

TOWN OF ROSELAND, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2023



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Mayor and Town Council of
Town of Roseland, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Roseland, Louisiana (the "Town") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Government Audit Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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



To the Mayor and Town Council of
Town of Roseland, Louisiana
February 14, 2025

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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



To the Mayor and Town Council of
Town of Roseland, Louisiana
February 14, 2025

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town’s basic financial statements. The accompanying schedule of councilpersons’ compensation and schedule of compensation, benefits and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of justice system funding schedules is presented to comply with Act 87 of the 2020 Louisiana Legislative Session and is not required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



To the Mayor and Town Council of
Town of Roseland, Louisiana
February 14, 2025

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2025 on our consideration of the Town'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 solely 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 the effectiveness of the Town's 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's internal control over financial reporting and compliance.

February 14, 2025
Mandeville, Louisiana

Ericksen Krentel, LLP

Certified Public Accountants

REQUIRED SUPPLEMENTARY INFORMATION – PART I

TOWN OF ROSELAND, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

As management of the Town of Roseland, Louisiana (the "Town"), we offer residents of the Town this narrative overview and financial analysis of the financial activities of the Town as of December 31, 2023, and for the year then ended.

Overview of Financial Statements

The Town adopted Governmental Accounting Standards Board (GASB) Statement No. 34 on January 1, 2004. Under this pronouncement, the Town's basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Town's financial position and the results of its operations from differing perspectives, which are described as follows:

Government-Wide Financial Statements

The government-wide financial statements report information about the Town as a whole using an accounting method similar to that used by private-sector companies. The basis of accounting used is accrual accounting. The government-wide statements reflect all of the Town's assets (including capital assets) and all of the Town's liabilities. The two government-wide financial statements are as follows:

- **Statement of Net Position:** This statement presents information on all of the Town's assets and liabilities with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.
- **Statement of Activities:** This statement presents information showing how the Town's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future periods.

Fund Financial Statements

A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The Town uses funds to ensure and demonstrate compliance with finance-related laws and regulations. The Town has two types of funds:

1. *Governmental Funds* - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The Town's major governmental funds are the General Fund and the Fire Protection Special Revenue Fund.

TOWN OF ROSELAND, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2023

2. *Proprietary Funds* - These funds are used to account for activities that function in a manner similar to commercial enterprises. Proprietary fund financial statements typically provide a more detailed presentation of the information reported in the business-type activities portion of the government-wide financial statements. The Town's major proprietary fund is the Waterworks and Sewer Fund.

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 19 of this report.

Financial Highlights

At December 31, 2023, the Town's assets exceeded its liabilities by \$2,647,454 (net position). Of this amount, \$229,045 (unrestricted net position) may be used to meet the Town's ongoing obligations to its citizens and creditors. The Town's total net position increased by \$255,948 for the year ended December 31, 2023.

At December 31, 2023, the Town's governmental funds reported combined ending fund balances of \$297,526. Compared to prior year, the total combined fund balance decreased by \$12,122 for the year ended December 31, 2023.

Financial Analysis of the Town as a Whole

A condensed version of the government-wide Statements of Net Position is presented as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total 2023</u>	<u>Total 2022</u>
Assets				
Current assets	\$ 448,404	\$ 254,528	\$ 702,932	\$ 622,798
Other assets	-	223,107	223,107	381,546
Capital assets, net	<u>848,314</u>	<u>1,534,813</u>	<u>2,383,127</u>	<u>2,165,501</u>
Total assets	<u>1,296,718</u>	<u>2,012,448</u>	<u>3,309,166</u>	<u>3,169,845</u>
Liabilities				
Current liabilities	150,878	366,173	517,051	595,064
Long-term liabilities	-	<u>144,562</u>	<u>144,562</u>	<u>183,275</u>
Total liabilities	<u>150,878</u>	<u>510,735</u>	<u>661,613</u>	<u>778,339</u>
Net position				
Net investments in capital assets	429,337	1,312,440	1,741,777	1,904,394
Restricted	-	257,754	257,754	213,231
Unrestricted	<u>716,503</u>	<u>(68,481)</u>	<u>648,022</u>	<u>273,881</u>
Total net position	<u>\$ 1,145,840</u>	<u>\$ 1,501,713</u>	<u>\$ 2,647,553</u>	<u>\$ 2,391,506</u>

The net investment in capital assets amount represents 82% of total net position. Net investment in capital assets consists of land, buildings, and equipment, less any outstanding debt used to acquire those assets. The Town has elected not to retroactively record, as capital assets, its infrastructure that existed prior to adopting GASB 34.

TOWN OF ROSELAND, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2023

A condensed version of the government-wide Statements of Activities is presented as follows:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	\$ 110,846	\$ 58,072	\$ 397,332	\$ 593,673	\$ 508,178	\$ 651,745
Operating grants and contributions	842,708	1,938	-	-	842,708	1,938
General revenues						
Taxes	565,084	321,735	-	-	565,084	321,735
Intergovernmental	21,592	12,875	-	-	21,592	12,875
Lease income	164,000	75,167	-	-	164,000	75,167
Interest income	500	440	1,248	1,267	1,748	1,707
Other	37,216	19,038	-	-	37,216	19,038
Total revenues	<u>1,741,946</u>	<u>489,265</u>	<u>398,580</u>	<u>594,940</u>	<u>2,140,526</u>	<u>1,084,205</u>
Expenses						
General government	256,772	279,051	-	-	256,772	279,051
Public safety	224,919	183,957	-	-	224,919	183,957
Public works	488,904	95,677	-	-	488,907	95,677
Water and sewer	-	-	503,494	374,913	503,494	374,913
Interest on long-term debt	-	-	12,782	15,139	12,782	15,139
Total expenses	<u>970,595</u>	<u>558,685</u>	<u>516,276</u>	<u>390,052</u>	<u>1,486,874</u>	<u>948,737</u>
Change in net position	373,743	(69,420)	(117,696)	204,888	256,047	135,468
Net position – beginning	<u>772,097</u>	<u>841,517</u>	<u>1,619,409</u>	<u>1,414,521</u>	<u>2,391,506</u>	<u>2,256,038</u>
Net position – ending	<u>\$ 1,145,840</u>	<u>\$ 772,097</u>	<u>\$ 1,501,713</u>	<u>\$ 1,619,409</u>	<u>\$ 2,647,553</u>	<u>\$ 2,391,506</u>

Financial Analysis of the Major Funds

The Town's General Fund and Fire Protection Special Revenue Fund had (decreases) in fund balances in the amount of \$(6,966) and \$(5,156), respectively, for the year ended December 31, 2023. Total governmental fund amounts are different from governmental activities due to capital assets.

Amounts reported for business-type activities in the Town's individual funds are identical to business-type activities reported in the government-wide presentation.

Budget Highlights

As required by law, the Town adopted a budget for its General Fund Fire Protection Special Revenue Fund.

TOWN OF ROSELAND, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2023

Capital Asset Administration

For governmental activities, capital assets, net of accumulated depreciation, increased by \$385,865 for the year ended December 31, 2023, as a result of capital asset purchases for the year exceeding depreciation expense. For business-type activities, capital assets, net of accumulated depreciation, decreased by \$161,239 as a result of depreciation expense exceeding purchases of capital assets for the year.

Debt Administration

The Town's total long-term debt decreased by \$38,713 during the year ended December 31, 2023, as the result of regularly scheduled debt payments.

Economic Factors and a Look at Next Year

With no new debt issuances, the Town will continue using the outstanding bond proceeds for acquiring, constructing improvements, and replacing the Town's sewerage system and water system as well as constructing, paving, resurfacings and improving public streets in the Town.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances. Questions concerning this report or the need for additional information should be directed to Van Showers, Mayor, 62438 Commercial Street, Roseland, Louisiana 70456.

BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF ROSELAND, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	<u>PRIMARY GOVERNMENT</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
<u>CURRENT ASSETS:</u>			
Cash and cash equivalents	\$ 131,574	\$ 201,402	\$ 332,976
Receivables, net of allowances for uncollectibles:			
Ad valorem taxes	8,440	-	8,440
Sales taxes	16,513	-	16,513
Accounts and other	8,167	44,472	52,639
Leases	54,838	-	54,838
Prepaid items	7,216	4,868	12,084
Due from other funds	<u>221,656</u>	<u>3,786</u>	<u>225,442</u>
Total current assets	<u>448,404</u>	<u>254,528</u>	<u>702,932</u>
<u>RESTRICTED ASSETS:</u>			
Cash and cash equivalents - restricted	<u>-</u>	<u>223,107</u>	<u>223,107</u>
Total restricted assets	<u>-</u>	<u>223,107</u>	<u>223,107</u>
<u>CAPITAL ASSETS:</u>			
Capital assets not being depreciated	449,195	6,500	455,695
Capital assets being depreciated, net of accumulated depreciation	<u>399,119</u>	<u>1,528,313</u>	<u>1,927,432</u>
Total capital assets, net	<u>848,314</u>	<u>1,534,813</u>	<u>2,383,127</u>
Total assets	<u>1,296,718</u>	<u>2,012,448</u>	<u>3,309,166</u>
<u>CURRENT LIABILITIES:</u>			
Accounts payable	56,858	10,501	67,359
Accrued expenses	44,829	6,254	51,083
Due to other funds	49,191	176,881	226,072
Customer deposits	-	74,802	74,802
Accrued interest payable	-	273	273
Unearned revenue	-	58,751	58,751
Bonds payable, due within one year	<u>-</u>	<u>38,711</u>	<u>38,711</u>
Total current liabilities	<u>150,878</u>	<u>366,173</u>	<u>517,051</u>
<u>LONG-TERM LIABILITIES:</u>			
Bonds payable, due in more than one year	<u>-</u>	<u>144,562</u>	<u>144,562</u>
Total long-term liabilities	<u>-</u>	<u>144,562</u>	<u>144,562</u>
Total liabilities	<u>150,878</u>	<u>510,735</u>	<u>661,613</u>
<u>NET POSITION:</u>			
Net investment in capital assets	429,337	1,312,440	1,741,777
Restricted for:			
Capital projects and debt service	-	257,754	257,754
Unrestricted net position	<u>716,503</u>	<u>(68,481)</u>	<u>648,022</u>
Total net position	<u>\$ 1,145,840</u>	<u>\$ 1,501,713</u>	<u>\$ 2,647,553</u>

