |
| Payroll Taxes | 4,301 |
| Professional Fees | 14,925 |
| Repairs & Maintenance | 41,352 |
| Salaries & Wages | 48,526 |
| Supplies | 5,309 |
| Utilities | 20,038 |
| Other Operating | <u>11,368</u> |
| Total Operating Expenses | 294,241 |
| Operating Income (Loss) | (24,576) |
| Non-Operating Revenues (Expenses) | |
| Interest Income | 38 |
| Interest Expense | <u>(29,509)</u> |
| Total Non-Operating Revenues (Expenses) | <u>(29,471)</u> |
| Change in Net Position | (54,047) |
| Net Position - Beginning | <u>1,218,386</u> |
| Net Position - Ending | <u><u>\$ 1,164,339</u></u> |

The accompanying notes are an integral part of the financial statements

TOWN OF ROSELAND, LOUISIANA

Proprietary Fund Statement of Cash Flows For the Year Ended December 31, 2014

| | <u>Enterprise Fund</u> <u>Utility System</u> |
|--|---|
| Cash Flows from Operating Activities: | |
| Receipts from Customers | \$ 248,830 |
| Paid for Meter Deposit Fees | 9,955 |
| Other Receipts | 1,892 |
| Receipt for Interfund Services | - |
| Payments for Operations | (126,076) |
| Payments to Employees | <u>(60,527)</u> |
| Net Cash Provided (Used) by Operating Activities | 74,074 |
| Cash Flows from Capital and Related Financing Activities: | |
| Payments for Capital Acquisitions | (7,545) |
| Repayments for Long-term Debt | (22,033) |
| Interest Payments for Long-term Debt | <u>(29,542)</u> |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (59,120) |
| Cash Flows from Investing Activities: | |
| Receipt of Interest | <u>38</u> |
| Net Cash Provided (Used) by Investing Activities | <u>38</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 14,992 |
| Cash and Cash Equivalents - Beginning of Year | <u>147,895</u> |
| Cash and Cash Equivalents - End of Year | <u><u>\$ 162,887</u></u> |
| Reconciliation of Cash and Cash Equivalents to the Statement of Net Position | |
| Cash and Cash Equivalents, Unrestricted | 35,510 |
| Cash and Cash Equivalents, Restricted | <u>127,377</u> |
| Total Cash and Cash Equivalents | <u><u>\$ 162,887</u></u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | |
| Operating Income (Loss) | \$ (24,576) |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities: | |
| Depreciation | 109,562 |
| (Increase) Decrease in Accounts Receivable | (18,604) |
| (Increase) Decrease in Other Receivables | (301) |
| (Increase) Decrease in Prepaid Insurance | (525) |
| (Decrease) Increase in Accounts Payable | (2,152) |
| (Decrease) Increase in Other Accrued Payables | 3,641 |
| (Decrease) Increase in Due to Other Funds | 2,424 |
| (Decrease) Increase in Customer Deposits | <u>4,605</u> |
| Net Cash Provided (Used) by Operating Activities | <u><u>\$ 74,074</u></u> |

The accompanying notes are an integral part of the financial statements

TOWN OF ROSELAND, LOUISIANA

Notes to the Financial Statements For the Year Ended December 31, 2014

Note 1 – Summary of Significant Accounting Policies

Introduction

The Town of Roseland was incorporated January 4, 1892, under the provisions of the Lawrason Act (Louisiana Revised Statutes (R.S.) 33:321-481) of the constitution of the State of Louisiana. The Town is located in the Parish of Tangipahoa and has a population of approximately 1,123, per the 2010 U.S. Census. The Town operates under a Board of Councilman. Mayor form of government and, as permitted under the act, provides police protection, fire protection, roads, streets, and sidewalks; sponsorship of federal and state supported programs; water and sewer utilities and other necessary public services. Utility services are provided for approximately 588 water customers, and 329 sewer customers. The Town employs three full-time employees in addition to the Mayor and Board of Aldermen.

The accounting and reporting policies of the Town of Roseland conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining the reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Town of Roseland 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 and local governments. As used in GASB Statement No. 14, fiscally independent means that the Town 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. There are no other component units which the Town of Roseland has an oversight relationship.

The accompanying financial statements of the Town of Roseland (Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

Financial Reporting Entity

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

Government-Wide and Fund Financial Statements

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

TOWN OF ROSELAND, LOUISIANA

Notes to the Financial Statements For the Year Ended December 31, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

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

The Town reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with the function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the statement of activities.

The content and certain titles of the GWFS were changed upon the adoption of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides reporting guidance for deferred outflows of resources and deferred inflows of resources, and adds them, when applicable, as elements of the GWFS because they are distinct from assets and liabilities. In addition, because these additional elements may affect the residual amount of all of the elements presented in a statement of financial position, GASB 63 renames that measure as net position rather than net assets.

The Town had no deferred outflows and \$2,507 of deferred inflows of resources at December 31, 2014. No reclassifications affecting the statement of net position from the prior period are required.

The accounts of the Town are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds of the Town are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

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

Governmental Funds

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

TOWN OF ROSELAND, LOUISIANA

Notes to the Financial Statements For the Year Ended December 31, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

- Fire Protection Special Revenue Fund - This fund accounts for the receipt and disbursement of a ten year ten mill ad valorem tax dedicated for acquiring, constructing, improving, maintaining, and operating facilities and equipment to provide fire protection and emergency medical service.

Proprietary Fund

- Enterprise Fund - This fund is used to account for operations that are:
 - a) Financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or
 - b) Where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Town maintains one Enterprise fund, the Waterworks and Sewer Fund, which provides Water & Sewer services.

The Enterprise Fund (Waterworks and Sewer Fund) is accounted for on a cost of services or "capital maintenance" basis. This means that all assets and all liabilities (whether current or noncurrent) associated with its activity are included on its balance sheet. Its reported fund equity (net total position) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule, if applicable, are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accompanying basic financial statements of the Town of Roseland have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements

have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements – and*

TOWN OF ROSELAND, LOUISIANA

Notes to the Financial Statements
For the Year Ended December 31, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

Management's Discussion and Analysis – for State and Local Governments, issued in June 1999, and as amended by GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the guides set forth in the Louisiana Governmental Audit Guide, and to the industry audit guide, *Audits of State and Local Governmental Units*.

GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, effective for financial statement periods ending after December 15, 2012, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined *Deferred Outflows of Resources* as a consumption of net position by the government that is applicable to a future reporting period, and *Deferred Inflows of Resources* as an acquisition of net position by the government that is applicable to a future to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

The Town has also adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all

TOWN OF ROSELAND, LOUISIANA

Notes to the Financial Statements For the Year Ended December 31, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due with the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when the liability is incurred or economic asset used. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues for the Town's proprietary fund consist of charges to customers and users of its water services. Operating expenses for the Town's proprietary fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Inter-fund Balances (Due From/To Other Funds)

Inter-fund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as inter-fund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when a fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other inter-fund transactions are treated as transfers. Transfers between governmental or enterprise funds are netted as part of the reconciliation to the government-wide financial statements.

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without the expectation of repayment, the transaction is reported as a transfer and is treated as a source of income by the recipient fund and as an expenditure by the providing fund.

In the process of aggregating data for the statement of net position and the statement of activities, some amount reported as inter-fund activity and balances in the funds were eliminated or reclassified. Inter-fund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities columns.

Stewardship, Compliance, and Accountability

The Town uses the following budget practices:

1. The Town Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

TOWN OF ROSELAND, LOUISIANA

Notes to the Financial Statements For the Year Ended December 31, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving the increase in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the general and enterprise funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for enterprise funds are presented on the accrual basis of accounting. Other governmental funds are presented on the modified accrual basis of accounting. Accordingly, the budgetary comparison schedules present actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. All budgetary amounts presented reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

The proposed budget for December 31, 2014 was made available for public inspection on November 27, 2013. The proposed budget, prepared on the modified accrual basis of accounting, was published on November 27, December 4, and December 11, 2013 prior to the public hearing which was held at the Town of Roseland's City Hall On December 13, 2013, for comments by taxpayers. The budget was legally adopted by the Board of Aldermen on December 13, 2013.

