

Village of Rosedale, Louisiana**Annual Financial Statements****As of and for the year ended
December 31, 2010**

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

Release Date 7/20/11

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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Rosedale, Louisiana, as of and for the year ended December 31, 2010, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. My responsibility is to express an opinion on these financial statements based on my audit. The prior year summarized comparative information has been derived from the Village's 2009 financial statements and, in my report dated July 12, 2010 I expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, and each major fund.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, and each major fund of the Village of Rosedale, Louisiana as of December 31, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated July 13, 2011 on my consideration of the Village of Rosedale's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 9, and 33 and 34 be presented to supplement the basic financial statements. Such information, although not a part of the basis financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

W. Kathleen Beard

Certified Public Accountant

July 13, 2011

REQUIRED SUPPLEMENTARY INFORMATION (Part I)

VILLAGE OF ROSEDALE

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

INTRODUCTION

This annual report consists of -

- Our independent auditor's report on the financial statements in which she rendered an unqualified opinion.
- Management's discussion and analysis which provides in plain language an overview of our financial activities for the year.
- The basic financial statements which consists of government-wide financial statements, governmental fund financial statements, and the notes to those financial statements.
- The comparison of actual operations for the year compared to the budget.
- Our independent auditor's report on the Village's compliance with laws and regulations and how management applied internal controls over its financial operations. Her tests and observations resulted in two findings that she considered to be in noncompliance or conditions that required to be disclosed that could affect our operations.

Management's Discussion and Analysis

As management of the Village of Rosedale, Louisiana, we are pleased to provide an overview of our financial activities for the year ended December 31, 2010. The intended purpose of the Management Discussion and Analysis (MD&A) is to provide an introduction to the basic financial statements and notes, that provides an objective and easy to read analysis of our financial activities based on currently known facts, decisions, and conditions, by providing an easily readable summary of operating results and reasons for changes, which will help to determine if our financial position improved or deteriorated over the past year. This report addresses current operational activities the sources, uses, and changes in resources, adherence to budget, service levels, limitations of significant economic factors, and the status of infrastructure and its effects on our debt and operation. When referring to prior years data in this analysis we will be drawing upon information from last year's audited financial report.

Financial Highlights

- The Village's net assets increased by \$208,568 from \$3,081,710 in 2009 to \$3,290,278 in 2010
- Governmental revenues increased from \$946,986 to \$1,001,486
- Utility operating revenues increased from \$44,890 to \$62,290
- Cash and cash equivalents increased by \$48,513 for the year ended December 31, 2010

Overview of the Basic Financial Statements

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

Government-Wide Financial Statements

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

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

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

The *Statement of Activities* presents information showing how the Village's *net assets* changed during the most recent fiscal year. All changes in *net assets* are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

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

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements of using certain taxes, grants, and other money. The Village's two kinds of funds – *governmental* and *proprietary* – use different accounting approaches.

Governmental Funds. -- Governmental funds, presented on pages 14 thru 18, focus on how money flows into and out of the funds and the balances left at year-end that are available for spending. Most of the Village's basic services are reported in governmental funds. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term* view of the Village's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. We describe the relationship (or differences) between governmental *activities* (reported in the *Statement of Net Assets* and the *Statement of Activities*) and governmental *funds* in a reconciliation following the fund financial statements.

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

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village’s budgetary control, on pages 33 thru 34.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the Village’s financial position. At the end of the most recent year, the assets of the Village exceeded its liabilities by \$3,290,278.

The Village’s total assets are composed of \$857,399 (25.65%) in cash and receivables and \$2,474,214 (74.00%) investment in capital assets (land, buildings, utility systems, vehicles and equipment, etc.). The Village uses these capital assets to provide various services to residents and businesses in the incorporated area, these assets are not available for future spending.

The Village has \$816,065 to be used in future operations and acquisition of new capital assets that will improve the operations of the Village.