The accompanying notes are an integral part of this statement

TOWN OF ROSELAND, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	<i>Primary Government</i>		
					Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT:							
Governmental activities:							
General government	\$ 256,772	\$ 52,435	\$ 443,036	\$ -	\$ 238,699	\$ -	\$ 238,699
Public safety	224,919	2,988	-	-	(221,931)	-	(221,931)
Public works	69,927	-	-	-	(69,927)	-	(69,927)
Total governmental activities	551,618	55,423	443,036	-	(53,159)	-	(53,159)
Business-type activities:							
Water and sewer	503,494	305,867	-	-	-	(197,627)	(197,627)
Interest on long-term debt	12,782	91,465	-	-	-	78,683	78,683
Total business-type activities	516,276	397,332	-	-	-	(118,944)	(118,944)
Total primary government	\$ 1,067,894	\$ 452,755	\$ 443,036	\$ -	(53,159)	(118,944)	(172,103)
General Revenues:							
Taxes:							
Property taxes					52,368	-	52,368
Franchise taxes					32,723	-	32,723
Sales taxes					230,136	-	230,136
Intergovernmental					10,796	-	10,796
Lease income					82,000	-	82,000
Interest income					271	1,248	1,519
Other					18,608	-	18,608
Total general revenues					426,902	1,248	428,150
Change in net position					373,743	(117,696)	256,047
Net position - beginning of year					772,097	1,619,409	2,391,506
Net position - end of year					\$ 1,145,840	\$ 1,501,713	\$ 2,647,553

The accompanying notes are an integral part of this statement

BASIC FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

TOWN OF ROSELAND, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	<u>General Fund</u>	<u>Fire Protection Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
<u>CURRENT ASSETS:</u>			
Cash and cash equivalents	\$ 130,909	\$ 665	\$ 131,574
Receivables, net of allowances for uncollectibles:			
Ad valorem taxes	(265)	8,705	8,440
Sales taxes	16,513	-	16,513
Other	8,167	-	8,167
Leases	54,838	-	54,838
Prepaid items	5,925	1,291	7,216
Due from other funds	<u>192,319</u>	<u>29,337</u>	<u>221,656</u>
Total current assets	<u>408,406</u>	<u>39,998</u>	<u>448,404</u>
Total assets	<u>\$ 408,406</u>	<u>\$ 39,998</u>	<u>\$ 448,404</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>CURRENT LIABILITIES:</u>			
Accounts payable	\$ 56,661	\$ 197	\$ 56,858
Accrued expenses	44,829	-	44,829
Due to other funds	<u>23,917</u>	<u>25,274</u>	<u>49,191</u>
Total current liabilities	<u>125,407</u>	<u>25,471</u>	<u>150,878</u>
Total liabilities	<u>125,407</u>	<u>25,471</u>	<u>150,878</u>
<u>FUND BALANCES:</u>			
Nonspendable	5,925	1,291	7,216
Assigned	-	18,391	18,391
Unassigned	<u>277,074</u>	<u>(5,155)</u>	<u>271,919</u>
Total fund balances	<u>282,999</u>	<u>14,527</u>	<u>297,526</u>
Total liabilities and fund balances	<u>\$ 408,406</u>	<u>\$ 39,998</u>	<u>\$ 448,404</u>

The accompanying notes are an integral part of this statement

TOWN OF ROSELAND, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023

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

Funds balances, total governmental funds	\$	297,526
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Capital assets not being depreciated	\$	449,195
Capital assets being depreciated, net of accumulated depreciation		<u>399,119</u>
		<u>848,314</u>
Net position of governmental activities	\$	<u>1,145,840</u>

TOWN OF ROSELAND, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>General Fund</u>	<u>Fire Protection Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<u>REVENUES:</u>			
Taxes:			
Property taxes	\$ 19,683	\$ 32,685	\$ 52,368
Franchise taxes	32,723	-	32,723
Sales taxes	230,136	-	230,136
Licenses and permits	52,435	-	52,435
Capital grants and contributions	421,354	21,682	443,036
Intergovernmental grants	10,796	-	10,796
Lease income	82,000	-	82,000
Fines and forfeitures	2,988	-	2,988
Interest income	250	21	271
Other	18,608	-	18,608
	<u>870,973</u>	<u>54,388</u>	<u>925,361</u>
<u>EXPENDITURES:</u>			
General government	225,437	-	225,437
Public safety:			
Police	137,070	-	137,070
Fire	26,528	59,544	86,072
Public works	69,927	-	69,927
Capital outlay	418,977	-	418,977
	<u>877,939</u>	<u>59,544</u>	<u>937,483</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,966)</u>	<u>(5,156)</u>	<u>(12,122)</u>
Net change in fund balances	(6,966)	(5,156)	(12,122)
Fund balances - beginning of year	<u>289,965</u>	<u>19,683</u>	<u>309,648</u>
Fund balances - end of year	<u>\$ 282,999</u>	<u>\$ 14,527</u>	<u>\$ 297,526</u>

The accompanying notes are an integral part of this statement

TOWN OF ROSELAND, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Net change in fund balances, total governmental funds	\$ (12,122)
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Governmental funds report capital outlays as expenditures.
 However, in the Statement of Activities, the cost of those
 assets is allocated over their estimated useful lives and reported
 as depreciation expense.

Capital Outlay Additions	418,977
Current year depreciation expense	<u>(33,112)</u>

Change in net position of governmental activities	<u>\$ 373,743</u>
---	-------------------

TOWN OF ROSELAND, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2023

ASSETS:

Current assets:

Cash and cash equivalents	\$ 201,402
Receivables, net of allowances for uncollectibles:	
Accounts	42,726
Other	1,746
Prepaid items	4,868
Due from other funds	<u>3,786</u>
Total current assets	<u>254,528</u>

Restricted assets:

Cash and cash equivalents - restricted	<u>223,107</u>
Total restricted assets	<u>223,107</u>

Capital assets:

Capital assets not being depreciated	6,500
Capital assets being depreciated, net of accumulated depreciation	1,528,313.00
Total capital assets, net	<u>1,534,813</u>
 Total assets	 <u>2,012,448</u>

LIABILITIES:

Current liabilities (payable from current assets):

Accounts payable	10,501
Accrued expenses	6,254
Due to other funds	<u>176,881</u>
Total current liabilities (payable from current assets)	<u>193,636</u>

Current liabilities (payable from restricted assets):

Customer deposits	74,802
Accrued interest payable	273
Unearned revenue	58,751
Revenue bonds payable, current portion	38,711
Total current liabilities (payable from restricted assets)	<u>172,537</u>

Long-term liabilities:

Revenue bonds payable, long-term portion	144,562
Total long-term liabilities	<u>144,562</u>

Total liabilities

510,735**NET POSITION:**

Net investment in capital assets	1,312,440
Restricted for:	
Capital projects and debt service	257,754
Unrestricted	<u>(68,481)</u>
 Total net position	 <u>\$ 1,501,713</u>

The accompanying notes are an integral part of this statement

TOWN OF ROSELAND, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

OPERATING REVENUES:

Charges for services:	
Water sales	\$ 198,547
Sewer service charges	94,877
Penalties	11,510
Other	933
Total operating revenues	<u>305,867</u>

OPERATING EXPENSES:

Bad debt (recoveries)	(3,870)
Contract services	49,109
Depreciation	168,239
Insurance	23,038
Payroll taxes	4,056
Professional fees	12,050
Repairs and maintenance	130,069
Salaries and wages	53,029
Supplies	15,667
Utilities	29,711
Other	22,396
Total operating expenses	<u>503,494</u>

Operating loss	<u>(197,627)</u>
----------------	------------------

NON-OPERATING REVENUES (EXPENSES):

Interest (expense)	(12,782)
Intergovernmental revenue	91,465
Interest income	1,248
Total non-operating revenue (expenses)	<u>79,931</u>

Change in net position	(117,696)
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Net position - beginning of the year	<u>1,619,409</u>
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Net position - end of the year	<u>\$ 1,501,713</u>
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TOWN OF ROSELAND, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:

Received from customers	\$ 306,050
Received (refined) for meter deposit fees	4,643
Other receipts	966
Receipt for interfund services	(30,281)
Payments for operations	(288,822)
Payments to employees	<u>(53,029)</u>
Net cash from operating activities	<u>(60,473)</u>

**CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES:**

Capital contributions received	(110,063)
Purchase of capital assets	78,683
Repayments for long-term debt	(38,734)
Interest payments on long-term debt	<u>(57)</u>
Net cash used for capital and related financing activities	<u>(70,171)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Receipts of interest	<u>1,248</u>
Net cash from investing activities	<u>1,248</u>
Net increase in cash and cash equivalents	(129,396)
Unrestricted cash and cash equivalents - beginning of year	172,359
Restricted cash and cash equivalents - beginning of year	<u>381,546</u>
Cash and cash equivalents - end of year	<u>\$ 424,509</u>

TOWN OF ROSELAND, LOUISIANA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

**Reconciliation of operating income to net cash
provided (used) by operating activities:**

Operating loss	\$ (197,627)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	168,239
Bad debt expense (recurring)	(3,870)
Change in asset and liabilities:	
(Increase) decrease in accounts receivable	1,116
(Increase) decrease in other receivable	33
(Increase) decrease in prepaid items	(850)
Increase (decrease) in due to/from other funds	(30,281)
Increase (decrease) in accounts payable	(6,316)
Increase (decrease) in accrued expenses	4,440
Increase (decrease) in customer deposits	<u>4,643</u>
Net cash provided by operating activities	<u>\$ (60,473)</u>

TOWN OF ROSELAND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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 880, per the 2020 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.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are presented as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the Town are prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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 revenue 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.