The amended budget for December 31, 2014 was made available for public inspection on November 26, 2014. The amended budget, prepared on the modified accrual basis of accounting, was published on November 26, December 3, and December 10, prior to the public hearing which was held at the Town of Roseland's City Hall on December 11, 2014, for comments by taxpayers. The budget was legally adopted by the Board of Aldermen on December 11, 2014.

The Town was in compliance with the Local Government Budget Act, for the fiscal year ended December 31, 2014.

Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Town's investment policy allow the Town to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.

For the purpose of proprietary fund statement of cash flows, cash includes cash on hand, amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with maturities of 90 days or less.

Statutes allow the Town to deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, as well as invest in United States bonds, treasury notes, or certificates. These are classified as investments if their maturities exceed 90 days; however, if the maturities are 90 days or less, they are classified as cash equivalents.

TOWN OF ROSELAND, LOUISIANA

Notes to the Financial Statements
For the Year Ended December 31, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

Investments

Investments for the Town are reported at fair market value. The state investment pool, LAMP, operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and Payables

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. All trade and property tax receivables are shown net of an allowance for uncollectible amounts. Property taxes are levied on a calendar year basis and become due on December 31 of each year. The following is a summary of authorized and levied ad valorem taxes:

| | <u>Authorized Millage</u> | <u>Levied Millage</u> |
|-----------------|-------------------------------|---------------------------|
| General Alimony | 5 . 66 mills | 5 . 66 mills |
| Fire Protection | 10 . 66 mills | 10 . 66 mills |

Sales and Use Taxes

Sales and use taxes are levied at one percent as authorized by Ordinance Number 158 adopted November 6, 1967. An additional one percent sales and use tax was authorized by the adoption of Ordinance Number 182, which revised and extended the sales tax to two percent effective April 12, 1982. The original tax ordinance includes a range of eligible expenditures including expenditures for streets and drainage facilities, sewerage and disposal facilities, fire or police department stations, equipment, and furnishings, public parks and recreational facilities, works of permanent public improvement, equipment and furnishings for public improvements and facilities, and expenditures for general operating expenses of the Town.

Bad Debts

Uncollectible receivables for ad valorem taxes and utilities are recognized when incurred by direct write-off. Although this is a departure from generally accepted accounting principles, historically such amounts have been immaterial.

Inventories and Prepaid items

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to Vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable bond covenants.

TOWN OF ROSELAND, LOUISIANA

Notes to the Financial Statements For the Year Ended December 31, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

Capital Assets

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

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.

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.

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

| <u>Description</u> | <u>Estimated Lives</u> |
|--------------------------|------------------------|
| Governmental Funds: | |
| Buildings & Improvements | 20 - 40 Years |
| Furniture and Fixtures | 5 - 10 Years |
| Vehicles | 5 Years |
| Machinery and Equipment | 5 - 15 Years |
| Water and Sewer Fund: | |
| Wells | 20 - 40 Years |
| Storage Tanks | 20 - 50 Years |
| Lines and Meters | 30 - 50 Years |
| Water System | 20 - 50 Years |
| Sewer System | 20 - 50 Years |
| Miscellaneous Equipment | 5 - 10 Years |

On Behalf of Payments for Salaries

Included in the General Fund financial statements are amounts paid by the State of Louisiana supplemental salaries to the Town's policemen. The payments of \$2,867 are included on the financial statement as Revenue and Public Safety Expenditures.

Compensated Absences

Permanent, full-time employees subject to a six-month probationary period earn annual leave on the anniversary date of their employment based on years of service. Annual leave is earned as follows: after one year, five days of leave, after two years, ten days and after four years, fifteen days.

Annual leave accrues without limit. Leave is paid to an employee at the time of separation of employment provided that the employee was not dismissed for theft of Town property. The accrued annual leave is not considered material. No liability is recorded for leave in the accompanying statements.

TOWN OF ROSELAND, LOUISIANA

Notes to the Financial Statements For the Year Ended December 31, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

Sick Leave is earned at the rate of one day per month. Any unused sick leave at the end of a calendar year may be accrued up to ninety days but can be used only for major medical leave. There is no payment for accrued sick or medical leave upon retirement or termination. Therefore, accrual of the liability for unused sick leave is not required.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Under GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, debt issuance costs, other than prepaid insurance costs, recorded in the current fiscal year are expensed. Any prepaid insurance costs on any new debt issuance should be reported as an asset and recognized as an expense in a systematic and rational manner over the duration of the related debt, if applicable, bond premiums and discounts continue to be amortized over the life of the bonds, using the effective interest method, and bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance and Equity Classifications

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The Town adopted GASB 54 for the year ended December 31, 2011. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

- *Non-spendable Fund Balance* - Classification includes amounts that cannot be spent because:
 - (a) not in spendable form - prepaid items or inventories; or
 - (b) legally or contractually required to be maintained intact. Non-spendable reflects prepaid insurance in the amount of \$1,493.
- *Restricted Fund Balance* - This classification reflects the constraints imposed on resources either
 - (a) externally by creditors, grantors, contributors, or laws and regulations of other governments; or
 - (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance* - These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Town Alderman, the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the town aldermen remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

TOWN OF ROSELAND, LOUISIANA

Notes to the Financial Statements For the Year Ended December 31, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

- *Assigned Fund Balance* - This classification reflects the amounts constrained by the Town's "intent" to be used for specific purposes, but are neither restricted nor committed. The Town's Aldermen and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted nor committed.
- *Unassigned Fund Balance* - This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

The government-wide statement of net position reports \$65,806 of restricted net position, all of which is restricted by enabling legislation.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Town reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, and unassigned amounts are available, the Town reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

Balance and Equity Classifications

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

- *Net investment in capital assets* - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted assets* - consists of assets with constraints placed on the use either by:
 - (a) external groups such as creditors, grantor, contributors, or laws and regulations of other governments;
 - (b) law through constitutional provisions of enabling legislation.
- *Unrestricted assets* - all other assets that do not meet the definition of "restricted" or "net investment in capital assets".

Comparative Data/Reclassifications

Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation. All prior period adjustments recorded in the current period have been reflected in prior period data presented wherever possible.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence.

Special items are transactions or events within the control of the municipality, which are either unusual in nature or infrequent in occurrence.

TOWN OF ROSELAND, LOUISIANA

Notes to the Financial Statements For the Year Ended December 31, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

Estimates

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

Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position is presented in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position, on pg. 17 of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenses and changes in fund balances and the government-wide statement of activities is presented in Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities, on pg. 19 of the basic financial statements.

Note 2 – Cash and Cash Equivalents

| | <u>Cash Equivalents</u> |
|--|-----------------------------|
| | <u>Cash</u> |
| At December 31, 2014 | |
| Carrying Amount on Balance Sheet | \$ 394,005 |
| <u>Bank Balances:</u> | |
| a) Insured (FDIC) or collateralized with securities held by the entity or its agent in the entity's name | \$ 250,000 |
| b) Collateralized with securities held by pledging financial institutions trust department or agent in the entity's name | \$ 144,005 |
| c) Uncollateralized, including any securities held for the entity but not in the entity's name | \$ - |
| Total Bank Balances | \$ 394,005 |

At December 31, 2014, the Town's cash and cash equivalents was made up of petty cash of \$91 and checking and savings accounts of \$393,914, for a total of \$394,005. Cash and cash equivalents of \$297,204 included in this total is restricted and is shown as such on the Statement of Net Position.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Because these investments are in the name of the Town and are held by the Town or the Town's agent, the investments are considered insured and registered, Category (1), in applying the credit risk of GASB Codification Section 150.164.

TOWN OF ROSELAND, LOUISIANA

Notes to the Financial Statements
For the Year Ended December 31, 2014

Note 2 – Cash and Cash Equivalents (Continued)

Even though the pledged securities may be considered uncollateralized (Category 3) under the provisions of GASB Statement 3, LSA-R.S. 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 Town that the fiscal agent has failed to pay deposited funds upon demand.