Statement of Net Assets

	Governmental Activities	Business-type Activities	Total 2010	Total 2009	% Change
Current and other assets	\$ 830,751	\$ 38,883	\$ 869,634	\$ 782,189	11.18%
Capital assets	1,800,659	673,555	2,474,214	2,366,320	4.56%
Total assets	2,631,410	712,438	3,343,848	3,148,509	6.20%
Current and other liabilities	43,162	10,408	53,570	66,797	-19.80%
Noncurrent liabilities	0	0	0	0	
Total liabilities	43,162	10,408	53,570	66,797	-19.80%
Net assets -					
Invested in capital assets, net of related debt	1,800,658	673,555	2,474,213	2,366,320	4.56%
Restricted	210,422	0	210,422	155,555	
Unrestricted	577,168	28,475	605,643	559,836	8.18%
Total net assets	\$ 2,588,248	\$ 702,030	\$ 3,290,278	\$ 3,081,711	6.77%

The Village's total revenues increased by \$100,216 from \$989,165 in 2009 to \$1,089,381 in 2010.

Total expenses increased by \$168,073 from \$712,739 in 2009 to \$880,812 in 2010.

Water rates were increased effective July 1, 2010 from \$5.00 for the first 2,000 gallons plus \$1.00 per thousand gallons or fraction thereof over 2,000 gallons to \$9.75 for the first 2,000 gallons plus \$1.50 per thousand or fraction thereof over 2,000 gallons. The rate increase has provided sufficient revenues to cover the cost of operations, establish reserves to replace the system, and some excess to cover unforeseen repairs or maintenance.

	Changes in Net Assets				
	Governmental Activities	Business-type Activities	Total 2010	Total 2009	% Change
Revenues:					
Program revenues -					
Charges for services	\$ 16,772	\$ 62,290	\$ 79,062	\$ 62,385	26.73%
Operating grants and contributions	0	0	0	20,491	
Capital grants and contributions	20,000	142,500	162,500	114,469	41.96%
General revenues -					
Sales taxes	868,592		868,592	728,165	19.29%
Other general revenues	96,122	602	96,724	63,655	51.95%
Transfers	(136,515)	19,018	(117,497)	0	
Total revenues	<u>864,971</u>	<u>224,410</u>	<u>1,089,381</u>	<u>989,165</u>	10.13%
Functions/Program expenses -					
General government	193,838	0	193,838	167,647	15.62%
Public safety	232,201	0	232,201	193,807	19.81%
Public services	276,020	0	276,020	249,273	10.73%
Culture and recreation	4,697	0	4,697	2,874	63.43%
Utility operations		174,056	174,056	93,138	75.57%
Interest on long-term debt		0	0	0	
Total expenses	<u>706,756</u>	<u>174,056</u>	<u>880,812</u>	<u>712,739</u>	23.58%
Increase (Decrease) in net assets	\$ 158,215	\$ 50,354	\$ 208,569	\$ 276,426	-24.55%
Beginning net assets	2,430,034	651,676	3,081,710	2,805,283	9.85%
Ending net assets	<u>\$ 2,588,249</u>	<u>\$ 702,030</u>	<u>\$ 3,290,279</u>	<u>\$ 3,081,709</u>	6.77%

Governmental Fund Financial Analysis

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

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

	General Fund	Special Revenue Fire Protection	Total 2010	Total 2009
Revenues	\$ 849,820	\$ 151,665	\$ 1,001,485	\$ 946,986
Expenditures	(701,748)	(70,045)	(771,793)	(636,062)
Surplus (deficit)	148,072	81,620	229,692	310,924
Transfers in (out)	(143,062)	6,547	(136,515)	(22,667)
Increase (Decrease) in net assets	\$ 5,010	\$ 88,167	\$ 93,177	\$ 288,257
Beginning net assets	560,435	122,255	682,690	394,432
Ending net assets	<u>\$ 565,445</u>	<u>\$ 210,422</u>	<u>\$ 775,867</u>	<u>\$ 682,689</u>

Budgetary Highlights

The Village's annual operating budgets are the legally adopted expenditure control documents of the Village. These operating budgets were very conservative and during the year, the operating budgets were amended once. Amending the budget is a customary practice to reflect changes that occur with financially related matters throughout the year.

