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Village of Rosedale, Louisiana
Annual Financial Statements
Year ended December 31, 1999

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

Release Date 7/19/00

W. Kathleen Beard
CERTIFIED PUBLIC ACCOUNTANT

Village of Rosedale, Louisiana
Annual Financial Statements
Year ended December 31, 1999

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Village of Rosedale, Louisiana
Annual Financial Statements
Year ended December 31, 1999

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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying general purpose financial statements of the Village of Rosedale, Louisiana, as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Village's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Rosedale, Louisiana as of December 31, 1999, and the results of its operations and the cash flows of its proprietary fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 11, 2000 on my consideration of the Village of Rosedale's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Village of Rosedale, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



W. Kathleen Beard
Certified Public Accountant
June 11, 2000

W. Kathleen Beard
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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

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

I have audited the general purpose financial statements of the Village of Rosedale, Louisiana, as of and for the year ended December 31, 1999, and have issued my report thereon dated June 11, 2000. I have conducted my audit in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village of Rosedale, Louisiana's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Village of Rosedale, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their

assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the mayor and members of the Board of Aldermen of the Village of Rosedale, Louisiana and the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "W. Kathleen Beard". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

W. Kathleen Beard
Certified Public Accountant
June 11, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS

Village of Rosedale, Louisiana
Combined Balance Sheet
All Fund Types and Account Groups
December 31, 1999
With Comparative Totals for 1998

	<u>Governmental Fund Types</u>		<u>Proprietary</u>
	<u>General</u>	<u>Special - Revenue - Fire Protection</u>	<u>Fund Types - Enterprise - Water System</u>
ASSETS:			
Cash and cash equivalents -			
Cash on hand and in banks	\$25,670	\$9,981	\$1,679
Investments in LAMP	128,752	54,578	28,658
Receivables -			
Sales taxes	14,352	5,100	0
Franchise taxes	3,538	0	0
Accounts receivable - customers	0	0	1,328
Due from other funds	2,048	0	0
Due from other governmental units	24,339	0	0
Prepaid expenses	0	0	14,539
General fixed assets	0	0	0
Fixed assets (net)	0	0	180,852
Amount to be provided for payment of joint obligati	0	0	0
	-----	-----	-----
Total Assets	<u>\$198,698</u>	<u>\$69,659</u>	<u>\$227,056</u>
	=====	=====	=====
LIABILITIES:			
Accounts payable	\$14,368	\$1,091	\$1,900
Due to employees	11	0	0
Due to other funds	0	2,048	0
Retainage payable	7,262	0	0
Contract payable	0	0	0
Accrued liabilities	1,645	105	124
Due to the City of Plaquemine	0	0	0
	-----	-----	-----
Total Liabilities (All Current)	<u>23,286</u>	<u>3,243</u>	<u>2,024</u>
FUND EQUITY:			
Contributed Capital (net)	0	0	233,018
Investment in General Fixed Assets	0	0	0
Retained Earnings (Deficit)	0	0	(7,986)
Fund Balances -			
Unreserved	175,412	66,416	0
	-----	-----	-----
Total Fund Equity	<u>175,412</u>	<u>66,416</u>	<u>225,033</u>
	-----	-----	-----
Total Liabilities and Fund Equity	<u>\$198,698</u>	<u>\$69,659</u>	<u>\$227,056</u>
	=====	=====	=====

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

Exhibit A

<u>Account Group</u>	<u>Totals (Memorandum Only)</u>	
<u>General Fixed Assets</u>	<u>1999</u>	<u>1998</u>
\$0	\$37,329	\$41,500
	211,988	230,898
0	19,452	20,957
0	3,538	3,422
0	1,328	552
0	2,048	9,159
0	24,339	6,696
0	14,539	0
1,626,401	1,626,401	1,558,918
0	180,852	138,534
0	0	12,000
-----	-----	-----
\$1,626,401	\$2,121,814	\$2,022,636
=====	=====	=====
\$0	\$17,358	\$7,871
0	11	0
0	2,048	9,159
0	7,262	2,578
	0	4660
0	1,874	2,140
0	0	12,000
-----	-----	-----
0	28,553	38,409
0	233,018	171,017
1,626,401	1,626,401	1,558,918
0	(7,986)	(8,257)
0	241,828	262,549
-----	-----	-----
1,626,401	2,093,261	1,984,227
-----	-----	-----
\$1,626,401	\$2,121,814	\$2,022,636
=====	=====	=====

Village of Rosedale, Louisiana
 Combined Statement of Revenues, Expenditures and Changes in
 Fund Balance - All Governmental Fund Types
 Year ended December 31, 1999
 With Comparative Totals for 1998