Note 3 – Investments

Investments are categorized into these three categories:

1. Insured or registered, or securities held by the town or its agent in the Town's name
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Town's name
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Town's name

When held all investments are typically stated on the balance sheet (carrying value) at market value. All investments are in the name of the Town and are held at the Town's office. Because these investments are in the name of the Town and are held by the Town or the Town's agent, the investments are considered insured and registered, Category (1), in applying the credit risk of GASB Codification Section 150.164.

At December 31, 2014, the Town did not hold any investments.

The risk equivalents and investments of the Town are subject to the following risks:

- *Interest rate risk* is defined as the risk that changes in interest rates will adversely affect the fair value of investments. The Town does not have a policy addressing interest rate risk.
- *Credit risk*; under state law, the Town may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Town may invest in United States bonds, treasury notes and bills, government backed agency securities or certificates and time deposits of state banks organized under Louisiana law and national banks having principal officers in Louisiana.
- *Custodial credit risk* is the risk that in event of a bank failure, the government's deposit may not be returned to it. Louisiana Revised Statutes 39:1218-1229 required the collateralization of Local Government deposits that are greater than the amount insured by the Federal Depository Insurance Coverage (FDIC) limit (currently \$250,000 per institution).

Note 4 – Ad Valorem Tax

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and payable December 31. The Town collects its own property taxes. Town property tax revenues are recognized when levied to the extent that they result in current receivables.

TOWN OF ROSELAND, LOUISIANA

Notes to the Financial Statements For the Year Ended December 31, 2014

Note 4 – Ad Valorem Tax (Continued)

The Town is permitted by the Municipal Finance Law of the state to levy taxes up to 15.66 mills on the total assessed value for the Town for governmental services other than the payment of principal and interest on long term debt and in required amounts for the payment of principal and interest on long term debt. For the year ended December 31, 2014 taxes of 15.66 mills were levied on property with taxable assessed valuations totaling \$3,346,706 for a total of \$52,847. The taxes were dedicated for general and fire protection purposes.

| | <u>2014</u> | <u>2013</u> |
|---------|--------------|-------------|
| General | 5.66 | 5.74 |
| Fire | <u>10.00</u> | <u>9.92</u> |
| | 15.66 | 15.66 |

Note 5 – Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts are based upon historical trends and the period aging and write-off of accounts receivable. Major receivables balances for the governmental activities include sales taxes, franchise taxes, occupational licenses, and fines. Business-type activities report utilities earnings as their major receivable.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise taxes, occupational licenses, fines, and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded only if paid within 60 days since they would be considered both measurable and available. Proprietary fund revenues consist of all revenues earned at year-end and not yet received. Utility accounts receivable comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging and write-off of accounts receivable.

The Governmental Fund receivables at December 31, 2014 consist of the following:

| Government Receivables | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Total</u> |
|------------------------------------|-------------------------|-------------------------------------|------------------|
| Taxes: | | | |
| Ad Valorem | \$ 15,610 | \$ 27,578 | \$ 43,188 |
| Sales Tax Receivable | 14,369 | - | 14,369 |
| Franchise Tax | 9,424 | - | 9,424 |
| Other Receivables | 888 | - | 888 |
| Less: Allowance for Uncollectibles | <u>(7,376)</u> | <u>(12,750)</u> | <u>(20,126)</u> |
| Total Government Receivables | <u>\$ 32,915</u> | <u>\$ 14,828</u> | <u>\$ 47,743</u> |

TOWN OF ROSELAND, LOUISIANA

Notes to the Financial Statements
For the Year Ended December 31, 2014

Note 5 – Receivables (Continued)

The Enterprise Fund accounts receivable at December 31, 2014 consist of the following:

| Accounts Receivable: | Enterprise Fund |
|-----------------------------------|--------------------|
| Current | \$ 19,899 |
| 31 - 60 Days | 8,090 |
| 61 - 90 Days | 5,725 |
| 91 - 120 Days | 3,189 |
| Over 120 Days | 41,766 |
| Subtotal | 78,669 |
| Less: Allowance for Uncollectible | (36,856) |
| Accounts Receivable, net | 41,813 |
| Other Receivables | 395 |
| Unbilled Receivables | 6,137 |
| Total Accounts Receivable | \$ 48,345 |

Note 6 – Restricted Assets

The Restricted Assets for all funds at December 31, 2014 consist of the following:

| Restricted Assets: | General Fund | Special Revenue Fund | Enterprise Fund | Total |
|--------------------------------|-----------------|----------------------------|--------------------|-------------------|
| Cash and Cash Equivalents | | | | |
| Demand Deposits | \$ - | \$ 169,827 | \$ - | \$ 169,827 |
| Customer Deposits | - | - | 54,685 | 54,685 |
| Bond Reserve Account | - | - | 52,199 | 52,199 |
| Bond Contingency Account | - | - | 20,493 | 20,493 |
| Total Restricted Assets | \$ - | \$ 169,827 | \$ 127,377 | \$ 297,204 |

Note 7 – Inter-fund Receivable/Payables

The following is a detailed list of inter-fund balances for fund financial statements on December 31, 2014:

| Interfund Balances: | Due From Other Funds | Due To Other Funds |
|---------------------------------|----------------------------|--------------------------|
| General Fund | | |
| Fire Protection Fund | \$ - | \$ 21,509 |
| Enterprise Fund | 184,481 | (3,029) |
| Special Revenue Fund | | |
| Fire Protection Fund | - | - |
| General Fund | 21,509 | - |
| Enterprise Fund | | |
| General Fund | - | 187,510 |
| Total Interfund Balances | \$ 205,990 | \$ 205,990 |

TOWN OF ROSELAND, LOUISIANA

Notes to the Financial Statements For the Year Ended December 31, 2014

Note 8 – Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2014 for the primary government is as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|---|--------------------------|---------------------------|--------------------|--------------------------|
| Governmental Activities Capital Assets: | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 58,693 | \$ - | \$ - | \$ 58,693 |
| Construction in Progress | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Capital Assets Not Being Depreciated | 58,693 | - | - | 58,693 |
| Capital Assets Being Depreciated: | | | | - |
| Buildings and Improvements | 702,835 | 9,286 | - | 712,121 |
| Machinery and Equipment | <u>561,922</u> | <u>25,810</u> | <u>(7,908)</u> | <u>579,824</u> |
| Total Capital Assets Being Depreciated | 1,264,757 | 35,096 | (7,908) | 1,291,945 |
| Less Accumulated Depreciation for: | | | | - |
| Buildings and Improvements | (223,082) | (19,534) | - | (242,616) |
| Machinery and Equipment | <u>(409,428)</u> | <u>(40,663)</u> | <u>7,908</u> | <u>(442,184)</u> |
| Total Accumulated Depreciation | <u>(632,510)</u> | <u>(60,198)</u> | <u>7,908</u> | <u>(684,800)</u> |
| Total Capital Assets Being Depreciated, net | <u>632,247</u> | <u>(25,102)</u> | <u>-</u> | <u>607,145</u> |
| Total Governmental Activities Capital Assets | <u><u>\$ 690,940</u></u> | <u><u>\$ (25,102)</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 665,838</u></u> |

Depreciation was charged to governmental functions as follows:

| | |
|----------------------------|-------------------------|
| General Government | \$ 21,021 |
| Public Safety - Police | 3,287 |
| Public Safety - Fire | 18,026 |
| Public Works | <u>17,863</u> |
| Total Depreciation Expense | <u><u>\$ 60,197</u></u> |

TOWN OF ROSELAND, LOUISIANA

Notes to the Financial Statements For the Year Ended December 31, 2014

Note 8 – Capital Assets (Continued)