The *General Fund* budgeted revenues were amended for increases in sales tax revenues and grants received from the State of Louisiana. Capital Outlays were amended for the renovations to the Old Store building, leasehold improvements for a burn site, trackhoe and trailer, pickup truck, and culverts to improve drainage.

A budgetary comparison statement for the General Fund is required and can be found on pages 33 and 34. This statement compares the original adopted budget, the final budget if amended, and the actual expenditures prepared on a budgetary basis which was prepared on the modified accrual basis of accounting.

The *Special Revenue – Fire Protection Fund* revenues were amended for increases in sales tax revenues. Current expenditures were amended for the increase in professional services. Capital outlays were amended to account for the cost of equipment used for fire training.

The *Proprietary – Water Fund* revenues were amended to reflect the increase in rates that went into effect on July 1, 2010. Operating expenses were amended for the costs to close the abandoned water well and the cost of water purchased from Iberville Parish.

Capital Assets

At December 31, 2010 and 2009, the Village had \$2,474,214 and \$2,366,320, respectively, invested in a broad range of capital assets, including land, buildings, utility systems, vehicles, and equipment.

During 2010, the Village made the following capital outlays --

- \$ 38,962.22 - Renovations to the old store for use as a cultural center and museum
- \$ 58,525.50 - Drainage improvements
- \$ 35,500.00 - Leasehold improvements to burn site
- \$ 26,047.22 - 2011 Chevy Tahoe for police protection
- \$ 3,000.00 - Fire protection acquisition
- \$ 56,134.96 - Kubota trackhoe and trailer
- \$ 27,495.00 - Culvert cleaner
- \$ 18,984.00 - 2010 3/4T Chevy pickup for maintenance
- \$ 11,832.60 - 10 ft bushhog mower
- \$ 1,990.00 - Excavator accessory
- \$ 25,000.00 - Water line extension
- \$ 1,115.00 - Auto-dialer system at water well #2
- \$ 62,002.00 - Digital water meter system improvements

Further detail on capital assets is presented in Note 6 on pages 29 and 30.

	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Land	\$ 151,373	\$ 151,373			\$ 151,373	\$ 151,373
Construction in progress	0	4,006	\$ 98,260	\$ 36,258	98,260	40,264
Buildings	406,872	386,926			406,872	386,926
Improvements other than buildings	728,936	670,136			728,936	670,136
Machinery and equipment	513,477	516,129	24,573	31,166	538,050	547,295
Utility property			550,723	570,327	550,723	570,327
Totals	\$ 1,800,658	\$ 1,728,570	\$ 673,556	\$ 637,751	\$ 2,474,214	\$ 2,366,321

Economic Factors and Next Year's Budgets and Rates

The budget adopted for the year 2011 only shows a moderate increase to maintain the services provided to the citizens of the Village.

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

Table of Sales Tax Revenues

Year	General Fund 1% General Use	General Fund 2/3% General Use	General Fund 1% Capital Outlay	Fire Protection from Parish	Total Revenues
2006	\$ 209,810	\$ 139,873		\$ 119,114	\$ 468,797
2007	226,250	150,834	67,240	122,220	566,544
2008	217,236	144,824	130,892	117,351	610,303
2009	236,179	157,453	206,948	127,584	728,164
2010	234,998	232,563	249,577	151,454	868,592

In addition to normal operations, the Village anticipates the following capital outlays during the year 2011:

- ◆ continued renovations to cultural center and museum

Improvements to the *Water System* started in 2009 should be completed in 2011. These improvements consist of new meters that will allow more accurate reading of water consumption and at the same time, back flow preventers are being installed to provide health safety measures to protect the citizens of Rosedale from unexpected contamination of the water lines. The cost of these improvements is estimated at approximately \$110,000 which includes the labor provided by Town employees.