Exhibit B

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>1999</u>	<u>1998</u>
REVENUES:				
Taxes and licenses	\$219,789	\$69,200	\$288,989	\$308,864
Intergovernmental revenue	7,763	0	7,763	11,947
Charges for services	9,519	0	9,519	6,346
Fines and forfeitures	12,578	0	12,578	15,743
Louisiana Recreational Trails Grant	20,042	0	20,042	0
Iberville Parish Parks & Recreation District	13,361	0	13,361	0
Interest income	7,429	2,717	10,146	13,079
Donations	0	4,410	4,410	0
Miscellaneous	3,193	0	3,193	4,226
Total revenues	293,674	76,327	370,000	360,205
EXPENDITURES:				
Current -				
General government	68,191	0	68,191	72,613
Public safety	26,170	34,434	60,604	69,590
Public works	81,797	0	81,797	79,177
Capital outlay	42,989	43,142	86,131	181,026
Debt service	0	12,000	12,000	4000
Total expenditures	219,148	89,576	308,724	406,406
Excess Revenues Over (Under) Expenditures	74,526	(13,249)	61,277	(46,201)
OTHER FINANCING SOURCES (USES):				
Operating transfers in	0	0	0	580
Operating transfers (out)	(5,023)	0	(5,023)	(8,157)
Total Other Financing Sources (Uses)	(5,023)	0	(5,023)	(7,577)
Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	69,503	(13,249)	56,254	(53,778)
FUND BALANCE:				
Beginning of Year	182,884	79,665	262,549	336,314
Residual Equity Transfer Out - Water	(76,975)	0	(76,975)	(19,987)
End of Year	\$175,412	\$66,416	\$241,828	\$262,549
	=====	=====	=====	=====

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

Village of Rosedale, Louisiana
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Non-GAAP Budget Basis
General and Special Revenue Fund Types
Year ended December 31, 1999
With Comparative Totals for 1998

	<u>General Fund</u>			
	<u>Budget</u>	<u>Actual (Unfavorable)</u>	<u>Variance Favorable</u>	<u>1998</u>
REVENUE:				
Taxes and licenses	\$224,592	\$219,789	(\$4,803)	\$234,164
Intergovernmental revenue	11,612	7,763	(3,849)	11,947
			0	
Charges for services	6,346	9,519	3,173	6,346
Fines & Forfeitures	15,000	12,578	(2,422)	15,743
Interest income	7,500	7,429	(71)	10,087
Miscellaneous	3,200	3,193	(7)	4,226
Donations	0	0	0	0
	-----	-----	-----	-----
Total revenues	268,250	260,271	(7,979)	282,513
EXPENDITURES:				
Current -				
General government	73,500	72,286	1,214	72,613
Public safety	33,450	26,170	7,280	31,993
Public works	90,900	84,773	6,127	79,177
Capital outlay	102,500	86,561	15,939	175,411
Debt service	0	0	0	0
	-----	-----	-----	-----
Total expenditures	300,350	269,790	30,560	359,194
Excess Revenues Over (Under) Expenditures	(32,100)	(9,519)	22,581	(76,681)
OTHER FINANCING SOURCES (USES):				
Operating transfers in	0	0	0	0
Operating transfers (out)	0	0	0	(8,157)
	-----	-----	-----	-----
Total Other Financing Sources (Uses)	0	0	0	(8,157)
Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(32,100)	(9,519)	22,581	(84,838)
FUND BALANCES:				
Beginning of Year	182,884	182,884	0	287,709
Residual equity transfer out - Water System	0	0	0	(19,987)
	-----	-----	-----	-----
End of Year	\$150,784	\$173,365	\$22,581	\$182,884
	=====	=====	=====	=====

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

Exhibit C

Special Revenue Fund - Fire Protection			
Budget	Actual (Unfavorable)	Variance Favorable	1998
\$70,000	\$69,200	(\$800)	\$74,700
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
3,000	2,717	(283)	2,992
0	0	0	0
4,410	4,410	0	0
-----	-----	-----	-----
77,410	76,327	(1,083)	77,692
0	0	0	0
30,350	32,387	(2,037)	37,597
0	0	0	0
42,200	43,142	(942)	5,615
12,000	12,000	0	4,000
-----	-----	-----	-----
84,550	87,529	(2,979)	47,212
-----	-----	-----	-----
(7,140)	(11,202)	(4,062)	30,480
0	0	0	580
0	0	0	0
-----	-----	-----	-----
0	0	0	580
(7,140)	(11,202)	(4,062)	31,060
79,665	79,665	0	48,605
0	0	0	0
-----	-----	-----	-----
\$72,525	\$68,463	(\$4,062)	\$79,665
=====	=====	=====	=====