Capital assets and depreciation activity as of and for the year ended December 31, 2014 for business-type activities is as follows:

| Business-Type Activities Capital Assets: | Beginning Balance | Additions | Deletions | Ending Balance |
|---|----------------------|---------------------|-------------|---------------------|
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 6,500 | \$ - | \$ - | \$ 6,500 |
| Construction in Progress | - | - | - | - |
| Total Capital Assets Not Being Depreciated | 6,500 | - | - | 6,500 |
| Capital Assets Being Depreciated: | | | | - |
| Buildings and Improvements | 20,640 | - | - | 20,640 |
| Machinery and Equipment | 14,415 | 4,275 | - | 18,690 |
| Water Utility System | 2,131,847 | 3,270 | - | 2,135,117 |
| Sewer Utility System | 2,150,807 | - | - | 2,150,807 |
| Total Capital Assets Being Depreciated | 4,317,709 | 7,545 | - | 4,325,254 |
| Less Accumulated Depreciation for: | | | | - |
| Buildings and Improvements | (20,640) | - | - | (20,640) |
| Machinery and Equipment | (14,343) | (642) | - | (14,985) |
| Water Utility System | (1,351,243) | (40,662) | - | (1,391,905) |
| Sewer Utility System | (1,175,149) | (68,258) | - | (1,243,407) |
| Total Accumulated Depreciation | (2,561,375) | (109,562) | - | (2,670,937) |
| Total Capital Assets Being Depreciated, net | 1,756,334 | (102,017) | - | 1,654,317 |
| Total Business-Type Activities Capital Assets, net | \$ 1,762,834 | \$ (102,017) | \$ - | \$ 1,660,817 |

Note 9 – Accounts, Salaries, and Other Payables

The payables of \$35,786 at December 31, 2014 are as follows:

| Funds Payable | General Fund | Special Revenue Fund | Enterprise Fund | Total |
|---------------------------------|------------------|----------------------------|--------------------|------------------|
| Accounts Payable | \$ 13,681 | \$ 279 | \$ 4,116 | \$ 18,076 |
| Payroll Tax Related Liabilities | 13,312 | - | - | 13,312 |
| Other | - | - | 4,398 | 4,398 |
| Total Funds Payable | \$ 26,993 | \$ 279 | \$ 8,514 | \$ 35,786 |

Note 10 – Short-Term Debt

The Town had no short-term debt outstanding at December 31, 2014, other than the current portions of revenue bonds payable and capital leases described in the long-term debt obligation footnote.

TOWN OF ROSELAND, LOUISIANA

Notes to the Financial Statements For the Year Ended December 31, 2014

Note 11 – Long-Term Obligations and Bond Indebtedness

Long-Term Obligations

The following is a summary of long-term obligation transactions for the year ended December 31, 2014:

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> |
|--------------------|--------------------------------|-------------------------------------|---------------------------------|----------------------|------------------------------|
| | <u>Capital Leases</u> | <u>Certificates of Indebtedness</u> | <u>Capital Leases</u> | <u>Revenue Bonds</u> | <u>Long-Term Obligations</u> |
| Beginning Balance | \$ 29,826 | \$ - | \$ - | \$ 480,162 | \$ 509,988 |
| Additions | - | - | - | - | - |
| Deletions | - | - | - | - | - |
| Scheduled Payments | (20,768) | - | - | (22,033) | (42,801) |
| Ending Balance | <u>\$ 9,058</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 458,129</u> | <u>\$ 467,187</u> |

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of the long-term obligations:

| | <u>Governmental Activities</u> | | | <u>Business-Type Activities</u> | | | <u>Total</u> |
|--------------------------|--------------------------------|--------------------------|-----------------|---------------------------------|--------------------------|-------------------|------------------------------|
| | <u>Current Portion</u> | <u>Long-Term Portion</u> | <u>Total</u> | <u>Current Portion</u> | <u>Long-Term Portion</u> | <u>Total</u> | <u>Long-Term Obligations</u> |
| Governmental Activities: | | | | | | | |
| Capital Leases | \$ 9,058 | \$ - | \$ 9,058 | \$ - | \$ - | \$ - | \$ - |
| Revenue Bonds | - | - | - | 23,457 | 434,672 | 458,129 | 434,672 |
| | <u>\$ 9,058</u> | <u>\$ -</u> | <u>\$ 9,058</u> | <u>\$ 23,457</u> | <u>\$ 434,672</u> | <u>\$ 458,129</u> | <u>\$ 434,672</u> |

Bond Indebtedness

Bonds Payable as of December 31, 2014 are as follows:

| | <u>Bonds Payable End of Year</u> | <u>Due Within One Year</u> |
|--|--------------------------------------|--------------------------------|
| Business-Type: \$472,500 of Sewer Revenue Bonds, Series A Dated 01/22/1988, due in monthly installments of principal and interest of \$2,758, through 01/22/2028, interest at 6.34% | \$ 290,286 | \$ 15,023 |
| Business-Type: \$272,000 of Sewer Revenue Bonds, Series B Dated 05/23/1988, due in monthly installments of principal and interest of \$1,540, through 05/23/2028, interest at 6.125% | 167,843 | 8,434 |
| | <u>\$ 458,129</u> | <u>\$ 23,457</u> |

TOWN OF ROSELAND, LOUISIANA

Notes to the Financial Statements For the Year Ended December 31, 2014

Note 11 – Long-Term Obligations and Bond Indebtedness (Continued)

The annual requirements to amortize all debt outstanding at December 31, 2013, including interest payments of \$222,938 are as follows:

| <u>Year Ending</u> | <u>\$472,500 Utility Bonds 91-01</u> | <u>\$272,000 Utility Bonds 92-03</u> | <u>Capital Leases</u> | <u>Total</u> |
|------------------------|--|--|---------------------------|-------------------|
| 2015 | \$ 33,094 | \$ 18,480 | \$ 9,205 | \$ 60,779 |
| 2016 | 33,094 | 18,480 | - | 51,574 |
| 2017 | 33,094 | 18,480 | - | 51,574 |
| 2018 | 33,094 | 18,480 | - | 51,574 |
| 2019 | 33,094 | 18,480 | - | 51,574 |
| 2020-2024 | 165,470 | 92,400 | - | 257,870 |
| 2025-2028 | 102,040 | 63,140 | - | 165,180 |
| | <u>\$ 432,980</u> | <u>\$ 247,940</u> | <u>\$ 9,205</u> | <u>\$ 690,125</u> |

Note 12 – Flow of Funds, Restrictions or Use – Enterprise Fund Bonds

Water and Sewer Revenue Bonds

The Water and Sewer Revenue Bonds (Enterprise Fund Bonds), Series A and B, issued by the United States Department of Agriculture, Rural Utilities Service, require that all income and revenues earned or derived from the operation of the system be deposited in the Revenue Fund. Out of the funds on deposit in the Revenue Fund, after reasonable and necessary expenses of operating the system have been paid, moneys are to be transferred to the Reserve Fund and/or the Contingency Fund as provided in the Resolution.

The Reserve Fund is maintained solely for the purpose of paying the principal of and interest on bonds payable as to which there would otherwise be default. A monthly sum equal to one twelfth of five percent of the highest annual bond payments or \$137 for Series A and \$77 for Series B must be deposited into this fund no later than the 20th day of each month until \$33,094 for Series A and \$18,480 for Series B is on deposit therein for a total of \$51,574. This Reserve Fund is fully funded at December 31, 2014 with a balance maintained of \$52,199.

The Contingency Fund is established to care for depreciation, extensions, additions, improvements, renewals and replacements necessary to operate properly the System, by transferring from the Revenue Fund on or before the 20th of each month of each year a sum of \$221. In addition to caring for depreciation, extensions, additions, improvements, renewals and replacements necessary to properly operate the System, the money in the Contingency Fund may also be used to pay the principal of and the interest on the bonds including any additional pari-passu bonds issued hereafter in the manner provided by the Resolution, for the payment of which there is not sufficient money in the Reserve Funds. This Contingency Fund is fully funded at December 31, 2014 with a balance maintained of \$20,493. During the fiscal year ending December 31, 2014, USDA authorized \$47,320 in authorized withdrawals consisting of \$35,000 for reimbursing costs for sewer pumps, and \$12,320 to bring all USDA debt current.