Contacting the Village's Financial Management

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

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BASIC FINANCIAL STATEMENTS

Village of Rosedale
Statement of Net Assets
December 31, 2010 with summarized comparative totals for 2009

	<u>Primary Government</u>		<u>2010</u> <u>Totals</u>	<u>2009</u> <u>Totals</u>
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>		
ASSETS:				
Cash and cash equivalents				
Cash on hand and in banks	\$ 87,846	\$ 699	\$ 88,545	\$ 270,971
Investment in LAMP	626,893	29,710	656,603	425,664
Accounts receivable (net)				
Franchise	5,728	0	5,728	4,798
Others	0	7,091	7,091	7,281
Due from other governments	98,562	0	98,562	52,358
Due from other funds	0	872	872	755
Prepays	11,723	512	12,235	20,362
Capital assets				
Non-depreciable	151,373	98,260	249,632	191,637
Depreciable, net of accumulated depreciation	1,649,286	575,295	2,224,581	2,174,683
Total assets	2,631,410	712,438	3,343,848	3,148,509
LIABILITIES:				
Accounts payable	18,690	9,028	27,718	17,889
Accrued liabilities	8,701	0	8,701	8,265
Contracts payable	0	0	0	25,980
Due to Iberville Firefighters Assn	0	0	0	1,975
Due to other funds	872	0	872	755
Due to other governments	4,442	0	4,442	0
Liabilities for compensated absences	10,457	0	10,457	11,933
Advances from customers	0	1,380	1,380	0
Total liabilities	43,162	10,408	53,570	66,798
NET ASSETS:				
Invested in capital assets, net of related debt	1,800,658	673,555	2,474,213	2,366,319
Restricted for Fire Protection	210,422	0	210,422	155,555
Unrestricted	577,168	28,475	605,643	559,837
Total net assets	\$ 2,588,248	\$ 702,030	\$ 3,290,278	\$ 3,081,710

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

Village of Rosedale
Statement of Activities
For the Year Ended December 31, 2010 with summarized totals for 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense)Revenue and Changes in Net Assets			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			2009
					Governmental Activities	Business-type Activities	2010 Total	2009 Total
Primary government:								
Governmental activities -								
General government	193,838	0	0	0	(193,838)	0	(193,838)	(113,647)
Public safety	232,201	2,432	0	20,000	(209,769)	0	(209,769)	(121,342)
Public services	276,020	14,340	0	0	(261,680)	0	(261,680)	(223,283)
Culture and recreation	4,697	0	0	0	(4,697)	0	(4,697)	(2,874)
Total governmental activities	706,757	16,772	0	20,000	(669,985)	0	(669,985)	(461,146)
Business-type activities -								
Water utilities	174,056	62,290	0	25,000	0	(86,766)	(86,766)	(54,248)
Total business-type activities	174,056	62,290	0	25,000	0	(86,766)	(86,766)	(54,248)
General revenues								
General purpose sales and use tax					717,138	0	717,138	600,581
Public safety sales and use tax					151,454	0	151,454	127,584
FEMA reimbursements					29,550	0	29,550	0
2% Fire insurance rebate					3,497	0	3,497	3,497
Franchise taxes					32,935	0	32,935	27,387
Occupational license					25,128	0	25,128	20,625
Building and liquor permits					1,810	0	1,810	3,535
Other taxes					831	0	831	947
Investment income					889	51	940	1,391
Other income					482	0	482	9,101
Special items - Gain on sale of capital assets					1,000	551	1,551	(2,793)
Transfers					(136,515)	136,518	3	0
Total general revenues and transfers					828,199	137,120	965,319	791,821
Change in net assets					158,214	50,354	208,568	276,427
Net assets, January 1,					2,430,034	651,676	3,081,710	2,805,283
Net assets, December 31,					\$ 2,588,248	\$ 702,030	\$ 3,290,278	\$ 3,081,710

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

Village of Rosedale, Louisiana
Balance Sheet
Governmental Funds
December 31, 2010 with summarized comparative totals for 2009