TOWN OF ROSELAND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

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

The Town reports the following major governmental fund types and funds:

General Fund

The *General Fund* is the general operating fund of the Town. This fund is used to account for all financial transactions and resources except those that are required to be accounted for in another fund. Revenues are derived primarily from sales, property, and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income.

Special Revenue Fund

The *Fire Protection Special Revenue Fund* is used to account for the specific expenditures and of specific revenue sources (other than debt service or capital projects) that are restricted or committed to expenditure for specified purposes.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

The Town reports the following major proprietary fund types and funds:

Enterprise Fund

The *Waterworks and Sewer Fund* accounts for activities similar to those found in the private sector where the determination of net income is necessary or useful for sound financial administration and are used to account for the Town's ongoing organizations and activities which are similar to those often found in the private sector. The Town uses a proprietary fund to account for the water and sewer services it provides to the residents and businesses of the Town.

The activities reported in this fund are reported as business-type activities in the government-wide financial statements.

TOWN OF ROSELAND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

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, licenses and permits, and other general revenues.

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 natural gas, water, sewer, and garbage collection 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.

Use of Estimates

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

Budgets and Budgetary Accounting

At the beginning of each fiscal year, an annual budget is prepared. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. The Town does not use encumbrance accounting. At the end of the fiscal year, unexpended appropriations of these funds automatically lapse.

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

- a. The Town Clerk prepares a proposed budget and submits same to the Mayor and Town Council no later than 15 days prior to the beginning of each fiscal year.
- b. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budget at least 10 days after publication of the call for the hearing.
- d. 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.
- e. 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 Town Council.
- f. All budgetary appropriations lapse at the end of each fiscal year.

TOWN OF ROSELAND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (continued)

- g. Budgets for the general and enterprise funds are adopted on a basis consistent with GAAP. Budgets for enterprise funds are presented on the accrual basis of accounting. Other governmental funds are presented on the modified accrual basis of accounts. Accordingly, the budgetary comparison schedules present actual expenditures in accordance with GAAP 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).

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include cash on hand, demand deposits, as well as certificates of deposit and short-term investments, with a maturity date within three months of the date acquired by the Town.

For the purpose of the proprietary fund statement of cash flows, all highly liquid investments (including certificates of deposit) with a maturity of three months or less when purchased are considered to be cash equivalents.

Cash and cash equivalents include amounts in demand deposits. Under state law, the Town may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Town may deposit funds with a fiscal agent bank organized under the laws of the State 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, repurchase agreements, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Short-term investments are stated at amortized cost, which approximates market. Certain investments, as required by GASB 31, are reported at fair value, which is determined using published market prices.

Inventories

Purchases of operating supplies are recorded as expenditures when purchased; inventories of such supplies are not recorded and are not considered by management to be material.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30 are recorded as prepaid items in both government-wide and fund financial statements.

TOWN OF ROSELAND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Receivables and Allowances for Uncollectible Accounts

In the government-wide statements, receivables consist of all revenue 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 coming as their major receivable.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise taxes, occupational license, fees, and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not referred 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. Allowance for uncollectible accounts receivable is based upon historical trends and the periodic aging and write-off of accounts receivable. The balance allowance for uncollectible amounts at December 31, 2023 was \$74,767 which consist of active, inactive, and closed accounts with past-due balances of over 120 days. Active accounts with past-due balances of over 120 days totaled \$10,224. Inactive accounts with past-due balances of over 120 days totaled \$11,571. Closed accounts with past-due balances of over 120 days totaled \$65,504.

Interfund Receivables and Payables:

Short-term cash loans between funds are considered temporary in nature. These amounts are reported as “due from/to 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.”

Capital Assets and Depreciation Expense

Capital assets, which include property, plant, and equipment, 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 Town maintains a threshold level of \$500 or more for capitalizing equipment, furniture, and fixtures. The threshold for infrastructure and improvements is \$25,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

TOWN OF ROSELAND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Depreciation Expense (continued)

Capital outlays are recorded as expenditures in the governmental fund financial statements and as assets in the government-wide financial statements. In accordance with GASB 34, the Town has elected not to capitalize infrastructure retroactively. Depreciation is recorded on general fixed assets on a government-wide basis. Capital outlays of the proprietary fund are recorded as fixed assets and depreciated over their estimated useful lives on both the fund basis and the government-wide basis.

All capital assets, other than land and works of art that are inexhaustible, are depreciated using the straight-line method over the following useful lives:

Buildings and building improvements	20 to 40 years
Machinery and equipment	5 to 15 years
Water utility system	20 to 50 years
Sewer utility system	20 to 50 years

Deferred Outflows and Inflows of Resources

The Statement of Net Position includes a separate section for Deferred Outflows of Resources. This represents the consumption of net assets that applies to future periods.

The Statement of Net Position also includes a separate section for Deferred Inflows of Resources. This represents the acquisition of net assets applies to future periods.

There were no deferred outflows and inflows of resources at December 31, 2023.

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	5 days
Two years	10 days
Four years	15 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.

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 90 days, only to be used for major medical leave. There is no payment for accrued sick leave upon retirement or termination. Therefore, accrual of the liability is not recorded.

TOWN OF ROSELAND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Term Debt

In the government-wide financial statements, debt principal payments of both governmental and business-type activities are reported as decreases in the balance of the liability on the statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether withheld from the actual debt proceeds, are expended in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face 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.

The reporting of long-term debt in the proprietary statements is the same in the fund statements as it is in the government-wide statements.

Fund Equity

Government-Wide and Proprietary Fund Financial Statements

Equity is classified as net position and displayed in three components:

1. Net investment in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position - Consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted net position - All other net position that do not meet the definition of the other two components.

Governmental Fund Financial Statements

Fund balances are classified as follows:

1. Nonspendable fund balance - Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
2. Restricted fund balance - Amounts that are restricted to specific purposes imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments.

TOWN OF ROSELAND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (continued)

3. Committed fund balance - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board.
4. Assigned fund balance - Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.
5. Unassigned fund balance - All amounts not included in other four fund balance classifications.

Elimination and Reclassification

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column.

Ad Valorem Taxes and Sales Taxes Revenue

The Town is permitted by the Municipal Finance Law of the state to levy taxes up to 5.74 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, 2022 taxes of 5.73 mills were levied on property with taxable assessed valuations totaling \$3,268,180 for a total of \$51,409. The taxes were dedicated for general purposes. The levy dedicated for fire protection purpose was not renewed.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The taxes are generally collected in December of the current year, and January and February of the ensuing year.

The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage
General alimony	5.74 mills	5.73 mills
Fire protection	0.00 mills	0.00 mills

Date of Management Review

Subsequent events have been evaluated through February 14, 2025, which is the date the financial statements were available to be issued.

TOWN OF ROSELAND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(2) CASH, CASH EQUIVALENTS, AND INVESTMENTS

The table below reconciles deposits by the nature of the deposits to the applicable financial statement classification at December 31, 2023:

	Demand Deposits		
	Governmental Activities	Business - type Activities	Total
Financial statement classification:			
Cash and cash equivalents	\$ 131,574	\$ 201,402	\$ 332,976
Restricted cash and cash equivalent	-	223,107	223,107
Total	\$ 131,574	\$ 424,509	\$ 556,083

Custodial Credit Risk

The total balances will not necessarily equal the balances per the statement of net position. Deposits in bank accounts are stated at cost, which approximates market value. Under state law, these deposits are 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 at all times equaled the amount on deposit with the fiscal agent. Because the securities are held by the pledging fiscal agent in the Town's name, the Town does not have any custodial credit risk.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be recovered. The Town does not have a formal policy for custodial risk.

As of December 31, 2023, \$318,108 of the Town's bank balance of \$568,108 was exposed to custodial credit risk. However, these deposits are secured from risk by the pledge of securities owned by the fiscal agent bank.

Deposit and Investment Laws and Regulations

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. At December 31, 2023, the Town was in compliance with the deposit and investment laws and regulations.