TOWN OF ROSELAND, LOUISIANA

Notes to the Financial Statements For the Year Ended December 31, 2014

Note 12 – Flow of Funds, Restrictions or Use – Enterprise Fund Bonds (Continued)

Per Bond Covenants, the Town Council and the Mayor must maintain rates for utility services to provide for the payment of all reasonable and necessary expenses of the System, bond principal and interest payments, and the funding of required reserve accounts. The Town incurred a net loss of \$54,047 for the fiscal year ended December 31, 2014, reducing the net loss by \$6,295 from the net loss of \$47,752 recorded for the fiscal year ending December 31, 2013, and implemented a water and sewer rate increase effective January 1, 2014. The Town is also required by bond covenants to shut off delinquent customer accounts water services to a customer whose account is not paid within forty days of the billing date.

Note 13 – Obligation under Capital Lease

The Town entered into a lease purchase agreement to purchase a Case Tractor Loader for a total lease amount of \$60,404. The lease is payable in thirty-six monthly payments of \$1,841. The asset is being depreciated over the estimated useful life of five years. This lease is recorded with the Governmental Funds as a capital lease in the General Fund. The outstanding amount payable as of December 31, 2014 is \$9,058, all of which is due within one year.

Note 14 – Fund Balances and Net Position

At December 31, 2014, the General Fund had a non-spendable fund balance created from \$1,493 of prepaid insurance. The fund balance of \$204,297 in the Fire Protection Fund, a special revenue fund, is assigned at fiscal year-end. The Water and Sewer Fund has \$53,878 of net position restricted for customer deposits and \$11,928 of net position restricted for debt service.

Note 15 – Economic Development Award Agreement and Building Lease Proceeds and Revenue

On May 3, 2000 an Economic Development Award Agreement between the Louisiana Department of Economic Development, Karts International. (The Company), and the Town of Roseland (the Sponsoring Entity) was approved by the Governor of the State of Louisiana. The grant award of \$300,000 was used to assist the Town in building a new manufacturing facility that is located in the Town's industrial park. The agreement was effective from May 3, 2000 through November 10, 2003.

As part of the agreement, the Company was required to meet specific performance objectives each year. Karts international is now bankrupt. The Company failed to meet the required performance objectives.

The total cost to construct the building was \$500,000. To pay for the construction the Town used the \$300,000 award money plus \$200,000 advanced lease payments received from Karts International Inc. The \$200,000 advanced lease payments were for the full monthly net rental that would otherwise become due over both the primary term of the lease commencing October 1, 2000 and ending September 30, 2007, and the optional term commencing October 1, 2007 and ending September 30, 2009.

On September 30, 2009, the advanced lease payments ended, The Town entered into a lease agreement with American Sport works, LLC. The current lease running through December 31, 2011 was for a monthly rent of \$6,500, which totaled \$78,000 for the current fiscal period. A new lease agreement was signed December 5, 2014 for the 5 year period of January 1, 2015 to December 31, 2020. The new monthly rent effect January 1, 2015 is \$6,700, or \$80,400 annually

TOWN OF ROSELAND, LOUISIANA

Notes to the Financial Statements For the Year Ended December 31, 2014

Note 16 – Pension and Retirement Plans

All employees of the Town are members of the U.S. social security system. In addition to employee payroll deductions, Town funds are remitted to match employee contributions. Town contributions to the social security system for the year ended December 31, 2014 totaled \$13,933.

Note 17 – Compensation Paid to the Mayor and Members of the Board of Aldermen

Compensation paid to the Mayor and members of the Board of Aldermen during the year ended December 31, 2014 are as follows:

| <u>Name and Title</u> | |
|-------------------------------------|------------------|
| Wanda McCoy (Mayor) | \$ 16,150 |
| Marilyn Jackson (Council Member) | 2,550 |
| Carollania Johnson (Council Member) | 2,325 |
| Van Showers (Council Member) | 2,550 |
| Sandra Turner (Council Member) | 2,475 |
| Ruthie Vernon (Council Member) | <u>2,550</u> |
| | <u>\$ 28,600</u> |

Note 18 – Risk of Loss

The Town is exposed to a variety of risks that may result in losses. These risks may include possible loss from acts of God, injury to employees, property damage, or breach of contract. The Town finances these potential losses through purchasing insurance from several commercial companies, as well as self-insuring physical damage on its automobiles. The level of coverage has remained constant. The Town is not a member of a risk pool. All claims currently filed are adequately covered by the policies in place with no outstanding liabilities for the Town.

Note 19 – Contingent Liabilities

Under the Town's personnel policies, all unused vacation and sick leave lapse as of December 31. Therefore, no accrual is necessary for compensated absences.

Note 20 – Related Party Transactions

Procedures, observations, and inquiries did not disclose any material related party transactions for the fiscal year ended December 31, 2014.

Note 21 – Subsequent Events

Management of the Town of Roseland, Louisiana evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through June 26, 2015, the date which the financial statements were available to be used.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

TOWN OF ROSELAND, LOUISIANA

General Fund Budgetary Comparison Schedule December 31, 2014

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amounts Budgetary Basis</u> | <u>Variance With Final Budget Favorable/ (Unfavorable)</u> |
|---------------------------------------|----------------------------|-------------------------|---|--|
| Revenues (Inflows): | | | | |
| Taxes: | | | | |
| Ad Valorem | \$ 12,000 | \$ 18,000 | \$ 20,566 | \$ 2,566 |
| Sales Taxes Revenue | 143,592 | 150,000 | 166,074 | 16,074 |
| Franchise Revenue | 25,000 | 30,000 | 32,653 | 2,653 |
| Total Taxes | <u>180,592</u> | <u>198,000</u> | <u>219,293</u> | <u>21,293</u> |
| Intergovernmental: | | | | |
| State Grant | - | 9,840 | 5,603 | (4,237) |
| Beer Tax | 1,000 | 1,000 | 1,214 | 214 |
| Fire Insurance Rebate | - | - | 5,244 | 5,244 |
| Other | 6,000 | 3,000 | 2,867 | (133) |
| Total Intergovernmental | <u>7,000</u> | <u>13,840</u> | <u>14,928</u> | <u>1,088</u> |
| Other Revenues: | | | | |
| Licenses and Permits | 45,000 | 45,000 | 43,633 | (1,367) |
| Fines and Forfeitures | 16,000 | 16,000 | 17,137 | |
| Charges for Services | 10,000 | 10,000 | 4,853 | (5,147) |
| Interest | 100 | 100 | 20 | (80) |
| Donations | - | - | 20 | 20 |
| Miscellaneous | 4,500 | 4,500 | 2,051 | (2,449) |
| Total Other Revenues | <u>75,600</u> | <u>75,600</u> | <u>67,714</u> | <u>(9,023)</u> |
| Total Revenues (Inflows) | <u>263,192</u> | <u>287,440</u> | <u>301,935</u> | <u>13,358</u> |
| Expenditures (Outflows): | | | | |
| General Government: | | | | |
| Salaries | 44,900 | 51,600 | 54,882 | (3,282) |
| Payroll Taxes | 3,500 | 3,500 | 4,364 | (864) |
| Insurance | 26,000 | 26,000 | 21,471 | 4,529 |
| Professional Fees | 32,300 | 34,300 | 29,529 | 4,771 |
| Repairs & Maintenance | 3,000 | 3,000 | 829 | 2,171 |
| Recreation | - | 9,700 | 3,498 | 6,202 |
| Utilities | 5,000 | 6,000 | 5,829 | 171 |
| Official Journal | 1,500 | 1,500 | 1,261 | 239 |
| Supplies | 6,500 | 6,500 | 6,948 | (448) |
| Sales Tax Collection Expense | 1,200 | 1,200 | 438 | 762 |
| Grant | - | 9,840 | - | 9,840 |
| Miscellaneous | 2,000 | 2,000 | 4,307 | (2,307) |
| Total General Government Expenditures | <u>125,900</u> | <u>155,140</u> | <u>133,356</u> | <u>21,784</u> |