Village of Rosedale, Louisiana
Statement of Revenues, Expenses and Changes in
Retained Earnings - Proprietary Fund
Year ended December 31, 1999
With Comparative Totals for 1998

Exhibit D

	<u>Enterprise Funds - Water System</u>	
	<u>1999</u>	<u>1998</u>
OPERATING REVENUES		
Water sales	\$16,811	\$14,241
Connection fees	390	275
Miscellaneous income	30	0
	-----	-----
Total Operating Revenue	17,231	14,516
OPERATING EXPENSES		
Salaries	4,681	7,159
Payroll taxes	131	104
Retirement expense	211	314
Current used in pumping	3,189	3,317
Depreciation	20,118	16,537
Maintenance of pumping equipment	2,248	0
Maintenance of lines and hydrants	3,790	3,752
Supplies and small tools	45	179
Office supplies and postage	633	428
Insurance	353	0
Professional fees	1,033	855
Computer services	281	365
Sales tax	503	584
Other	684	834
	-----	-----
Total Operating Expense	37,901	34,428
	-----	-----
Operating Income (Loss)	(20,669)	(19,912)
NON-OPERATING REVENUES (EXPENSES)		
Interest revenue	944	910
	-----	-----
Total Nonoperating Revenues (Expenses)	944	910
	-----	-----
Net Income (Loss) before operating transfers	(19,725)	(19,002)
OPERATING TRANSFERS IN		
General fund	5,023	7,576
	-----	-----
Net Income (Loss)	(14,702)	(11,426)
	-----	-----
Depreciation on fixed assets acquired by contributions	14,973	16,537
	-----	-----
Increase (Decrease) in Retained Earnings	271	5,111
RETAINED EARNINGS (DEFICIT)		
Beginning of year	(8,257)	(13,368)
	-----	-----
End of Year	(\$7,986)	(\$8,257)
	=====	=====

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

Village of Rosedale, Louisiana
Statement of Cash Flows - Proprietary Fund Types
Year ended December 31, 1999
With Comparative Totals for 1998

Exhibit E

	<u>Enterprise Fund - Water System</u>	
	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$16,454	\$15,644
Cash payments for goods and services	(26,266)	(10,802)
Cash payments for salaries	(4,681)	(7,159)
	-----	-----
Net Cash Provided by (Used for) Operating Activities	(14,493)	(2,317)
	-----	-----
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating subsidy transfers from general fund	5,023	7,576
	-----	-----
Net Cash Provided by (Used for) Noncapital financing activities	5,023	7,576
	-----	-----
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(62,436)	(34,987)
Residual equity transfers from General Fund	76,975	19,987
Loan repayments to General Fund	(211)	0
Rural Devopment grant proceeds	0	15,000
	-----	-----
Net Cash Provided by (Used for) Capital and Related Financing Activities	14,328	0
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on Investments	944	910
	-----	-----
Net Cash Provided by (Used for) Investing Activities	944	910
	-----	-----
INCREASE (DECREASE) IN CASH	5,802	6,169
CASH AND CASH EQUIVALENTS, BEGINNING	24,510	18,341
	-----	-----
CASH AND CASH EQUIVALENTS, ENDING	\$30,312	\$24,510
	=====	=====
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating income (loss)	(\$20,669)	(\$19,912)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
Depreciation	20,118	16,537
Net Changes in Assets and Liabilities -		
(Increase) decrease in petty cash	0	(25)
(Increase) decrease in accounts receivable - customers	(777)	1,187
(Increase) decrease in prepaid expenses	(14,539)	0
Increase (decrease) in accounts payable	1,363	(71)
Increase (decrease) in liabilities	11	(33)
	-----	-----
Total adjustments	6,176	17,595
	-----	-----
Net Cash provided by (used for) operating activities	(\$14,493)	(\$2,317)
	=====	=====

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

Introduction

The Village of Rosedale was incorporated August 2, 1955, under the provisions of Title 33, Chapter 2, Part 1, of the Louisiana Revised Statutes (Lawrason Act - Act No. 36 of 1898). The "Village" operates under a Mayor - Board of Aldermen form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, recreation, public improvements, and general administrative services.

The accounting and reporting practices of the Village of Rosedale, Louisiana conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:517 and to the guides set forth in the *Louisiana Governmental Audit Guide* and to the industry audit, *Audits of State and Local Governmental Units* published by the American Institute of Certified Public Accountants. As allowed in Section P80 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the Village has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989.