	General Fund	Special Revenue Fire Protection Fund	2010 Total	2009 Total
ASSETS				
Cash and cash equivalents -				
Cash on hand and in banks	\$ 52,697	\$ 35,149	\$ 87,846	\$ 266,414
Investments in LAMP	462,945	163,948	626,893	396,004
Receivables -				
Franchise taxes	5,728	0	5,728	4,798
Other receivables	0	-	-	1,954
Due from other governments	81,554	17,008	98,562	52,358
Total Assets	\$ 602,924	\$ 216,105	\$ 819,029	\$ 721,529
LIABILITIES AND FUND BALANCES				
Accounts payable	\$ 17,617	\$ 1,073	\$ 18,690	\$ 15,911
Accrued liabilities	8,534	167	8,701	8,265
Due to Iberville Firefighters Assn.	0	0	0	1,975
Due to other funds	872	0	872	755
Due to other governments	0	4,442	4,442	0
Liabilities for compensated absences	10,457	0	10,457	11,933
Total Liabilities	37,479	5,683	43,162	38,839
Fund Balances -				
Reserved for grant restrictions	0	0	0	33,300
Reserved for fire protection	0	210,422	210,422	122,255
Unreserved	565,445	0	565,445	527,135
Total Fund Balances	565,445	210,422	775,867	682,690
Total Liabilities and Fund Balances	\$ 602,924	\$ 216,105	\$ 819,029	\$ 721,529

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

Village of Rosedale
Reconciliation of the Balance Sheet to the Statement of Net Assets
Governmental Funds
December 31, 2010 with summarized comparative totals for 2009

	2010	2009
Fund Balances - total governmental funds	\$ 775,867	\$ 682,690
 Amounts reported for governmental activities in the Statement of Net Assets are different because:		
 Capital assets used in governmental activities are not financial resources therefore are not reported in governmental funds		
Governmental capital assets	3,298,679	3,045,890
Less: accumulated depreciation	<u>(1,498,021)</u>	<u>(1,317,320)</u>
	1,800,658	1,728,570
 Prepaid insurance premiums in governmental activities are not recognized as expenditures for governmental funds		
	<u>11,723</u>	<u>18,774</u>
Net Assets of Governmental Funds	<u>\$ 2,588,248</u>	<u>\$ 2,430,034</u>

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

Village of Rosedale, Louisiana
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Years ended December 31, 2010 with summarized comparative totals for 2009

	General Fund	Special Revenue Fire Protection Fund	Total	2009
REVENUES:				
Taxes and licenses	\$ 59,873	\$ -	\$ 59,873	\$ 51,547
Intergovernmental revenue	771,016	151,454	922,470	867,568
Charges for services	14,340	0	14,340	13,690
Fines and forfeitures	2,432	0	2,432	3,805
Interest income	687	202	888	1,310
Miscellaneous	472	10	482	9,066
Sale of fixed assets	1,000	0	1,000	0
Total revenues	849,820	151,665	1,001,485	946,986
EXPENDITURES:				
Current -				
General government	184,300	0	184,300	159,854
Public safety	31,132	67,045	98,177	89,705
Public works	208,424	0	208,424	203,064
Capital outlay	277,893	3,000	280,893	183,439
Total expenditures	701,748	70,045	771,793	636,062
Excess Revenues Over (Under) Expenditures	148,072	81,621	229,692	310,925
OTHER FINANCING SOURCES (USES):				
Transfers in	0	6,547	6,547	6,034
Transfers (out)	(143,062)	0	(143,062)	(28,701)
Total Other Financing Sources (Uses)	(143,062)	6,547	(136,515)	(22,667)
Net Change in Fund Balances	5,009	88,168	93,177	288,258
FUND BALANCE:				
Beginning of Year	560,435	122,255	682,690	394,432
End of Year	\$ 565,445	\$ 210,422	\$ 775,867	\$ 682,690

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

Village of Rosedale
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities
Governmental Funds
Year Ended December 31, 2010 summarized totals for 2009

	2010	2009
Net Change in Fund Balances - total governmental funds	\$ 93,177	\$ 288,258
Amounts reported for governmental activities in Statement of Net Assets are different because:		
Expenditures in the Statement of Activities that do not use current financial resources are not reported as expenditures in the funds		
Current year	11,723	18,774
Prior year	(18,774)	(12,613)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives:		
Expenditures for capital assets	280,893	183,439
Less current year depreciation	(208,804)	(167,138)
Governmental funds report income equal to the proceeds from sale of capital assets whereas, the Statement of Activity reports gain or loss which reflects book value of assets when sold.		
	-	(2,793)
Net difference	65,037	19,668
Change in Net Assets of Governmental Funds	\$ 158,214	\$ 307,926