See Independent Auditors' Report

TOWN OF ROSELAND, LOUISIANA

General Fund Budgetary Comparison Schedule December 31, 2014

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amounts Budgetary Basis</u> | <u>Variance With Final Budget Favorable/ (Unfavorable)</u> |
|--------------------------------------|----------------------------|-------------------------|---|--|
| Public safety: | | | | |
| Police: | | | | |
| Salaries | 72,000 | 73,000 | 73,915 | 915 |
| Payroll Taxes | 5,100 | 6,000 | 6,646 | 646 |
| Vehicles & Fuel | 13,000 | 21,000 | 19,491 | (1,509) |
| Insurance | 9,000 | 11,000 | 12,232 | 1,232 |
| Miscellaneous | 1,300 | 1,300 | 712 | 588 |
| Repairs & Maintenance | 1,200 | 4,800 | 4,973 | (173) |
| Supplies | 1,200 | 4,000 | 4,262 | (262) |
| Utilities | 4,500 | 4,500 | 4,488 | 12 |
| Total Police Expenditures | <u>107,300</u> | <u>125,600</u> | <u>126,720</u> | <u>1,448</u> |
| Fire: | | | | |
| Salaries | 16,000 | 16,000 | 12,758 | 3,243 |
| Payroll Taxes | 1,300 | 1,300 | 1,263 | 37 |
| Contract Services | 1,300 | 1,300 | 590 | 710 |
| Repairs & Fuel | - | 1,800 | 1,537 | 263 |
| Supplies | - | - | 321 | (321) |
| Fire Utilities | 4,800 | 6,000 | 6,131 | (131) |
| Miscellaneous | 300 | 300 | 175 | 125 |
| Total Fire Expenditures | <u>23,700</u> | <u>26,700</u> | <u>22,775</u> | <u>3,925</u> |
| Public Works (Streets): | | | | |
| Salaries | 15,000 | 27,500 | 27,646 | (146) |
| Payroll Taxes | 1,200 | 1,200 | 2,718 | (1,518) |
| Landfill | - | - | 582 | (582) |
| Repairs & Fuel | 20,000 | 24,000 | 22,024 | 1,976 |
| Supplies | 4,000 | 4,000 | - | 4,000 |
| Lights | 20,000 | 24,000 | 22,575 | 1,425 |
| Insurance | 800 | 800 | 795 | 5 |
| Miscellaneous | 1,200 | 1,200 | 1,138 | 62 |
| Total Streets Expenditures | <u>62,200</u> | <u>82,700</u> | <u>77,479</u> | <u>5,221</u> |
| Capital Outlay: | | | | |
| General Government | - | - | 35,600 | (35,600) |
| Public Safety: | - | - | - | - |
| Police | - | - | - | - |
| Fire | - | - | - | - |
| Streets | - | - | - | - |
| Total Capital Outlay | <u>-</u> | <u>-</u> | <u>35,600</u> | <u>(35,600)</u> |
| Total Expenditures (Outflows) | <u>319,100</u> | <u>390,140</u> | <u>395,929</u> | <u>(3,221)</u> |

See Independent Auditors' Report

TOWN OF ROSELAND, LOUISIANA

General Fund Budgetary Comparison Schedule December 31, 2014

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amounts Budgetary Basis</u> | <u>Variance With Final Budget Favorable/ (Unfavorable)</u> |
|--|----------------------------|-------------------------|---|--|
| Other Financing Sources (Uses): | | | | |
| Building Lease Proceeds | 78,000 | 78,000 | 78,000 | - |
| Capital Lease Principal | (22,092) | (22,092) | (20,768) | (1,324) |
| Capital Lease Interest | <u>-</u> | <u>-</u> | <u>(1,325)</u> | <u>1,325</u> |
| Total Other Financing Sources (Uses) | <u>55,908</u> | <u>55,908</u> | <u>55,907</u> | <u>1</u> |
| Net Changes in Fund Balance | <u>-</u> | <u>(46,792)</u> | <u>(38,087)</u> | <u>8,705</u> |
| Budgetary Fund Balances, Beginning | <u>258,255</u> | <u>273,996</u> | <u>271,875</u> | <u>(2,121)</u> |
| Budgetary Fund Balances, Ending | <u>\$ 258,255</u> | <u>\$ 227,204</u> | <u>\$ 233,788</u> | <u>\$ 6,584</u> |

See Independent Auditors' Report

TOWN OF ROSELAND, LOUISIANA

Fire Protection Fund Budgetary Comparison Schedule December 31, 2014

| | Original Budget | Final Budget | Actual Amounts Budgetary Basis | Variance With Final Budget Favorable/ (Unfavorable) |
|---|--------------------|-------------------|---|--|
| Resources (Inflows): | | | | |
| Ad Valorem Taxes | \$ 30,000 | \$ 30,000 | \$ 28,427 | \$ (1,573) |
| Interest | - | - | 37 | 37 |
| Total Revenues (Inflows) | <u>30,000</u> | <u>30,000</u> | <u>28,464</u> | <u>(1,536)</u> |
| Expenditures (Outflows): | | | | |
| Public Safety | 30,000 | 30,000 | - | 30,000 |
| Fire: | | | | |
| Legal & Professional Fees | - | - | 400 | (400) |
| Contract Services | - | - | 589 | (589) |
| Insurance Expense | - | - | 5,119 | (5,119) |
| Fire Supplies | - | - | 372 | (372) |
| Repairs & Maintenance | - | - | 1,147 | (1,147) |
| Office Expense & Supplies | - | - | 81 | (81) |
| Total Expenditures (Outflows) | <u>30,000</u> | <u>30,000</u> | <u>7,708</u> | <u>22,292</u> |
| Other Financing Sources (Uses): | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balance | <u>-</u> | <u>-</u> | <u>20,756</u> | <u>20,756</u> |
| Budgetary Fund Balances, Beginning | <u>155,792</u> | <u>155,792</u> | <u>183,541</u> | <u>27,749</u> |
| Budgetary Fund Balances, Ending | <u>\$ 155,792</u> | <u>\$ 155,792</u> | <u>\$ 204,297</u> | <u>\$ 48,505</u> |

See Independent Auditors' Report

TOWN OF ROSELAND, LOUISIANA

Notes to the Budgetary Comparison Schedules For the Year Ended December 31, 2014

Note A – Budget Practices

A proposed budget for the general fund and the special revenue funds of the Town of Roseland is prepared on the modified accrual basis of accounting. The budget is legally adopted by the Town of Roseland and then amended during the year, as necessary. The budget is established and controlled at the object level of expenditures. Appropriations lapse at year-end and must be re-appropriated for the following year. The Town of Roseland authorizes all amendments to the budget. One amendment was made to the original budget.

Formal budgetary integration is employed as a management control device during the year.

Note B – Budget to GAAP Reconciliation

The Town's basis of budgetary accounting follows generally accepted accounting principles.

Note C – Excess of Expenditures over Appropriations

| | <u>Total Revenues</u> <u>(Inflows)</u> | <u>Total Expenditures</u> <u>(Outflows)</u> | <u>Excess</u> |
|--------------|---|--|------------------|
| General Fund | <u>\$ 301,935</u> | <u>\$ 395,929</u> | <u>\$ 93,994</u> |

See Independent Auditors' Report

OTHER SUPPLEMENTARY INFORMATION

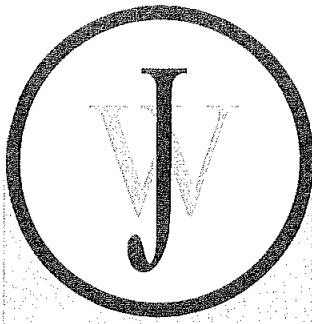
TOWN OF ROSELAND, LOUISIANA

**Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2014**

Agency Head: Mayor Wanda McCoy

| <u>Purpose:</u> | <u>Amount:</u> |
|--|------------------|
| Salary | \$ 16,150 |
| Benefits - health insurance | - |
| Benefits - retirement | - |
| Benefits - social security insurance | 1,001 |
| Car allowance | - |
| Vehicle provided by government | - |
| Per diem | - |
| Reimbursements | - |
| Travel | - |
| Registration fees | 200 |
| Conference travel | - |
| Continuing professional education fees | - |
| Housing | - |
| Unvouchered expenses | - |
| Special meals | - |
| | <hr/> |
| Total | <u>\$ 17,351</u> |

INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS



J. WALKER & COMPANY^{APC}

ACCOUNTANTS AND ADVISORS

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

Honorable Wanda McCoy, Mayor
and the Members of the Board of Aldermen
Town of Roseland, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Roseland, Louisiana, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Town of Roseland, Louisiana's basic financial statements and have issued our report thereon dated June 26, 2015.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described as 14-02 in the accompanying schedule of findings and questioned costs to be a material weakness.