1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation

The accounts of the Village are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The transactions of each fund or account group are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are ordered into two major categories: governmental and proprietary. Funds within each major category are grouped by fund type in the combined financial statements. The funds and account groups used by the Village are shown as follows:

Governmental Funds Types:

Governmental Funds are those through which general governmental functions of the Village are financed. The acquisition, use and balances of the Village's expendable financial resources and the related liabilities (except those accounted for in Proprietary Funds) are accounted for through Governmental Funds. The following are the Village's Governmental Fund types:

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

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

Proprietary Fund Types:

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

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

1. Summary of Significant Accounting Policies (Continued)

C. Measurement focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

All Governmental Fund Types (General and Special Revenue Funds) use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Revenues susceptible to accrual are sales and franchise taxes, licenses, charges for services, and intergovernmental revenues. Sales taxes collected and held by the parish at year end on behalf of the government are also recognized as revenue. All other Governmental Fund Type revenues are recognized when received.

The Proprietary Fund Types are accounted for on an economic resources measurement focus using the accrual basis of accounting. Revenues are recorded when they are earned. Expenses are recorded at the time liabilities are incurred.

D. Budgets and Budgetary Accounting

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

1. A proposed budget is prepared and submitted to the Mayor and Board of Aldermen prior to the beginning of each fiscal year.
2. The proposed budget is published in the official journal and made available for public inspection. A public hearing is called to obtain taxpayer comments.
3. The budget is adopted through passage of a ordinance prior to commencement of the fiscal year for which the budget is being adopted.
4. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require approval from the Board of Aldermen.

1. Summary of Significant Accounting Policies (Continued)

D. Budgets and Budgetary Accounting (Continued)

5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the General and Special Revenue Funds are adopted on a non-GAAP basis in which certain capital project costs are budgeted net of grant reimbursements and matching contributions, and payroll expenses are budgeted by the fund from which payment is made regardless of where the actual payroll expense is incurred and allocated.
7. The level of budgetary control is total appropriations.

E. Fund Changes and Transactions Between Funds

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

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

During the year ending December 31, 1999, the Village allocated \$7,071 in salaries and related fringe benefits to those funds. Due to collectability, the Special Revenue Fund reported the allocation as a liability "Due to General Fund; alternatively, the Enterprise Fund allocation was classified as an "Operating Transfer In - General Fund.

F. Encumbrances

Encumbrance accounting is not employed by the Village of Rosedale.

G. Investments

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

I. Summary of Significant Accounting Policies (Continued)

H. Accounts Receivable

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

I. Property, Plant and Equipment

General Fixed Assets Account Groups -

Fixed assets used in Governmental Fund Type operations are accounted for in the General Fixed Asset Account Group, rather than in Governmental Funds. Public domain ("infrastructure") general fixed assets including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized along with other general fixed assets for reporting purposes. No depreciation has been provided on any of the remaining assets. Interest has also not been capitalized on fixed assets in the Governmental Fund Type operations.

All fixed assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated.

Proprietary Fund Types -

Property, plant and equipment owned by the Proprietary Funds are recorded at cost or, if contributed property, at their fair market value at the time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment in the proprietary fund.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Water System	20 years
Water System Improvements	20 years

J. Statement of Cash Flows

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

1. Summary of Significant Accounting Policies (Continued)

K. Compensated Absences

Employees of the Village earn personal leave (vacation or sick leave) at various rates depending upon length of employment. The maximum leave time which may be accumulated is an amount equal to the number of days which can be earned by the employee during a twenty-four month period. *Employees who resign or retire, or who are dismissed from employment shall not be paid for accrued leave.* The total unused leave at year end is considered immaterial and therefore has not been accrued.

L. Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Village's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data has not been presented in each of the statements, since their inclusion would make the statements unduly complex and difficult to read.

M. Total Columns on Combined Statements - Overview

Total columns on the statements are captioned *Memorandum Only* to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. Cash and Investments

Cash (deposits) is comprised of demand deposits in banks. At year end the book balance of the Village's deposits totaled \$37,304 and the bank balance was \$41,475 which was fully insured from risk by federal deposit insurance.

Investments held at December 31, 1999 include \$211,988 invested in the Louisiana Asset Management Pool, Inc. (LAMP)(see Summary of Significant Accounting Policies). In accordance with GASB Codification Section 150.165, the investment in LAMP at is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. The LAMP portfolio includes only securities and other obligations in which local governments are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U. S. government or one of its agencies, as well as repurchase agreements collateralized by those securities. LAMP issues a publically available financial report that included financial statements and required supplementary information for MPERS. The report may be obtained by calling 1-800-272-8162.