TOWN OF ROSELAND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(3) CAPITAL ASSETS AND DEPRECIATION EXPENSE

The following is a summary of the changes in capital assets for the fiscal year ended December 31, 2023:

	<u>12/31/2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/2023</u>
Governmental activities				
<u>Capital assets not being depreciated:</u>				
Land	\$ 58,693	\$ -	\$ -	\$ 58,693
Construction in progress	<u>-</u>	<u>390,502</u>	<u>-</u>	<u>390,502</u>
Total capital assets not being depreciated	58,693	390,502	-	449,195
<u>Capital assets being depreciated:</u>				
Buildings and improvements	817,685	-	-	817,685
Machinery and equipment	<u>562,693</u>	<u>28,475</u>	<u>-</u>	<u>591,168</u>
Total capital assets being depreciated	1,380,378	28,475	-	1,408,853
<u>Less: accumulated depreciation:</u>				
Buildings and improvements	(425,652)	(31,335)	-	(456,987)
Machinery and equipment	<u>(550,970)</u>	<u>(1,777)</u>	<u>-</u>	<u>(552,747)</u>
Total accumulated depreciation	(976,622)	(33,112)	-	(1,009,734)
Total capital assets being depreciated, net	<u>403,756</u>	<u>(4,637)</u>	<u>-</u>	<u>399,119</u>
Total governmental activities capital assets, net	<u>\$ 462,449</u>	<u>\$ 385,865</u>	<u>\$ -</u>	<u>\$ 848,314</u>

Depreciation expense was charged to governmental activity functions as follows:

General government	\$ 31,335
Public safety – police	527
Public safety – fire	<u>1,250</u>
Total Depreciation expense	<u>\$ 33,112</u>

TOWN OF ROSELAND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(3) CAPITAL ASSETS AND DEPRECIATION EXPENSE (CONTINUED)

The following is a summary of the changes in capital assets for the fiscal year ended December 31, 2023:

	<u>12/31/2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/2023</u>
Business - type activities				
<u>Capital assets not being depreciated:</u>				
Land	\$ 6,500	\$ -	\$ -	\$ 6,500
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets not being depreciated	6,500	-	-	6,500
 <u>Capital assets being depreciated:</u>				
Buildings and improvements	20,640	-	-	20,640
Machinery and equipment	50,504	-	-	50,504
Water utility system	2,987,563	-	-	2,987,563
Sewer utility system	<u>2,292,742</u>	<u>-</u>	<u>-</u>	<u>2,292,742</u>
Total capital assets being depreciated	5,351,449	-	-	5,351,449
 <u>Less: accumulated depreciation</u>				
Buildings and improvements	(20,640)	-	-	(20,640)
Machinery and equipment	(38,104)	-	(4,909)	(43,013)
Water utility system	(1,809,831)	-	(84,763)	(1,894,594)
Sewer utility system	<u>(1,786,322)</u>	<u>-</u>	<u>(78,567)</u>	<u>(1,864,889)</u>
Total accumulated depreciation	(3,654,897)	-	(168,239)	(3,823,136)
 Total capital assets being depreciated, net	<u>1,696,552</u>	<u>-</u>	<u>(168,239)</u>	<u>1,528,313</u>
 Total business-type activities capital assets, net	<u>\$ 1,703,052</u>	<u>\$ -</u>	<u>\$(168,239)</u>	<u>\$ 1,534,813</u>

TOWN OF ROSELAND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(4) LONG-TERM OBLIGATIONS

The following is a summary of the changes in long-term debt for the fiscal year ended December 31, 2023:

	Balance at <u>12/31/2022</u>	Additions or Bonds <u>Issued</u>	Decreases Or Bonds <u>Redeemed</u>	Balance at <u>12/31/2023</u>	Due Within <u>One Year</u>
Governmental activities	\$ -	\$ -	\$ -	\$ -	\$ -
Business - type activities					
Sewer revenue bonds, Series A	138,545	-	(24,984)	113,561	24,969
Sewer revenue bonds, Series B	<u>83,462</u>	<u>-</u>	<u>(13,750)</u>	<u>69,712</u>	<u>13,742</u>
Total bonds payable	<u>\$ 222,007</u>	<u>\$ -</u>	<u>\$ (38,734)</u>	<u>\$ 183,273</u>	<u>\$ 38,711</u>

As of December 31, 2023, the long-term debt payable from proprietary fund resources consisted of the following revenue bonds:

\$472,500 Sewer Revenue Bonds, Series A dated January 22, 1988, due in monthly installments of \$2,758 through March 22, 2028; including interest at 6.34%; secured by revenues of the Utility System.	\$ 113,561
\$272,000 Sewer Revenue Bonds, Series B dated May 23, 1988, due in monthly installments of \$1,540 through May 23, 2028; including interest at 6.125%; secured by revenues of the Utility System.	<u>55,970</u>
	<u>\$ 183,273</u>

The annual requirements to maturity for the revenue bonds as of December 31, 2023 are as follows:

Year ending	Principal	Interest	Total
2024	\$ 41,236	\$ 10,335	\$ 51,571
2025	43,907	7,667	51,574
2026	46,748	4,826	51,574
2027	45,890	1,798	47,688
2028	5,492	61	5,553
2029-2033	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 183,273</u>	<u>\$ 24,687</u>	<u>\$ 207,960</u>

TOWN OF ROSELAND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(5) RESTRICTED ASSETS

The Water and Sewer Revenue 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.

Revenue Bond Reserve Fund

The resolution called for the establishment of a Revenue Bond Reserve Fund by depositing with the designated fiscal agent bank of the Town until such time as there has been accumulated in said Reserve Fund a sum equal to the highest combined principal and interest payment in any year of the bond. The sole purpose of this fund is to pay the principal of and the interest on the bonds payable from the Revenue Bond Reserve Fund as to which these would otherwise be in default.

Depreciation and Contingency Fund

The resolution called for the establishment and maintenance of a Depreciation and Contingency Fund to care for depreciation, extensions, additions, improvements, and replacements necessary to properly operate the system. Regular deposits of \$416 per month are to be deposited with the regularly designated fiscal agent bank of the Town.

Meter Deposit Fund

The Town established a Meter Deposit Fund to help maintain customer meter deposits on hand, as well as to help control customer meter deposits received.

Restricted cash and cash equivalents consisted of the following at December 31, 2023:

Reserve bond reserve fund	\$ 54,367
Depreciation and contingency fund	86,841
Meter deposit fund	81,899
American Rescue Plan Act (Note 7)	<u> -</u>
Total restricted cash and cash equivalents	<u>\$ 223,107</u>

TOWN OF ROSELAND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(6) INTERFUND TRANSACTIONS

Due To/From Other Funds

Due to/from other funds at December 31, 2023 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Utility Fund	General Fund	\$ 138,667
Utility Fund	General Fund	28,378
General Fund	Fire Protectio Fund	19,501
Fire Fund	General Fund	18,175
Utility Fund	General Fund	9,836
General Fund	Waterworks and Sewer Fund	3,786
Fire Fund	General Fund	<u>7,099</u>
Total		<u>\$ 225,442</u>

The above due to/from other funds were short-term receivables or payables resulting from the normal course of the Town's operations.

Interfund Transfers

There were no interfund transfers during the year ended December 31, 2023.

(7) AMERICAN RESCUE PLAN ACT

The American Rescue Plan Act (ARPA) established the Coronavirus State and Local Recovery Funds (SLFRF) to provide governments with the resources needed to respond to the pandemic. The Town is required to spend these funds in accordance with applicable guidelines, with the funds required to be obligated by December 31, 2024 and expended by December 31, 2026. The Town was allocated a total of \$466,754, to be received in two tranches. During the year ended December 31, 2023, the Town received the second tranche of \$233,377 from SLFRF that is restricted in its use. During the year ended December 31, 2023, the Town spent \$110,063. As of the year ended December 31, 2023 \$58,751 remained available.

(8) LEASES

The Town leases a warehouse which it owns beginning in May 2020 through May 2021 for monthly payments of \$6,833. One-year renewals are considered on an annual basis. In July 2021, the lease was renewed for one additional year through May 2022. In 2022, the lease was renewed through May 2023. In 2023, the lease was renewed through May 2024.

TOWN OF ROSELAND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(9) RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2023, the Town carried insurance through various commercial carriers to cover all risks of loss. The Town has no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

(10) NEW ACCOUNTING PRONOUNCEMENTS

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. This Statement did not have a material effect on the Commission's financial statements upon implementation.

The GASB has released Statement No. 101, *Compensated Absences (Statement 101)*, which replaces GASB Statement No. 16, *Accounting for Compensated Absences*. The Statement 101 requires liabilities for compensated absences to be recognized for: Leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. Under the new Statement a liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered; (b) the leave has accumulated; and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits is not included in the compensated absences liability. The Statement also addresses the timing of the recognition of a liability for certain types of compensated absences, such as sabbatical leave, parental leave, military leave, jury duty leave and other specific types of compensated balances. The Statement is effective for fiscal years beginning after December 15, 2023.

(11) CONTINGENCY

As of the date of this report, the town of Roseland Police Department employees have not opted out of the Municipal Police Employees' Retirement System (MPERS) and continue to contribute into Social Security. La. Const. Art. 10, § 29(B), in part, provides that membership in any retirement system of the state or of a political subdivision thereof shall be a contractual relationship between employee and employer. The statutes provide that all MPERS-eligible employees (regardless of whether they are enrolled) are entitled to the benefits provided therein. If these employees aren't enrolled, they are still entitled to the benefits, just not through MPERS. Roseland must pay them the benefits directly. This has caused the town to not remit the employer portions due to the Retirement System. Consequently, the town owes an estimated amount of approximately \$243,000 to MPERS. However, the town is currently engaged in settlement negotiations with the Retirement System to potentially reduce this liability. The outcome of these negotiations is uncertain at this time, and the final amount owed may differ from the current estimate.