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SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

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. We consider the deficiencies described as 14-01, 14-03, and 14-04 in the accompany schedule of findings and questioned costs to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Roseland, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 14-01, and 14-03.

Town of Roseland, Louisiana's Response to Findings

Town of Roseland, Louisiana's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Town of Roseland, Louisiana's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

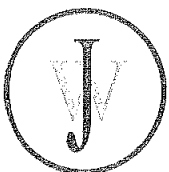
Purpose of this Report

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

J. Walker & Company, APC

Lake Charles, Louisiana

June 26, 2015



TOWN OF ROSELAND, LOUISIANA

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2014

I. Summary of Auditors' Results

a. Financial Statements

1. The independent auditors' report expresses an unqualified opinion on the financial statements of the Town of Roseland, Louisiana.
2. There were four (4) control deficiencies disclosed during the audit of the financial statements and reported in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. One of these deficiencies is reported as material weaknesses.
3. There were two (2) instances of noncompliance that are reported in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.

b. Federal Awards

The Town did not expend \$500,000 or more in federal awards during the year ended December 31, 2014, and therefore, is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, *Audits of State, Local Government, and Non-Profit Organizations*.

c. Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2014.

TOWN OF ROSELAND, LOUISIANA

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2014

II. Findings – Financial Statement Audit

INTERNAL CONTROL AND COMPLIANCE FINDINGS

2014 – 01 Failure to Comply with Bond Resolutions

Condition:

The Town's accounts receivable balance consisted of approximately \$44,955 in the over 90 days past due category, consisting of \$17,472 for customers still receiving utility service and \$27,483 of closed accounts. The closed accounts of \$27,483 have not been turned over for collection.

Criteria:

The bond covenant between the Town and the United States Department of Agriculture (USDA) requires the Town to disconnect the services of utility customers that have overdue accounts in excess of forty (40) days past the billing date.

Cause:

It is indeterminable as to why the delinquent accounts are still active.

Effect:

The effect is noncompliance with the USDA bond covenant, as well as a loss of revenues.

Recommendation:

The Town should disconnect utility service before customers reach the over 90 days past due status. The Town should enforce the disconnect policy, required by USDA bond covenants, to maximize the revenue needed for utility operations. The Town should also refer the delinquent accounts that were closed, and the accounts over 90 days past due to the Town's legal counsel for collection procedures.

Response:

See Management's Corrective Action Plan

2014 – 02 Unpaid Ad Valorem Taxes

Condition:

The amount of uncollected prior year ad valorem taxes due to the Town totaled \$15,743 at December 31, 2014. In addition, the Town has not began the process of holding a tax sale to redeem the outstanding balances.

TOWN OF ROSELAND, LOUISIANA

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2014

Criteria:

The Town must optimize the collection of revenues to maintain streets and related improvements, provide police and fire protection, and to provide utility services.

Cause:

The Town has not contracted with an agency to assist with collection efforts, nor has the Town contacted the proper authorities to hold a tax sale.

Effect:

Revenue collection must be optimized for the Town to provide for needed services to its citizens.

Recommendation:

The Town should transfer the documentation on the unpaid taxes to the Town's attorney, and request a determination on the Town's legal obligation to collect the taxes and options that the Town has for collection of unpaid ad valorem taxes. The Town should also consider a tax sale if other alternatives are not available.

Response:

See Management's Corrective Action Plan

2014 – 03 Police Department Collections

Condition:

The Town failed to forward a record of unpaid tickets to the Louisiana Department of Public Safety and Corrections as required by Louisiana Revised Statute 32:393C(l)(b).

Criteria:

Louisiana Revised Statute 32:393C(l)(b) requires that records of unpaid traffic and parking fines be forwarded to the Department of Safety and Corrections.

Cause:

The Town does not have sufficient controls and monitoring procedures to ensure that unpaid tickets are forwarded to the appropriate State authorities.

Effect:

The Town is not in compliance with State Laws.

TOWN OF ROSELAND, LOUISIANA

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2014

Recommendation:

Standardized procedures must be implemented to ensure the submittal of unpaid tickets to the Louisiana Department of Safety and Corrections.

Response:

See Management's Corrective Action Plan

2014 – 04 Meter Deposit Listing

Condition:

The Town maintains a listing of meter deposits within the utility billing system software. However, the utility system software has features that have not been activated that allow the application of meter deposit refunds, necessary to determine more accurately the balance owed by customers. Specifically, the utility billing system displays a message indicating that the function allowing input of meter deposit refunds has not been installed. The total meter deposit payable is not materially misstated since the meter deposit listing was manually updated at the end of the prior fiscal year.

Cause:

The Town failed to update its utility software to allow for the removal of customer meter deposits from the system upon return of the deposit to the customer. Instead, the Town manually tracks the return of meter deposits in a receipt ledger.

Effect:

For more timely and accurate reporting of meter deposit balances, the feature allowing the input of meter deposit refunds needs to be activated. As a result of not being able to track the remittance of deposits to customers, the balance of meter deposits within the utilities software does not reconcile to the balance within the Town's general ledger.

Recommendation:

We recommend that the Town contact the software vendor to activate the software feature allowing input of meter deposit refunds, and then input the refunds on a timely basis.

Response:

See Management's Corrective Action Plan

TOWN OF ROSELAND, LOUISIANA

Summary of Prior Year Findings For the Year Ended December 31, 2014

INTERNAL CONTROL AND COMPLIANCE FINDINGS

2013 – 01 Audit Filing Requirements

Condition:

The Town of Roseland must comply with legal deadlines for filing audit reports, but must also ensure that sufficient time is available to complete procedures required in accordance with governmental auditing standards.

Recommendation:

No recommendation was provided by the predecessor auditor.

Current Status:

Resolved

2013 – 02 Failure to Comply with Bond Resolutions

Condition:

At December 13, 2013, loan installments on USDA bonds were current, and all required reserves were fully funded, although in prior fiscal years USDA had authorized \$50,283 in expenditures from the Depreciation & Contingency account for operating and capital expenditures, and in year 2013 USDA approved a total of \$47,320 in authorized withdrawals. The Town has also reduced the net loss from \$102,794 for the fiscal year ending December 31, 2012, to \$47,752 (before prior period adjustment) for the fiscal year ending December 31, 2013, and has implemented a rate increase effective January 1, 2014. Because of these improvements, only the findings related to disconnecting past due utility customer accounts are continued within this finding.

Although the accounts receivable balance decreased from \$87,050 at December 31, 2012, to \$65,237 at December 31, 2013, there is still \$42,028 in the over 90 days past due category, consisting of \$14,897 for customers still receiving utility service and \$27,131 of closed accounts. The closed accounts of \$27,131 have not been turned over for collection.

Recommendation:

Our recommendations are continued and expanded from the prior fiscal year:

- 1) Continue to review the closed accounts listing and disconnect utility service before customers reach the over 90 days past due status. Enforce the disconnect policy, required by USDA bond covenants, to maximize the revenue needed for utility operations.
- 2) Refer the closed accounts and accounts over 90 days past due to the Town's legal counsel for collection procedures.
- 3) Consider increasing the meter deposit fee for new accounts or re-connects, to cover the cost of unpaid utility fees when the account is disconnected.

TOWN OF ROSELAND, LOUISIANA

Summary of Prior Year Findings For the Year Ended December 31, 2014

Current Status:

Unresolved, see current finding 2014 – 01

2013 – 03 Lack of Segregation of Duties:

Condition:

With all smaller agencies, there will be limited personnel for recording receipts and disbursements and for reporting financial transactions. The Town has implemented the following compensating controls:

- 1) Direct approval by the Mayor for all key financial transactions.
- 2) Maintenance of detail registers to support all disbursements.
- 3) Monthly reconciliation of bank accounts by an outside accountant, and monthly financial reporting to the board by the outside accountant.
- 4) Approval and signing of checks by Mayor, with a second required signature.