Village of Rosedale, Louisiana
Notes to the Financial Statements
December 31, 1999

3. Due from other governmental units

Amounts due from other governmental units consist of the following:

General Fund -

Beer taxes due from the State of Louisiana	\$ 144
Tobacco taxes due from the State of Louisiana	980
Highway Maintenance from LA Dept. of Transportation	3,173
Louisiana Recreational Trails Grant	20,042

	\$ 24,339
	=====

4. Fixed Assets

A summary of the general fixed asset group is as follows:

	<u>Balance</u> <u>01/01/99</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/99</u>
Land	\$ 172,336	\$ 0	\$ 0	\$ 172,336
Buildings	515,050	2,216	5,824	511,442
Improvements other than buildings	478,736	33,403	2,212	509,927
Equipment	392,796	50,512	10,612	432,696
Construction in progress	0	0		0
	-----	-----	-----	-----
	\$ 1,558,918	\$ 86,131	\$ 18,648	\$ 1,626,401
	=====	=====	=====	=====

A summary of proprietary fund type property, plant and equipment at December 31, 1999 follows:

Water well	\$ 50,000
Tanks, mains and equipment	408,392

	458,392
Less: Accumulated depreciation	(277,540)

Net property, plant and equipment	\$ 180,852
	=====

5. Interfund Receivables/Payables

Interfund receivables and payables at December 31, 1999 are as follows:

	Interfund Receivable	Interfund Payable
General Fund - Special Revenue - Fire	\$ 2,048	
Special Revenue - Fire - General Fund		\$ 2,048
	----- \$ 2,048 =====	----- \$ 2,048 =====

6. Due to the City of Plaquemine

The Village adopted a resolution to ratify and confirm the action of the Rosedale Volunteer Fire Department's signing of the Cooperative Endeavor Agreement between the City of Plaquemine and the Iberville Fire Fighters Association dated March 17, 1993, and to authorize payment by the Village of Rosedale of funds in fulfillment of obligations of the Rosedale Volunteer Fire Department. This agreement requires the City of Plaquemine to construct an addition to the City's Central Fire Station, referred to as the "IFFA Central Dispatch Facility" to provide adequate space to house the Association's communications system for parish wide fire dispatch and to finance the purchase of the General Electric Console-C3 Maestro CRT. In consideration for the construction of the addition to the station by the City and for financing the purchase of the electronic equipment, the Village of Rosedale, on behalf of the Rosedale Volunteer Fire Department has authorized payment of the 1/9th share of the cost which amounts to \$16,000, of which \$4,000 was paid in 1998 and the balance of \$12,000 was paid in 1999. Payments are from funds received from revenues generated by the 33.33% of the Parish's 62.0439% of the 1991 Sales and Uses Tax dedicated to the fire departments of Iberville Parish by resolution adopted on May 7, 1991. After all payments are paid in full by the Association to the City under this agreement, the ownership of the IFFA Central Dispatch Facility and the General Electric Console - C3 Maestro CRT shall be vested with the Iberville Fire Fighters Association.

7. Sales Tax Revenues

The Village of Rosedale receives 68% of its total revenue from parish sales tax .

Proceeds of the 2/3% sales and use tax are dedicated to be used by the Village to pay the cost of capital outlay projects, to maintain and operate public facilities, to administer local governments, and to provide other lawful services. Proceeds of the 2/3% sales and use tax are dedicated for fire protection for the Village.

8. Pension Plans

Municipal Employees' Retirement System -

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

Funding Policy The payroll for employees covered by the System for the year ended December 31, 1999 was \$ 43,846; the Village's total payroll was \$101,049. Covered employees are required by State statute to contribute 9.25% of their salary to the System. The Village is required by the same statute to contribute 5.75% of the employee's eligible compensation quarterly to the System. The contribution requirement for the year ended December 31, 1999 was \$6,577 which consisted of \$2,521 from the Village and \$4,056 from employees.

Municipal Police Employees' Retirement System -

Plan Description The police chief of the Village of Rosedale is a member of the Municipal Police Employees' Retirement System (MPERS), a cost sharing multiple-employer public employee retirement system. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. Any member is eligible for normal retirement after he has been a member of the System for 2 years, if he has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. Benefits rates are 3 1/3% of average final compensation per number of years of creditable service no to exceed 100% of final salary. The plan also provides for disability benefits calculated a 3% of average final compensation multiplied by years of creditable service, but not less than forty percent nor more than sixty percent of average final compensation. The Municipal Police Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for MPERS. The report may be obtained by calling 1-225-929-7411.