TOWN OF ROSELAND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(12) SUBSEQUENT EVENTS

In December 2023, the Town and Tangipahoa Parish Fire Protection District No. 1 (the Fire District) entered into a cooperative endeavor agreement in which the Fire District shall provide fire protection services to the Town effective January 1, 2024 through December 31, 2025. The Town shall budget for and pay a base amount of \$30,000 annually.

(13) CONSTRUCTION IN PROGRESS AND COMMITMENTS

1. Construction in Progress

As of December 31, 2023, the Town had an active construction project. The details of the project is as follows:

Project Name	Spent to Date	Remaining Commitment
Water System Improvements	\$390,502	\$41,769

No provision for depreciation is made on construction in progress until the asset is complete and placed into service.

2. Commitments

The Town has entered a construction contract as of December 31, 2023. The total remaining commitment under this contract is as follows:

Construction Contracts: The Town has committed to spend an additional \$41,769 to complete ongoing construction project.

This commitment is expected to be financed through an existing grant with funds to be received by the State.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

TOWN OF ROSELAND, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgetary Amounts</u>		Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Taxes:				
Property taxes	\$ 22,000	\$ 22,000	\$ 19,683	\$ (2,317)
Franchise taxes	35,000	35,000	32,723	(2,277)
Sales taxes	190,000	190,000	230,136	40,136
Licenses and permits	50,000	50,000	52,435	2,435
Capital grants and contributions	-	472,138	421,354	(50,784)
Intergovernmental grants	2,500	2,500	10,796	8,296
Lease income	82,000	82,000	82,000	-
Fines and forfeitures	30,000	30,000	2,988	(27,012)
Interest income	600	600	250	(350)
Other	8,500	8,500	18,608	10,108
	<u>420,600</u>	<u>892,738</u>	<u>870,973</u>	<u>(21,765)</u>
<u>EXPENDITURES:</u>				
General government	199,000	257,900	225,437	32,463
Public safety:				
Police	130,300	130,300	137,070	(6,770)
Fire	5,700	5,700	26,528	(20,828)
Public works	85,600	85,600	69,927	15,673
Capital outlay	-	472,138	418,977	53,161
	<u>420,600</u>	<u>951,638</u>	<u>877,939</u>	<u>73,699</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(58,900)</u>	<u>(6,966)</u>	<u>51,934</u>
<u>OTHER FINANCING SOURCES:</u>				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(58,900)	(6,966)	51,934
Fund balance, beginning of year	<u>194,980</u>	<u>144,030</u>	<u>289,965</u>	<u>340,915</u>
Fund balance, end of year	<u>\$ 194,980</u>	<u>\$ 85,130</u>	<u>\$ 282,999</u>	<u>\$ 392,849</u>

TOWN OF ROSELAND, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND - DETAIL
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgetary Amounts</u>		Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Taxes:				
Property taxes	\$ 22,000	\$ 22,000	\$ 19,683	\$ (2,317)
Franchise taxes	35,000	35,000	32,723	(2,277)
Sales taxes	190,000	190,000	230,136	40,136
Licenses and permits	50,000	50,000	52,435	2,435
Capital grants and contributions	-	472,138	421,354	(50,784)
Intergovernmental grants	2,500	2,500	10,796	8,296
Lease income	82,000	82,000	82,000	-
Fines and forfeitures	30,000	30,000	2,988	(27,012)
Interest income	600	600	250	(350)
Other	8,500	8,500	18,608	10,108
	<u>420,600</u>	<u>892,738</u>	<u>870,973</u>	<u>(21,765)</u>
<u>EXPENDITURES:</u>				
General government:				
Salaries	65,480	65,480	64,128	1,352
Payroll taxes	5,420	5,420	4,906	514
Advertising	-	-	-	-
Depreciation	-	-	-	-
General and administrative	1,500	1,500	1,522	(22)
Insurance	22,000	39,000	31,871	7,129
Other operating	5,500	5,500	7,162	(1,662)
Professional fees	55,100	96,000	70,869	25,131
Repairs and maintenance	5,000	5,000	4,559	441
Supplies	24,000	24,000	23,191	809
Utilities	15,000	16,000	17,229	(1,229)
Public safety:				
Police:				
Salaries	80,000	80,000	75,157	4,843
Benefits	10,800	10,800	9,654	1,146
Payroll taxes	4,500	4,500	4,505	(5)
Depreciation	-	-	-	-
Insurance	12,600	12,600	10,385	2,215
Vehicle expenses	11,000	11,000	9,105	1,895
Other operating	1,000	1,000	21,752	(20,752)
Repairs and maintenance	3,200	3,200	2,227	973
Supplies	3,600	3,600	416	3,184
Utilities	3,600	3,600	3,869	(269)

See Independent Auditors' Report

TOWN OF ROSELAND, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND - DETAIL (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgetary Amounts</u>		Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Fire:				
Salaries	-	-	-	-
Payroll taxes	-	-	-	-
Depreciation	-	-	-	-
General and administrative	-	-	-	-
Insurance	1,200	1,200	580	620
Vehicle expenses	-	-	-	-
Other operating	500	500	669	(169)
Professional fees	-	-	-	-
Repairs and maintenance	-	-	14,946	(14,946)
Supplies	-	-	304	(304)
Utilities	4,000	4,000	10,029	(6,029)
Public works:				
Salaries	36,000	36,000	17,189	18,811
Payroll taxes	3,000	3,000	1,758	1,242
Depreciation	-	-	-	-
Insurance	1,700	1,700	2,003	(303)
Vehicle expenses	12,000	12,000	12,922	(922)
Other operating	2,400	2,400	4,880	(2,480)
Supplies	6,500	6,500	1,904	4,596
Utilities	24,000	24,000	29,271	(5,271)
Capital outlay	-	472,138	418,977	53,161
	<u>420,600</u>	<u>951,638</u>	<u>877,939</u>	<u>73,699</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(58,900)</u>	<u>(6,966)</u>	<u>51,934</u>
<u>OTHER FINANCING SOURCES:</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(58,900)	(6,966)	51,934
Fund balance, beginning of year	<u>194,980</u>	<u>144,030</u>	<u>289,965</u>	<u>340,915</u>
Fund balance, end of year	<u>\$ 194,980</u>	<u>\$ 85,130</u>	<u>\$ 282,999</u>	<u>\$ 392,849</u>

See Independent Auditors' Report

TOWN OF ROSELAND, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
FIRE PROTECTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgetary Amounts</u>		Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Taxes:				
Property taxes	\$ 32,000	\$ 32,000	\$ 32,685	\$ 685
Grant Income	-	18,442	21,682	3,240
Interest income	100	100	21	(79)
	<u>32,100</u>	<u>50,542</u>	<u>54,388</u>	<u>3,846</u>
Total revenues				
<u>EXPENDITURES:</u>				
Public safety:				
Fire				
Salaries	12,000	15,000	14,071	929
Payroll taxes	1,200	1,600	1,455	145
Depreciation	-	-	-	-
General and administrative	1,150	1,150	698	452
Insurance	6,000	8,000	6,037	1,963
Vehicle expenses	1,000	1,000	-	1,000
Other operating	150	150	810	(660)
Professional fees	2,500	2,500	(1,850)	4,350
Repairs and maintenance	3,600	36,000	29,994	6,006
Supplies	500	4,800	3,739	1,061
Utilities	4,000	6,000	4,590	1,410
Capital outlay	-	-	-	-
	<u>32,100</u>	<u>76,200</u>	<u>59,544</u>	<u>16,656</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(25,658)</u>	<u>(5,156)</u>	<u>20,502</u>
<u>OTHER FINANCING SOURCES:</u>				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(25,658)	(5,156)	20,502
Fund balance, beginning of year	<u>26,729</u>	<u>(721)</u>	<u>19,683</u>	<u>20,404</u>
Fund balance, end of year	<u>\$ 26,729</u>	<u>\$ (26,379)</u>	<u>\$ 14,527</u>	<u>\$ 40,906</u>

OTHER SUPPLEMENTARY INFORMATION

TOWN OF ROSELAND, LOUISIANA
SCHEDULE OF WATER AND SEWER RATES
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

Water

Residential Rates			
In Town	Out of Town		
\$ 24.25	\$ 28.25		Base charge
\$ 1.90	\$ 2.00		Per 1,000 gallons of water over 2,000 gallons
Commercial Rates			
In Town	Out of Town		
\$ 43.25	\$ 61.25		Base charge
\$ 1.90	\$ 2.00		Per 1,000 gallons of water over 10,000 gallons
\$ 103.00			Roseland Montessori School

Sewer

Metered			
Residential Rates	Commercial Rates		
\$ 18.00	\$ 67.00		Base charge
\$ 3.25	\$ 3.25		Per 1,000 gallons of water over 2,000 gallons
In Town			
\$ 32.00			Flat rate
\$ 152.00			Roseland Montessori School

TOWN OF ROSELAND, LOUISIANA
SCHEDULE OF NUMBER OF WATER AND SEWER CUSTOMERS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

	<u>Residential</u>	<u>Commercial</u>	<u>School</u>	<u>Total</u>
Water	473	35	1	509
Sewer	<u>262</u>	<u>19</u>	<u>1</u>	<u>282</u>
Total	<u><u>735</u></u>	<u><u>54</u></u>	<u><u>2</u></u>	<u><u>791</u></u>