Recommendation:

Since limited segregation of duties is characteristic of small agencies, controls must continue to be implemented to counter the effect of a limited number of personnel performing financial transactions. It is recommended that the Town continue to implement the compensating controls listed above, and continue the process of implementing recommended controls for the utility system, as described in Finding 2013 – 05 within this Summary of Prior Year Findings.

Current Status:

Resolved

2013 – 04 Unpaid Ad Valorem Taxes

Condition:

Prior findings had noted three main areas where all revenues were not being collected – ad valorem taxes, occupational licenses, and utility department collections. The only finding not resolved or included within separate findings relates to collection of unpaid ad valorem taxes. Uncollected prior year ad valorem taxes decreased from \$20,445 to \$15,908 at December 31, 2013, because of increased collection efforts by the Town. However, the estimated uncollectible increase for the current year totals \$4,218. In addition, a tax sale has not been held.

Recommendation:

For unpaid ad valorem taxes, the recommendations are continued as follows:

- 1) Transfer the documentation on the unpaid taxes to the Town's attorney, and request a determination on the Town's legal obligation to collect the taxes and options that the Town has for collection of unpaid ad valorem taxes.
- 2) If other alternatives are not available, hold a tax sale.

TOWN OF ROSELAND, LOUISIANA

Summary of Prior Year Findings For the Year Ended December 31, 2014

Current Status:

Unresolved; see current finding 2014 – 02

2013 – 05 Utility Fund – Internal Control for Cash Collections

Condition:

This finding originally related to an on-going investigation by the Tangipahoa Parish Sheriff's Office of cash funds reported as missing, estimated at \$9,494, in the Utility Fund of the Town of Roseland. The cash was reported as missing during the time period of July 2011 through October 2011. The Town responded affirmatively to recommendations for improvements in internal controls, resolving findings related to the recommendations, as noted in response to Finding 12-5 within the Summary Schedule of Prior Year Audit Findings, and as a result this finding is now categorized as a significant deficiency not constituting a material weakness. The prior year finding listed two remaining recommendations related to the segregation of duties for receipt and deposit of utility department receipts, and to the approval of adjustments to the utility billing system software. The finding related to approval of adjustments to the utility billing software was resolved since all adjustments for 2013 were approved by the Mayor and the total of adjustments approved balanced to the adjustments entered into to the utility billing software. The finding related to segregation of duties for receipt and deposit of utility department receipts continues since during fiscal year 2013, the staff level for the administrative department was decreased, and it became necessary for the Town Clerk to increase her duties for review, reconciliation, and deposit of funds.

Recommendation:

In relation to controls for the receipt and deposit of funds, we recommend that the Town designate a person to deposit funds that is not involved in the collection of funds.

Current Status:

Resolved

2013 – 06 Police Department Collections

Condition:

Cash collections for the Police Department generally consist of payments for cash bonds and there are minimal collections to be reported. Collection of cash bonds is often after hours when no one is available in the Town administrative department. There are also miscellaneous receipts for smaller collections, such as charges for copies. For the receipts reviewed, there was documentation for the receipt, but the form of documentation was not standardized and during year 2013 consisted of written sheets with a description of the funds received, accompanied by signatures of police department officials.

Also, we noted in the review of collections for tickets that copies of the tickets are being forwarded to the administrative office and payment for tickets was collected only at the administrative office.

TOWN OF ROSELAND, LOUISIANA

Summary of Prior Year Findings For the Year Ended December 31, 2014

Recommendation:

Recommendations related to the collection of cash receipts by the Police Department are as follows:

- 1) Adopt a standard receipt form for any cash funds collected. Police Department personnel should check with other law enforcement agencies for procedures and forms used, but the receipt form should at a minimum include:
 - Provision for multiple signatures to verify the receipt of funds.
 - Description of funds received.
 - Pre-numbered receipts and inclusion of a case number where applicable.
 - Multiple copies of receipts so that a copy of the receipt can be forwarded to the administrative office for each receipt of funds.
- 2) Standardize the envelopes used to convey funds to the administrative office and the procedures for sealing the envelopes. Check with other law enforcement agencies on procedures.
- 3) For tickets not paid, forward a record of unpaid tickets to the Louisiana Department of Revenue as required by Louisiana Revised Statute 32:393C(l)(b).

Current Status:

Partially Resolved; see current finding 2014 – 03

2013 – 07 Meter Deposit Listing

Condition:

The Town maintains a listing of meter deposits within the utility billing system software. However, the utility system software has features that have not been activated that allow the application of meter deposit refunds, necessary to determine more accurately the balance owed by customers. Specifically, the utility billing system displays a message indicating that the function allowing input of meter deposit refunds has not been installed. The total meter deposit payable is not materially misstated since the meter deposit listing was manually updated at the end of the prior fiscal year.

Recommendation:

We recommend that the Town contact the software vendor to activate the software feature allowing input of meter deposit refunds, and then input the refunds on a timely basis.

Current Status:

Unresolved; see current finding 2014 – 04

TOWN OF ROSELAND, LOUISIANA

Management's Corrective Action Plan For the Year Ended December 31, 2014

2014 – 01 Failure to Comply with Bond Resolutions

Recommendation:

The Town should disconnect utility service before customers reach the over 90 days past due status. The Town should enforce the disconnect policy, required by USDA bond covenants, to maximize the revenue needed for utility operations. The Town should also refer the delinquent accounts that were closed, and the accounts over 90 days past due to the Town's legal counsel for collection procedures.

Response:

To remain in compliance with the bond resolution, resolve this finding, and ensure the Town is receiving the appropriate amount of revenues from utilities services, the Town will implement the following corrective actions:

- 1) We will assign an employee to enforce our disconnect policy, to review each month the status of payments received for customers on the disconnect list, and we will verify that service is disconnected as required.
- 2) We will refer all past due accounts to our lawyer for collection.

Contact Person:

Wanda McCoy, Mayor
P.O. Box 511
Roseland, Louisiana 70456
(985) 748-9063 (office)
(985) 748-7131 (fax)

2014 – 02 Unpaid Ad Valorem Taxes

Recommendation:

The Town should transfer the documentation on the unpaid taxes to the Town's attorney, and request a determination on the Town's legal obligation to collect the taxes and options that the Town has for collection of unpaid ad valorem taxes. The Town should also consider a tax sale if other alternatives are not available.

Response:

The Town plans to implement the following corrective actions to ensure the collection of unpaid ad valorem taxes:

- 1) We will consult with external collection agencies to determine the most cost efficient manner to contact those individuals whom are in ad valorem tax arrears.

TOWN OF ROSELAND, LOUISIANA

Management's Corrective Action Plan For the Year Ended December 31, 2014

- 2) We will consult with our attorney, as well as other municipalities to discuss the feasibility of conducting a joint tax sale in an effort to seek the most cost beneficial option to the Town.

Contact Person:

Wanda McCoy, Mayor
P.O. Box 511
Roseland, Louisiana 70456
(985) 748-9063 (office)
(985) 748-7131 (fax)

2014 – 03 Police Department Collections

Recommendation:

Standardized procedures must be implemented to ensure the submittal of unpaid tickets to the Louisiana Department of Safety and Corrections.

Response:

The Town will implement procedures and assign an employee to review the listing of unpaid traffic tickets on a monthly basis and ensure that all outstanding tickets are forwarded to the Louisiana Department of Safety and Corrections.

Contact Person:

Wanda McCoy, Mayor
P.O. Box 511
Roseland, Louisiana 70456
(985) 748-9063 (office)
(985) 748-7131 (fax)

2014 – 04 Meter Deposit Listing

Recommendation:

We recommend that the Town contact the software vendor to activate the software feature allowing input of meter deposit refunds, and then input the refunds on a timely basis.

Response:

We are currently in the process of updating our utilities billing software features to ensure that we are able to capture all meter deposit refunds in the future.

TOWN OF ROSELAND, LOUISIANA

Management's Corrective Action Plan
For the Year Ended December 31, 2014

Contact Person:

Wanda McCoy, Mayor
P.O. Box 511
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