Funding Policy The payroll for employees covered by the System for the year ended December 31, 1999 was \$8,820, the Village's total payroll was \$101,049. Covered employees are required by State statute to contribute 7.5% of their salary to the plan. The Village is required by the same statute to contribute the remaining amounts necessary to pay benefits when due. The contribution requirement for the year ended December 31, 1999 was \$1,455, which consisted of \$794 from the Village and \$662 from employees; these contributions represent 9% and 7.5% of covered payroll respectively.

9. Budgetary -GAAP Reporting Reconciliation

The accompanying Combined Statement of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual, (Non-GAAP Basis), General and Special Revenue Fund Types presents comparisons of the legally adopted budget (see Summary of Significant Accounting Policies) with actual data on a budgetary basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, timing, perspective, and entity differences in the excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources for the year ended December 31, 1999 is presented below:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Excess Revenues and Other Financing Sources over (Under) Expenditures and Other Financing Uses - Budgetary Basis	\$ (9,519)	\$ (11,202)
Adjustments:		
Water system improvements budgeted and paid by General Fund transferred to Enterprise Fund as a Residual Equity Transfer	76,975	
Special Revenue Fund payroll expense budgeted and paid by General Fund	<u>2,047</u>	<u>(2,047)</u>
Excess Revenues and Other Financing Sources over (Under) Expenditures and Other Financing Uses - GAAP Basis	<u>\$ 69,503</u>	<u>\$ (13,249)</u>

10. Excess Expenditures over Appropriations

Appropriated expenditures constitute maximum legal expenditure authorizations during the fiscal year, and cannot legally be exceeded unless subsequently amended by the legislative body. For the year ended December 31, 1999, appropriated expenditures totalled \$84,550 and actual expenditures totalled \$87,529 resulting in a variance of \$2,979 or 3.52%.

11. Retained Earnings Deficit

The Enterprise Fund - Water System has a deficit retained earning balance as of December 31, 1999. The deficit is due to insufficient water revenues to cover operating expenses over a period of several years. The General Fund pays 100% of Village employees' salaries and related fringe benefits and subsequently allocates 10% to the Enterprise Fund, this amount is reported as an operating transfer in/out in both funds.

SUPPORTING SCHEDULES

Village of Rosedale, Louisiana
Schedule of Per Diem and Paid to the Mayor and Board Members
Year ended December 31, 1999

Schedule 1.

	<u>Total</u>
Mayor -	
Lawrence J. Badeaux	\$6,000
Members of the Board of Aldermen -	
Kevin Gant	2,400
John T. Doiron	2,400
Chris Bayham	2,400

	\$13,200
	=====

Village of Rosedale, Louisiana
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 General Fund - Budget and Actual - Non-GAAP Budget Basis
 Year ended December 31, 1999
 With Comparative Totals for 1998

Schedule 2

	Budget	Actual	Variance Favorable (Unfavorable)	1998
Revenues:				
Sales tax apportionments	200,000	193,638	(6,362)	208,937
Utilities franchise tax	13,000	14,335	1,335	15,406
Cable TV franchise tax	1,092	1,092	(0)	1,676
Occupational licenses	10,500	10,724	224	8,145
State beer tax	1,000	548	(452)	356
State tobacco tax	3,920	3,920	0	3,920
State Law Enforcement Grant	4,500	1,103	(3,397)	5,574
State fire insurance rebate	2,192	2,192	0	2,097
Highway Maintenance	6,346	9,519	3,173	6,346
Traffic violations/fines	15,000	12,578	(2,422)	15,743
Cemetary income	3,000	3,074	74	3,425
Headstart reimbursement	0	0	0	775
Interest earned on investments	7,500	7,429	(71)	10,087
Miscellaneous revenues	200	119	(81)	27
	-----	-----	-----	-----
Total Revenues	268,250	260,271	(7,979)	282,513
Expenditures:				
Current -				
General Government -				
Mayor's salary	6,000	6,000	0	6,000
Councilmembers' salaries	7,200	7,200	0	7,200
Clerk's salary	19,100	19,100	0	15,469
Office salaries	4,000	5,171	(1,171)	6,200
Retirement expense	1,050	1,084	(34)	507
Payroll tax expense	600	406	194	642
Unemployment compensation	200	101	99	122
Payroll tax penalties and interest	0	0	0	1,195
Legal services	4,000	3,271	729	3,568
Computer services	2,000	1,231	770	2,473
Nonemployee compensation	0	0	0	731
Vehicle Expense	500	390	111	55
Dues	700	1,095	(395)	810
Conventions and travel	3,000	1,331	1,669	2,014
Decorations - maintenance and repair	500	100	400	1,662
Maintenance of equipment	0	0	0	568
Maintenance of Town Hall and equipment	1,500	2,459	(959)	1,190
Insurance	3,000	4,091	(1,091)	4,449
Office expense and supplies	2,500	2,163	337	1,855
Printing and legal publications	1,500	1,918	(418)	1,522
Postage	500	612	(112)	559
Telephone	2,000	2,030	(30)	3,702
Janitorial and kitchen supplies	500	237	263	262
Utilities	2,000	1,822	178	1,508
Coronor	1,000	0	1,000	150
Crime victims reparation fees	150	38	113	0
LCLE remittances	300	284	16	1,204
LRS TMI TF	600	625	(25)	0
Treasurer Stat CMIS	200	237	(37)	0
Emergency preparedness	2,200	2,422	(222)	2,141
Animal control	2,200	2,241	(41)	2,164
Cemetary expense	1,000	311	689	0
Social and Recreation programs	1,000	534	466	634
Audit fees	1,500	1,500	0	1,500
Miscellaneous	1,000	2,284	(1,284)	557
	-----	-----	-----	-----
Total General Government	73,500	72,286	1,214	72,613