TOWN OF ROSELAND, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO COUNCIL MEMBERS
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>Name</u>	<u>Amount</u>
Tracey Johnson	\$ 3,600
Shavanna McCoy	3,600
Kevin Robinson	3,600
Sandra W. Turner	3,600
Ruthie Vernon	<u>3,600</u>
	<u>\$ 18,000</u>

TOWN OF ROSELAND, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2023

Wanda McCoy, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 17,100
Employer paid taxes	<u>1,308</u>
Total compensation, benefits, and other payments	<u>\$ 18,408</u>

TOWN OF ROSELAND, LOUISIANA
JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
FOR THE YEAR ENDED DECEMBER 31, 2023

<i>Cash Basis Presentation</i>	First Six Month Period End June 30, 2023	Second Six Month Period End December 31, 2023
Beginning balance of amounts collected (i.e. cash on hand)	\$ -	\$ -
Add: collections		
Criminal fines - other	<u>2,270</u>	<u>909</u>
Total collections	<u>2,270</u>	<u>909</u>
Less: amounts retained by collecting agency		
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount		
Criminal fines retained- criminal court costs/fees	<u>2,270</u>	<u>909</u>
Total disbursements/retainage	<u>2,270</u>	<u>909</u>
Total: ending balance of amounts collected but not disbursed/retained (i.e. cash on hand)	<u>\$ -</u>	<u>\$ -</u>
Ending balance of "partial payments" collected but not disbursed	<u>\$ -</u>	<u>\$ -</u>
Other information:		
Ending balance of total amounts assessed but not yet collected	* <u>\$ -</u>	* <u>\$ -</u>
Total waivers during the fiscal period	* <u>\$ -</u>	* <u>\$ -</u>

* *Due to lack of case management reporting capabilities, this amount is not obtainable at the present time.*



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*

To the Mayor and Town Council of
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 *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Roseland, Louisiana (the "Town") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated February 14, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 deficiencies described in the accompanying schedule of findings and responses as items 2023-001, and 2023-002 to be material weaknesses.

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 deficiency described in the accompanying schedule of findings and responses as item 2023-003 to be a significant deficiency.



To the Mayor and Town Council of
Town of Roseland, Louisiana
February 14, 2025

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town’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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2023-004, 2023-005, 2023-006, 2023-007 and 2023-008.

The Town’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town’s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Town’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

This report is intended solely for the information and use of management, the Board of Aldermen, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

February 14, 2025
Mandeville, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

TOWN OF ROSELAND, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

SECTION I SUMMARY OF AUDITORS' REPORTS

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the Town of Roseland, Louisiana.
2. One significant deficiency and two material weaknesses in internal control relating to the audit of the financial statements 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*.
3. Five instances of noncompliance material to the financial statements of the Town of Roseland, Louisiana were reported in the Independent Auditor's 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*.
4. A management letter was not issued for the year ended December 31, 2023.

SECTION II FINANCIAL STATEMENTS FINDINGS

Material Weaknesses

Finding 2023-001 Inadequate Controls over the Utility Billing System

Criteria: Effective operation of a utility billing system and an effective internal control system requires the design and operation of standardized procedures related to input and reconciliation of billings, adjustments and collections for optimization and collection of major revenue sources and assurance that related financial data is accurate and complete, and the Towns assets are safeguarded.

Condition: The Town lacks proper working internal controls over some transactions related to the system. The Town lacks adequate controls to identify past due amounts and perform timely disconnecting of service. The Town also lacks procedures to provide sufficient effort in collecting delinquent accounts.

Effect: Balances for closed and inactive accounts are included in the calculation of the allowance for uncollectibles which overstates the allowance valuation. The Town does not collect penalty revenue when delinquent accounts are not followed up on.

Cause: The Town experienced personnel turnover in positions that are involved in the disconnecting of services and collecting on delinquent accounts due to the continued impact of COVID-19.

Recommendation: The Town should ensure that its employees obtain a full understanding of the transactions surrounding utility billing and collections. Standardized procedures should be developed for monitoring delinquent accounts and adequately pursuing collection of such accounts. The Town should adhere to a strict cut off policy.

TOWN OF ROSELAND, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

SECTION II FINANCIAL STATEMENTS FINDINGS (CONTINUED)

Material Weaknesses (continued)

Views of Responsible Officials: The Town will consider implementing the recommendation. See Management's Corrective Action plan for further information.

Finding 2023-002 Maintaining Depreciation Schedules

Criteria: Governments should maintain a subsidiary capital assets ledger that is, in effect, a database for governmental and business-type capital assets reported on the accrual basis in the government-wide statement of net position and proprietary fund balance sheet. Although this ledger may serve as an inventory of capital assets, the ledger should also capture information about assets that meet the government's capitalization threshold for financial reporting purposes. This ledger should also track depreciation expense reported in the government-wide and proprietary fund statements, as well as the departmental allocation of depreciation expense. Governmental software vendors offer capital asset modules that integrate with a government's operating funds accounting software to combine capital asset inventory management with financial reporting.

Condition: The Town did not maintain its governmental and business-type activities depreciation schedules. The Town also recorded capital asset purchases to expenditure accounts.

Effect: Capital assets that are no longer in service remain on the schedule; capital assets that should be added, are not; depreciation expense is not properly reflected in the financial statements. Also, capital assets are understated, and expenditures are overstated.

Cause: The Town relies on the year-end audit process to update depreciation schedules. The Town clerks coded capital asset acquisition invoices incorrectly after which the outsourced CPA recorded the invoices to the incorrect accounts in the general ledger.

Recommendation: The Town should incorporate maintaining the depreciation schedules in its monthly accounting process with the outsourced CPA.

Views of Responsible Officials: The Town will consider implementing the recommendation. See Management's Corrective Action plan for further information.

TOWN OF ROSELAND, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

Significant Deficiencies

Finding 2023-003 Inadequate Segregation of Duties

Criteria: Proper segregation of incompatible duties requires that there be different individuals responsible for authorizing transactions, recording transactions, and maintaining custody of related assets.

Condition: The Town has few administrative employees. Consequently, some duties throughout the financial reporting process, which are considered incompatible, are being performed by the same individual(s). The Town has implemented certain compensating controls internally and works with an external CPA as well. Also, incompatible duties in the expenditure and disbursement process were performed by the mayor during the fiscal year.

Effect: Inadequate segregation of duties exposes the Town to several risks, including, but not limited to misappropriation of assets and inaccurate or fraudulent financial reporting.

Cause: Due to the size and nature of the Town, some incompatible duties are not adequately segregated.

Recommendation: The Town should continue to explore ways to segregate incompatible duties possibly through the use of other personnel or staff, Board members, and use of the Town's outside CPA as appropriate. The Town should also add a Board member as an approved signer.

Views of Responsible Officials: The Town will consider implementing the recommendation. See Management's Corrective Action plan for further information.

Compliance

Finding 2023-004 Bond Requirements

Criteria: Loan assistance for the Town of Roseland consists of bonds financed by the United States Department of Agriculture (USDA), Rural Development. Revenue bond agreements require the Town to establish rates sufficient to pay bond interments and fund required reserves, and to disconnect delinquent accounts over 90 days past due.

Condition: Failure to cut off services on delinquent accounts.

Effect: Noncompliance with bond requirements.

Cause: There is a lack of complete standardized procedures and a lack of properly designed and operating internal control over some aspects of utility billing and collections, likely resulting from a lack of adequate understanding of the utility billing system and transactions and an override of present controls.

TOWN OF ROSELAND, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

SECTION II FINANCIAL STATEMENTS FINDINGS (CONTINUED)

Compliance (continued)

Recommendation: The Town should adhere to a strict cutoff policy as previously recommended. The Town should monitor its compliance with applicable laws, regulations, contracts, and grant agreements.

Views of Responsible Officials: The Town will consider implementing the recommendation. See Management’s Corrective Action plan for further information.

Finding 2023-005 Donation, Loan, or Pledge of Public Credit

Criteria: Article VII, Section 14(A) of the Louisiana Constitution states that the funds, credit, property, or things of value of the state or any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public to private, unless exception provided for in the constitution.

Condition: The Town engaged in certain transactions during the year and failed to effectively operate its internal control system in such a way that the Town made de-facto loans and donations of public funds. The Town failed to adhere to a strict cutoff policy and demonstrated insufficient effort in collecting delinquent accounts receivable amounts. In doing so, the funds of the Town were loaned to customers with delinquent accounts as services continued to be provided to these customers.

Effect: Noncompliance with the referenced section of the Louisiana Constitution.

Cause: The Town experienced personnel turnover in positions that are involved in the disconnecting of services and collecting on delinquent accounts due to the continued impact of COVID-19.

Recommendation: The Town should ensure that its employees obtain a full understanding of the transactions surrounding utility billing and collections. Standardized procedures should be developed for monitoring delinquent accounts and adequately pursuing collection of such accounts. The Town should adhere to a strict cut off policy.

Views of Responsible Officials: The Town will consider implementing the recommendation. See Management’s Corrective Action plan for further information.

Finding 2023-006 Late Submittal of Audit Report

Criteria: Local auditees must engage a CPA firm approved by Louisiana Legislative Auditors to perform its audit or other engagement no later than sixty days after its fiscal year end. The statutory due date for an agency to file the audit report is six months after the fiscal year end.

Condition: The Town’s report was submitted in February 2025.

TOWN OF ROSELAND, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

SECTION II FINANCIAL STATEMENTS FINDINGS (CONTINUED)

Compliance (continued)

Effect: Noncompliance with state audit law.