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

Village of Rosedale
Statement of Net Assets
Proprietary Funds
For the Year Ended December 31, 2010 with summarized comparative totals for 2009

**- Business-type Activities -
Enterprise Fund - Water System**

ASSETS	2010	2009
Current assets -		
Cash and cash equivalents - Cash on hand and in checking	\$ 699	\$ 4,556
Cash and cash equivalents - LAMP	29,710	29,659
Accounts receivable	7,091	5,327
Due from other funds	872	755
Prepaid expenses	512	1,588
	<hr/>	<hr/>
Total Current Assets	38,883	41,884
Noncurrent assets -		
Capital assets		
Construction in progress	98,260	36,258
Distribution systems	1,196,511	1,220,396
Property and equipment	59,659	66,413
Less: accumulated depreciation	(680,875)	(685,316)
	<hr/>	<hr/>
Property and equipment, net	673,555	637,750
	<hr/>	<hr/>
Total Noncurrent Assets	673,555	637,750
	<hr/>	<hr/>
Total Assets	\$ 712,438	\$ 679,634
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES		
Current liabilities -		
Accounts payable	\$ 9,028	\$ 1,978
Contracts payable	-	25,980
Advances from water customers	1,380	-
	<hr/>	<hr/>
Total Current Liabilities	10,408	27,958
	<hr/>	<hr/>
Total Liabilities	10,408	27,958
	<hr/>	<hr/>
NET ASSETS		
Invested in capital assets, net of related debt	673,555	637,750
Unrestricted	28,475	13,926
	<hr/>	<hr/>
Total Net Assets	\$ 702,030	\$ 651,676
	<hr/> <hr/>	<hr/> <hr/>

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

Village of Rosedale, Louisiana
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Fund
Year ended December 31, 2010 with summarized comparative totals for 2009

- Business-type Activities -
Enterprise Fund - Water System

	2010	2009
OPERATING REVENUES		
Charges for services	\$ 60,497	\$ 42,012
Connection/reconnection fees	1,625	1,925
Miscellaneous income	167	953
Total Operating Revenue	62,290	44,890
OPERATING EXPENSES		
Personnel services	12,477	18,529
Purchased professional services	49,307	8,092
Current used in pumping	5,565	5,241
Water purchased	10,188	0
Other purchased services and expense	5,102	2,640
Repairs, maintenance & supplies	36,665	10,954
Bad debt expense	2,439	
Depreciation	52,312	53,682
Total Operating Expense	174,056	99,138
Operating Income (Loss)	(111,766)	(54,248)
NON-OPERATING REVENUES (EXPENSES)		
State grant	25,000	0
Interest income	51	81
Sale of capital assets	551	0
Total Nonoperating Revenues (Expenses)	25,602	81
Income (Loss) before transfers	(86,164)	(54,167)
Transfers in - General fund	136,518	22,667
Change in net assets	50,354	(31,500)
Total net assets, beginning of year	651,676	683,176
Total net assets, end of year	\$ 702,030	\$ 651,676

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

Village of Rosedale, Louisiana
Statement of Cash Flows
Proprietary Fund
Year ended December 31, 2010 with summarized comparative totals for 2009

	- Business-type Activities - Enterprise Fund - Water System	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 59,467	\$ 44,407
Cash payments for goods and services	(98,819)	(28,217)
Cash payments for salaries	(12,477)	(17,667)
Net Cash Provided by (Used for) Operating Activities	(51,829)	(1,476)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers in from general fund	19,018	22,667
Net Cash Provided by (Used for) Noncapital financing activities	19,018	22,667
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital contribution from general fund	117,500	0
State grant funding for capital projects	25,000	0
Acquisition and construction of capital assets	(114,097)	(10,278)
Gain on sale of capital assets	551	0
Net Cash Provided by (Used for) Capital and Related Financing Activities	28,954	(10,278)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on Investments	51	81
Net Cash Provided by (Used for) Investing Activities	51	81
INCREASE (DECREASE) IN CASH	(3,806)	10,994
CASH AND CASH EQUIVALENTS, BEGINNING	34,215	23,221
CASH AND CASH EQUIVALENTS, ENDING	\$ 30,409	\$ 34,215
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating income (loss)	\$ (111,766)	\$ (54,248)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
Depreciation	52,312	53,682
Net Changes in Assets and Liabilities -		
(Increase) decrease in accounts receivable - customers	(1,764)	(483)
(Increase) decrease in prepaid expenses	1,076	(811)
(Increase) decrease in due from other funds	(117)	(755)
Increase (decrease) in accounts payable	7,050	1,194
Increase (decrease) in accrued liabilities	0	(56)
Increase (decrease) in advances from customers	1,380	0
Total adjustments	59,938	52,772
Net Cash provided by (used for) operating activities	\$ (51,829)	\$ (1,476)