(Continued)

Village of Rosedale, Louisiana
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 General Fund - Budget and Actual - Non-GAAP Budget Basis
 Year ended December 31, 1999
 With Comparative Totals for 1998

Schedule 2

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1998</u>
Expenditures(Continued):				
Current (Continued) -				
Police Department -				
Salaries and wages	15,000	14,820	180	14,820
Payroll tax expense	400	215	185	197
Retirement expense	800	794	6	878
Uniforms and accessories	2,000	108	1,892	957
Vehicle expense	4,000	1,745	2,255	4,652
Maintenance of equipment	1,000	774	226	851
Computer expenses	0	219	(219)	0
Insurance	6,500	6,349	151	7,795
Public awareness	500	0	500	0
Warrants	100	0	100	11
Training	250	0	250	0
Supplies and expenses	1,000	362	638	1,339
Dues	100	200	(100)	0
Convention	1,000	0	1,000	0
Telephone	600	459	141	366
Miscellaneous	200	125	75	128
	-----	-----	-----	-----
Total Police Department	33,450	26,170	7,280	31,993
Streets and Sanitation -				
Salaries and wages	48,000	43,556	4,444	39,953
Retirement expense	2,000	1,662	338	1,001
Payroll tax	1,800	1,629	171	1,298
Uniforms and accessories	2,000	1,466	534	2,062
Insurance	4,000	4,758	(758)	4,819
Supplies and small tools	1,000	1,533	(533)	1,354
Maintenance of equipment	6,500	5,711	789	5,607
Maint of streets & sidewalks	6,000	7,279	(1,279)	8,395
Maint building - maintenance	2,000	854	1,146	2,435
Maint building - utilities	1,800	1,608	192	1,124
Telephone, pager	500	288	212	0
Street lighting	11,000	10,169	831	10,369
Vehicle expense	1,700	1,547	153	229
Rodent and rabies control	1,000	0	1,000	0
Training	100	0	100	18
Miscellaneous	1,500	2,714	(1,214)	514
	-----	-----	-----	-----
Total Streets & Sanitation	90,900	84,773	6,127	79,177
Capital Outlays -				
Capital outlay - General Government	10,500	7,934	2,516	166,191
Capital outlay - Water System Improvements	90,000	76,975	13,025	0
Capital outlay - Police	2,000	1,602	398	9,220
Capital outlay - Streets & Sanitation	0	0	0	0
	-----	-----	-----	-----
Total Capital outlays	102,500	86,561	15,939	175,411
	-----	-----	-----	-----
Total Expenditures	300,350	269,790	30,560	359,195
	-----	-----	-----	-----
Excess Revenues over (under) Expenditures	(32,100)	(9,519)	22,581	(76,682)

(Continued)

Village of Rosedale, Louisiana
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 General Fund - Budget and Actual - Non-GAAP Budget Basis
 Year ended December 31, 1999
 With Comparative Totals for 1998

Schedule 2

	Budget	Actual	Variance Favorable (Unfavorable)	1998
Other Financing Sources (Uses):				
Operating transfers(out) -				
Special Revenue - Fire	0	0	0	(580)
Enterprise Fund - Water System - Operating Subsidy	0	0	0	(7,576)
	-----	-----	-----	-----
Total Other Financing Sources (Uses)	0	0	0	(8,157)
 Excess Revenues and Other Financing Sources over (under) Expenditures and Other Financing(Uses)	(32,100)	(9,519)	22,581	(84,839)
 Beginning Fund Balance	182,884	182,884	(0)	287,709
Residual equity transfer out - Water System	0	0	0	(19,987)
	-----	-----	-----	-----
Ending Fund Balance	\$150,784	\$173,365	\$22,581	\$182,884
	=====	=====	=====	=====