Cause: The timing of the 2023, 2022, and 2021 audit delayed the timely performance of the 2023 audit. Timing was delayed due to the predecessor auditor resigning and turnover in the key personnel positions, critical positions that are integral in assisting in the completion of an audit. These events caused significant disruption to operations and a reduction in operating capacity during the audit engagement period. Coupled with the turnover is the manual nature of accounting records, which requires extensive time to provide necessary information.

Recommendation: The conditions noted above were out of the Town's control. The Town is on track to complete all audits timely from here on.

Views of Responsible Officials: The Town will consider implementing the recommendation. See Management's Corrective Action plan for further information.

Finding 2023-007 American Rescue Plan Act Funding Compliance

Criteria: Recipients of the State and Local Fiscal Recovery Funds Program are required to meet compliance and reporting responsibilities including submitting annual project and expenditure reports.

Condition: The Town has not submitted an annual project and expenditure report.

Effect: Noncompliance with State and Local Fiscal Recovery Funds Program.

Cause: The Town personnel were not aware of the reporting requirement due to the high turnover in personnel.

Recommendation: Carefully read through all funding documentation to ensure that any and all compliance requirements will be met.

Views of Responsible Officials: The Town will consider implementing the recommendation. See Management's Corrective Action plan for further information.

TOWN OF ROSELAND, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

SECTION II FINANCIAL STATEMENTS FINDINGS (CONTINUED)

Compliance (continued)

Finding 2023-008 Contingency - Municipal Police Employees' Retirement System (MPERS) Contributions

Criteria: La. Const. Art. 10, § 29(B) requires that membership in any retirement system of the state or political subdivision be a contractual relationship between the employee and employer. Furthermore, employees who are eligible for the Municipal Police Employees' Retirement System (MPERS), whether enrolled or not, are entitled to the benefits provided by MPERS or, if not enrolled, to equivalent benefits directly from the employer.

Condition: The Town of Roseland Police Department employees have not opted out of the MPERS program and are still contributing to Social Security instead. As a result, the Town has failed to remit the employer contributions to MPERS for eligible employees, resulting in an estimated liability of approximately \$243,000 to the Retirement System. Currently, the Town is in settlement negotiations with MPERS to potentially reduce this liability. However, the final amount owed remains uncertain.

Effect: Noncompliance with La. Const. Art. 10, § 29(B) regarding retirement system membership and contributions for eligible employees, resulting in an unpaid liability to MPERS.

Cause: The Town's failure to fully address the retirement system enrollment issue for its Police Department employees and the resulting liability is due to a lack of clarity in the employee retirement benefits administration process. Additionally, the ongoing settlement negotiations with MPERS have delayed resolution of this matter.

Recommendation: The Town should work with MPERS to finalize the enrollment and contribution issues for its Police Department employees, ensuring compliance with the requirements set forth in the Louisiana Constitution and applicable statutes. The Town should also establish internal controls to prevent future discrepancies in employee benefits administration. If negotiations with MPERS result in a settlement, the Town should ensure timely resolution and proper accounting of the related liability.

Views of Responsible Officials: The Town acknowledges the findings and is currently in the process of working with MPERS to address the outstanding issues related to employee enrollment and contributions. The Town will continue to engage in settlement discussions and will take the necessary steps to resolve this matter. See Management's Corrective Action Plan for further details.

SECTION III FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARDS

Not applicable for the year ended December 31, 2023.

TOWN OF ROSELAND, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2022

SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

Material Weaknesses

Finding 2022-001 Inadequate Controls over the Utility Billing System

This finding has not been resolved and is repeated as finding 2022-001 for the year ended December 31, 2023.

Finding 2022-002 Improper Revenue Recognition

This finding has been resolved for the year ended December 31, 2023.

Finding 2022-003 Maintaining Depreciation Schedules

This finding has not been resolved and is repeated as finding 2022-003 for the year ended December 31, 2023.

Significant Deficiencies

Finding 2022-004 Inadequate Segregation of Duties

This finding has not been resolved and is repeated as finding 2022-004 for the year ended December 31, 2023.

Compliance

Finding 2022-005 Bond Requirements

This finding has not been resolved and is repeated as finding 2022-005 for the year ended December 31, 2023.

Finding 2022-006 Donation, Loan, or Pledge of Public Credit

This finding has not been resolved and is repeated as finding 2022-006 for the year ended December 31, 2023.

Finding 2022-007 Late Submittal of Audit Report

This finding has not been resolved and is repeated as finding 2022-007 for the year ended December 31, 2023.

TOWN OF ROSELAND, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

**SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS
(CONTINUED)**

Compliance (continued)

Finding 2022-008 American Rescue Plan Act Funding Compliance

This finding has not been resolved and is repeated as finding 2022-008 for the year ended December 31, 2023.

Finding 2022-009 Noncompliance with Local Budget Act

This finding has been resolved for the year ended December 31, 2023.

SECTION II - MANAGEMENT LETTER

There was no management letter issued for the year ended December 31, 2023.

TOWN OF ROSELAND

Andrew Henderson
Chief of Police

Van Showers
Mayor



February 14, 2025

Louisiana Legislative Auditor

Town of Roseland, Louisiana respectfully submits the following corrective action plan for the year ended December 31, 2023.

Name and address of independent public accounting firm:

Ericksen Krentel L.L.P.
2895 Highway 190, Ste 213
Mandeville, LA 70471

Audit Period: January 1, 2023 – December 31, 2023

The finding from the December 31, 2023 management letter is discussed below. The finding is numbered consistently with the number assigned in the schedule.

SECTION II FINDINGS - FINANCIAL STATEMENTS AUDIT

Material Weaknesses

Finding 2023-001 Inadequate Controls over the Utility Billing System

Recommendation: The Town should ensure that its employees obtain a full understanding of the transactions surrounding utility billing and collections. Standardized procedures should be developed for monitoring delinquent accounts and adequately pursuing collection of such accounts. The Town should adhere to a strict cut off policy.

Management's Response: The Town is actively working on rectifying the finding as follows: A delinquent accounts report will be printed monthly. Accounts that are past due will receive a courtesy call before the disconnect date. If the payments are not received services will be cut off. The customer will have to pay the balance in full and a \$65.00 reconnect fee.

Management has also contacted a collection agency to pursue collection of past due accounts.

The Town of Roseland is an equal opportunity employer.

Finding 2023-002 Maintaining Depreciation Schedules

Recommendation: The Town should incorporate maintaining the depreciation schedules in its monthly accounting process with the outsourced CPA.

Management's Response: Management is working with a new accounting firm who will assist the Town in maintaining and updating the depreciation schedules.

SECTION II FINDINGS - FINANCIAL STATEMENTS AUDIT (CONTINUED)

Significant Deficiencies

Finding 2023-003 Inadequate Segregation of Duties

Recommendation: The Town should continue to explore ways to segregate incompatible duties possibly through the use of other personnel or staff, Board members, and use of the Town's outside CPA as appropriate. The Town should also add a Board member as an approved signer.

Management's Response: While it is not cost effective to hire enough employees to have proper segregation of duties management will incorporate compensating controls to compensate for the lack of segregation of duties.

Some of the compensation controls implemented by Management are:

- We have a board member who is not involved in the check signing process to review the bank statements monthly along with the bank reconciliations. The board member will initial and date the bank statements and bank reconciliations as proof of his review.
- Customer accounts that are closed with an outstanding balance are presented to the board for their review. Accounts with unpaid balances will be turned over to a collection agency.
- The Town requires two signatures on all checks. The check signers should review the bills before signing the checks. The bills should be initialized by the signers as proof of their review.
- Management will continue to review ways to segregate incompatible duties.

Compliance

Finding 2023-004 Bond Requirements

Recommendation: The Town should adhere to a strict cutoff policy as previously recommended. The Town should monitor its compliance with applicable laws, regulations, contracts, and grant agreements.

Management's Response: On February 14, 2025, management paid off the Bonds. Management will continue to implement a strict cut-off policy as mentioned earlier.

Finding 2023-005 Donation, Loan, or Pledge of Public Credit

Recommendation: The Town should ensure that its employees obtain a full understanding of the transactions surrounding utility billing and collections. Standardized procedures should be developed for monitoring delinquent accounts and adequately pursuing collection of such accounts. The Town should adhere to a strict cut off policy.

Management's Response: A delinquent accounts report will be printed monthly. Accounts that are past due will receive a courtesy call before the disconnect date. If the payments are not received services will be cut off. The customer will have to pay the balance in full an a \$65.00 reconnect fee.

Management has also contacted a collection agency to pursue collection of past due accounts.

Finding 2023-006 Late Submittal of Audit Report

Recommendation: The conditions noted were out of the Towns control. The Town is on track to complete all audits timely from here on.

Management's Response: The Town is working with a new CPA Firm to ensure that all documentation will be submitted to the audit firm in a timely manner. However, the Town does not bear all responsibility for the late audit finding. The audit firm was short-staffed and even notified the Town they were unable to travel due to weather conditions.

SECTION II FINDINGS - FINANCIAL STATEMENTS AUDIT (CONTINUED)

Compliance (continued)

Finding 2023-007 American Rescue Plan Act Funding Compliance

Recommendation: Carefully read through all funding documentation to ensure that any and all compliance requirements will be met.

Management's Response: The Town will consider implementing the recommendation. The Town is actively working on rectifying the finding.