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

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2010

Introduction

The Village of Rosedale was incorporated August 2, 1955, under the provisions of Title 33, Chapter 2, Part 1, of the Louisiana Revised Statutes (Lawrason Act - Act No. 36 of 1898). The "Village" operates under a Mayor - Board of Aldermen form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, recreation, public improvements, and general administrative services. The Village is located in Iberville Parish, Louisiana and has a population of 895. The Board of Aldermen is comprised of three persons and the Village has 15 employees.

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

1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

Related Organizations – The following organization was considered for inclusion in the reporting entity but did not meet all of the requirements. Therefore, this entity was considered to be a related organization not reported in the accompanying basic financial statements.

Rosedale-Grosse Tete Volunteer Fire Department – This potential component unit provides volunteer fire services within the Village. Although the Village provides facilities and equipment, it does not exercise direct control over their operations.

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2010

1. Summary of Significant Accounting Policies (Continued)

B. Basic Financial Statements – Government–Wide Statements

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

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

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

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

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

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

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2010

1. Summary of Significant Accounting Policies (Continued)

C. Basic Financial Statements – Fund Financial Statements

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

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

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

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

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

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

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2010

1. Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting

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

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

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

E. Use of Estimates

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

F. Defining Operating Revenues and Expenses

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

G. Comparative Information

The financial statements include prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Village's financial statements for 2009 from which the summarized information was derived.

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2010

1. Summary of Significant Accounting Policies (Continued)

H. Cash and Investments

State statutes authorize the Village of Rosedale to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-RS 33:2955.

I. Statement of Cash Flows

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

J. Accounts Receivable

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

K. Inventories and Prepaid Items

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

L. Interfund Activity

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

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

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2010

1. Summary of Significant Accounting Policies (Continued)

M. Capital Assets

Capital assets, which include property, plant equipment, and infrastructure assets (e.g. roads, bridges, sidewalk and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received.

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

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

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

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

N. Compensated Absences

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

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

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2010

1. Summary of Significant Accounting Policies (Continued)

O. Government-wide and Proprietary Fund Net Assets

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

- Invested in capital assets, net of related debt - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net assets - consist of net assets that are restricted by the Village's creditors, by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by any other contributors.
- Unrestricted - all other net assets are reported in this category.

2. Stewardship, Compliance and Accountability

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

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

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2010

3. Deposits and Investments

Cash and Cash equivalents include Cash on hand, petty cash, bank accounts and short-term investments. See Note 1 (H) and (I) for additional cash disclosure information. At December 31, 2010 the Village had cash and cash equivalents (book balances) totaling \$745,148 comprised of the following:

Petty cash	\$	100
Checking accounts		88,446
LAMP		656,603
	<u>\$</u>	<u>745,148</u>

Custodial Credit Risk – Deposits:

Custodial credit risk is the risk that in the event of a bank failure the Village's deposits may not be returned. Deposits are exposed to custodial credit risk if they are either (a) uninsured and uncollateralized, or (b) uninsured and collateralized with securities held by the pledging financial institution or its trust department/agent but not in the name of the Village. State law requires that deposits be fully secured by federal deposit insurance or the pledge of securities owned by the bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the bank.

Deposits in financial institutions reported as components of cash and cash equivalents had a bank balance of \$94,393 at December 31, 2010, which was fully insured by federal deposit insurance.