Village of Rosedale, Louisiana
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Special Revenue Fund - Budget and Actual - Non-GAAP Budget Basis
 Year ended December 31, 1999
 With Comparative Totals for 1998

Schedule 3

	<u>Iberville Parish Sales Tax - Fire Protection</u>			
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1998</u>
Revenues:				
Sales tax apportionment	\$70,000	\$69,200	(\$800)	\$74,700
Rural fire protection grant	0	0	0	0
Donations	4,410	4,410	0	0
Interest income	3,000	2,717	(284)	2,992
Total Revenues	77,410	76,327	(1,084)	77,692
Expenditures:				
Current- Public safety -				
Salaries and labor	3,600	5,202	(1,602)	11,345
Payroll tax expense	400	356	44	455
Retirement expense	0	0	0	314
Vehicle expense	0	92	(92)	0
Conventions	2,900	2,865	35	1,480
Supplies and small tools	1,000	854	146	211
Building, grounds maintenance	500	950	(450)	1,372
Vehicle maintenance	500	61	439	222
Equipment repairs & maintenance	3,000	2,951	49	1,830
Computer services	600	396	204	1,136
Telephone	1,500	1,787	(287)	1,786
Training - Fire Schools/Seminars	1,000	1,214	(214)	409
Uniforms and accessories	500	1,583	(1,083)	896
Utilities	2,000	1,747	253	1,858
Office supplies	300	0	300	537
Iberville firefighters - joint cost	3,000	1,587	1,413	3,626
Professional fees	500	211	289	121
Audit fees	750	750	0	750
Miscellaneous	1,000	1,238	(238)	1,765
Insurance	7,200	8,361	(1,161)	6,757
LSFA Membership	100	181	(81)	0
Social and welfare programs	0	0	0	729
Total Current	30,350	32,386	(2,036)	37,597
Capital outlay -	42,200	43,142	(942)	5,615
Total Capital outlay	42,200	43,142	(942)	5,615
Debt service -				
City of Plaquemine	12,000	12,000	0	4,000
Total Debt service	12,000	12,000	0	4,000
Total Expenditures	84,550	87,528	(2,978)	47,212
Excess Revenues Over (under) Expenditures	(7,140)	(11,202)	(4,062)	30,480
Other Financing Sources (Uses):				
Operating transfers In (Out) - General	0	0	0	580
Total Other Financing Sources (Uses)	0	0	0	580
Excess Revenues Over (Under) Expenditures and Other Financing (Uses)	(7,140)	(11,202)	(4,062)	31,060
Fund Balance:				
Beginning Fund Balance	79,665	79,665	(0)	0
Ending Fund Balance	\$72,525	\$68,463	(\$4,062)	\$31,060

Current Year Findings:

1-1. Finding: Enterprise Fund - Retained Earnings Deficit.

The Water System has a deficit retained earning balances as of December 31, 1999. The deficit is due to insufficient water revenues to cover operating expenses accumulating over a period of several years.

Management's Corrective Action Plan:

The Village will continue to authorize annual operating transfers to the Enterprise Fund from the General Fund to subsidize its operations by paying salaries and related fringe benefits allocable to the Water System. The Village has begun billing customers for actual consumption instead of a flat rate and increased water rates. Additionally, the Village has instituted procedures to ensure that all users are billed for service. The Village will continue to monitor the operation of the water system very closely.

Prior Year Findings:

- 1- 1. A brother of one of the members of the Board of Aldermen was hired as an assistant fire chief and paid a salary of \$100.00 per month, total amount paid for 1998, including related fringe benefits (payroll taxes), amounted to \$900.00 . This is a violation of LSA-RS 42:1119 which prohibits employment of any member of the immediate family of any member of the governing authority or chief executive of the governmental entity.

Management's Corrective Action:

Upon learning that this was a violation of state statute, he was immediately removed from his position, consequently, as of January 1, 1999, this person was no longer employed by the Village of Rosedale.

- 1 - 2. Water System funds totaling \$275.00 representing collections for meter collections service charges and collections for payments on a cemetery plot totaling \$45.00 were unaccounted for.

Management's Corrective Action:

To maintain better control over cash and checks received from customers and provide more accurate financial data, the Village has instituted the procedures recommended by our auditor in her management letter, specifically, use of a cash drawer requiring daily reports of collections, supported by receipts, and daily balancing and the recording of actual water system activity, (billings, collections and adjustments) in the Water System general ledger.

Additionally, steps have been taken to recover the missing funds from the bonding company and the matter has been reported to the proper authorities for further investigation.