Finding 2023-008 Contingency - Municipal Police Employees' Retirement System (MPERS) Contributions

Recommendation: The Town should work with MPERS to finalize the enrollment and contribution issues for its Police Department employees, ensuring compliance with the requirements set forth in the Louisiana Constitution and applicable statutes. The Town should also establish internal controls to prevent future discrepancies in employee benefits administration. If negotiations with MPERS result in a settlement, the Town should ensure timely resolution and proper accounting of the related liability.

Management's Response: The Town acknowledges the findings and is currently in the process of working with MPERS to address the outstanding issues related to employee enrollment and contributions. The Town will continue to engage in settlement discussions and will take the necessary steps to resolve this matter. See Management's Corrective Action Plan for further details.

SECTION III MANAGEMENT LETTER ITEMS

Not applicable.

If there are any questions regarding this plan, please contact Van Showers, Mayor, 62438 Commercial Street, Roseland, Louisiana 70456.

Sincerely,

Signature:  _____

Title: Mayor _____

LOUISIANA LEGISLATIVE AUDITOR
STATEWIDE AGREED-UPON PROCEDURES
TOWN OF ROSELAND, LOUISIANA
FOR THE FISCAL PERIOD
JANUARY 1, 2023 THROUGH DECEMBER 31, 2023



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Mayor and Town Council of
Town of Roseland
Roseland, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2023 through December 31, 2023. Town of Roseland's (the Town) management is responsible for those C/C areas identified in the SAUPs.

The Town has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are attached in Schedule "1."

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

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

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

February 14, 2025
Mandeville, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

TOWN OF ROSELAND, LOUISIANA
STATEWIDE AGREED-UPON PROCEDURES
JANUARY 1, 2023 TO DECEMBER 31, 2023

WRITTEN POLICIES AND PROCEDURES

- 1) **Procedure:** Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
 - j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

TOWN OF ROSELAND, LOUISIANA
STATEWIDE AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2023 TO DECEMBER 31, 2023

WRITTEN POLICIES AND PROCEDURES (CONTINUED)

- k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: The written policies and procedures addressed each financial/business function except for the following: (1) purchasing (a) how purchases are initiated and (b) how vendors are added to the vendor list; (2) payroll/personnel (a) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules; (3) credit cards (a) how cards are to be controlled, (b) allowable business uses, (c) documentation requirements, (d) required approvers of statements, and (e) monitoring card usage (e.g., determining the reasonableness of fuel card purchases); (4) debt service (a) debt issuance approval, (b) continuing disclosure/EMMA reporting requirements, (c) debt reserve requirements, and (d) debt service requirements; (5) Information Technology Disaster Recovery/Business Continuity (a) identification of critical data and frequency of data backups, (b) storage of backups in a separate physical location isolated from the network, (c) periodic testing/verification that backups can be restored, (d) use of antivirus software on all systems, (e) timely application of all available system and software patches/updates, and (f) identification of personnel, processes, and tools needed to recover operations after a critical event; and (6) sexual harassment (a) annual employee training, and (b) annual reporting.

BOARD OR FINANCE COMMITTEE

1. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) Observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

TOWN OF ROSELAND, LOUISIANA
STATEWIDE AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2023 TO DECEMBER 31, 2023

BOARD OR FINANCE COMMITTEE (CONTINUED)

- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: The Town's minutes did not include reference or inclusion of monthly budget-to-actual comparisons on the general fund and major special revenue funds.

BANK RECONCILIATIONS

- 2. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include written evidence that a member of management and/or board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within one month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: The bank reconciliations chosen for testing did not include evidence that they were prepared within 2 months of the related statement closing date or evidence that a member of management/board member has reviewed each bank reconciliation.

COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS)

- 3. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5):
- 4. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers/registers.

TOWN OF ROSELAND, LOUISIANA
STATEWIDE AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2023 TO DECEMBER 31, 2023

COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS (CONTINUED))

- b) Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
5. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
6. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results: Due to the size of the Town and limited accounting personnel, compensating control are included in the policies and procedures, however, they are not in compliance with state requirements. The compensating controls include, but are not limited to, financial information review by the Mayor and the Board.

TOWN OF ROSELAND, LOUISIANA
STATEWIDE AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2023 TO DECEMBER 31, 2023

NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)

7. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5):
8. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
9. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
 - a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g. initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
10. Using the entity's main operating account and the month selected in Bank Reconciliations procedure, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and b) approved by the required number of authorized signers per the entity's policy.

Results: No exceptions were found as a result of applying the procedure.

TOWN OF ROSELAND, LOUISIANA
STATEWIDE AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2023 TO DECEMBER 31, 2023

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS (CARDS)

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality); should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by:
 - a) an original itemized receipt that identifies precisely what was purchased,
 - b) written documentation of the business/public purpose, and
 - c) documentation of the individuals participating in meals (for meal charges only).

For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: No exceptions were found as a result of applying the procedure.

TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS)

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

TOWN OF ROSELAND, LOUISIANA
STATEWIDE AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2023 TO DECEMBER 31, 2023

TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS) (CONTINUED)

- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were found as a result of applying the procedure.

CONTRACTS

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were found as a result of applying the procedure.

TOWN OF ROSELAND, LOUISIANA
STATEWIDE AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2023 TO DECEMBER 31, 2023

PAYROLL AND PERSONNEL

16. Obtain a listing of employees and officials employed during the fiscal period, and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employees' or officials' cumulative leave records, agree the pay rates to the employees' or officials' authorized pay rates in the employees' or officials' personnel files and agree the termination payment to entity policy.
19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: The personnel files did not include approved pay rates of the employees, and we were not able to agree pay rates to the pay rate per the pay period selected.

ETHICS

20. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170, and

TOWN OF ROSELAND, LOUISIANA
STATEWIDE AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2023 TO DECEMBER 31, 2023

ETHICS (CONTINUED)

- b) Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
21. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: No exceptions were found as a result of applying the procedure.

DEBT SERVICE

22. **Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.**
23. **Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).**

Results: No exceptions were found as a result of applying the procedure.

FRAUD

24. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
25. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No exceptions were found as a result of applying the procedure.

TOWN OF ROSELAND, LOUISIANA
STATEWIDE AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2023 TO DECEMBER 31, 2023

INFORMATION TECHNOLOGY/DISASTER RECOVERY/ BUSINESS CONTINUITY

26. Perform the following procedures:

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

27. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure 18. Observe evidence that the selected terminated employees have been removed or disabled from the network.

28. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Results: We performed the procedures and discussed the results with management.

PREVENTION OF SEXUAL HARASSMENT

29. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

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

TOWN OF ROSELAND, LOUISIANA
STATEWIDE AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2023 TO DECEMBER 31, 2023

PREVENTION OF SEXUAL HARASSMENT(CONTINUED)

31. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344.
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Results: The Town did not retain documentation for part-time employees or require completion of training.

TOWN OF ROSELAND

Andrew Henderson
Chief of Police

Van Showers
Mayor



February 14, 2025

Louisiana Legislative Auditor

Town of Roseland, Louisiana (the Town) respectfully submits the following corrective action plan for items identified pursuant to the agreed-upon procedures in accordance with Statewide Agreed Upon Procedures.

Name and address of independent public accounting firm:

Ericksen Krentel, L.L.P.
4227 Canal Street
New Orleans, LA 70119

Engagement Period: January 1, 2023 – December 31, 2023

The exceptions from the statewide agreed-upon procedures report are discussed below:

Written Policies and Procedures

Exceptions: The written policies and procedures addressed each financial/business function except for the following: (1) purchasing (a) how purchases are initiated and (b) how vendors are added to the vendor list; (2) payroll/personnel (a) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules; (3) credit cards (a) how cards are to be controlled, (b) allowable business uses, (c) documentation requirements, (d) required approvers of statements, and (e) monitoring card usage (e.g., determining the reasonableness of fuel card purchases); (4) debt service (a) debt issuance approval, (b) continuing disclosure/EMMA reporting requirements, (c) debt reserve requirements, and (d) debt service requirements; (5) Information Technology Disaster Recovery/Business Continuity (a) identification of critical data and frequency of data backups, (b) storage of backups in a separate physical location isolated from the network, (c) periodic testing/verification that backups can be restored, (d) use of antivirus software on all systems, (e) timely application of all available system and software patches/updates, and (f) identification of personnel, processes, and tools needed to recover operations after a critical event; and (6) sexual harassment (a) annual employee training, and (b) annual reporting.

The Town of Roseland is an equal opportunity employer.

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Board or Finance Committee

Exceptions: The Town's minutes did not include reference or inclusion of monthly budget-to-actual comparisons on the general fund and major special revenue funds.

Bank Reconciliations

Exceptions: The bank reconciliations chosen for testing did not include evidence that they were prepared within 2 months of the related statement closing date or evidence that a member of management/board member has reviewed each bank reconciliation.

Collections (Excluding Electronic Funds Transfers)

Exceptions: Due to the size of the Town and limited accounting personnel, compensating controls are included in the policies and procedures, however, they are not in compliance with state requirements. The compensating controls include, but are not limited to, financial information review by the Mayor and the Board.

Payroll and Personnel

Exceptions: The personnel files did not include approved pay rates of the employees and we were not able to agree pay rates to the pay rate per the pay period selected.

Sexual Harassment

Exceptions: The Town did not retain documentation for part-time employees or require completion of training.

Management's Response to Exceptions: Management has noted and agrees with the above exceptions. Management will consider the effects of such exceptions and the need to enhance key controls or compensating controls in the identified areas.

If there are any questions regarding this plan, please contact Van Showers, Mayor at (985)-748-9063.

Sincerely,



Signature

Mayor
Title