Investments

Investments held at December 31, 2010 include \$656,603 invested in the Louisiana Asset Management Pool, Inc. (LAMP) (see Summary of Significant Accounting Policies). The LAMP portfolio includes only securities and other obligations in which local governments are authorized to invest in accordance with LA-RS 33:2955.

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

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2010

4. Intergovernmental Receivables and Revenues

Intergovernmental receivables and revenues at December 31, 2010 were as follows:

Receivables:	General Fund	Special Revenue Fire Protection	Total
Iberville Parish Sales Tax	\$ 77,586	\$ 17,008	\$ 94,594
State of Louisiana -			
Beer tax	223	-	223
Highway Maintenance	3,745	-	3,745
Totals	<u>\$ 81,554</u>	<u>\$ 17,008</u>	<u>\$ 98,562</u>
Revenue:			
Iberville Parish Sales Tax -	\$ 467,561	\$ 151,454	\$ 619,014
Iberville Parish Sales Tax - 1%	249,577	-	249,577
State Beer Tax	831	-	831
LGAP	20,000	-	20,000
FEMA Reimbursements	29,550	-	29,550
State Fire Insurance Rebate	3,497	-	3,497
Totals	<u>\$ 771,016</u>	<u>\$ 151,454</u>	<u>\$ 922,469</u>

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2010

5. Interfund Transactions

A summary of interfund receivables and payables at December 31, 2010 and interfund transfers during 2010 follows:

Interfund Receivables/Payables:	General Fund	Special Revenue Fire Protection	Enterprise Fund Water System
Due from other funds	\$ -	\$ -	\$ 872
Due to other funds	872	-	-
Totals	\$ 872	\$ -	\$ 872

Interfund Transfers In/(Out):	General Fund	Special Revenue Fire Protection	Enterprise Fund Water System
Transfers In -			
Salaries	\$ -	\$ 6,547	\$ 19,015
Operating	-	-	-
Capital acquisitions	-	-	117,500
Totals	\$ -	\$ 6,547	\$ 136,515
Transfers (Out) -			
Salaries	\$ (25,562)	\$ -	\$ -
Operating	-	-	-
Capital acquisitions	(117,500)	-	-
Totals	\$ (143,062)	\$ -	\$ -

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2010

6. Capital Assets

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

	<u>Balance</u> <u>1/1/2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2010</u>
Governmental Activities				
Non-depreciable: Land	\$ 151,373			\$ 151,373
Construction in progress	4,006		(4,006)	(0)
Total Non-depreciable	<u>155,379</u>	<u>-</u>	<u>(4,006)</u>	<u>151,373</u>
Depreciable:				
Buildings	631,115	38,962		670,078
Improvements other than buildings	1,131,707	100,453		1,232,160
Machinery & equipment	1,127,688	145,484	(28,103)	1,245,069
Total Depreciable	<u>2,890,511</u>	<u>284,899</u>	<u>(28,103)</u>	<u>3,147,306</u>
Total Capital Assets	<u>3,045,890</u>	<u>284,899</u>	<u>(32,109)</u>	<u>3,298,679</u>
Less: Accumulated depreciation				
Buildings	244,189	19,016		263,206
Improvements other than buildings	461,572	41,652		503,224
Machinery & equipment	611,559	148,136	(28,103)	731,592
Total	<u>1,317,320</u>	<u>208,804</u>		<u>1,498,021</u>
Net Book Value	<u><u>\$ 1,728,570</u></u>			<u><u>\$ 1,800,658</u></u>

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

General government	\$ 9,358
Public safety - police & fire	126,727
Public services	68,023
Culture & recreation	4,697
	<u>\$ 208,804</u>

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2010

6. Capital Assets (Continued)

A summary of proprietary fund type property, plant and equipment at December 31, 2010 follows:

Enterprise Fund - Water System:

	<u>Balance</u>			<u>Balance</u>
	<u>1/1/2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/2010</u>
Business-type Activities				
Non-depreciable - Construction in progress	\$ 36,258	\$ 62,002	\$ -	\$ 98,260
Total Non-depreciable	36,258	62,002	0	98,260
Depreciable:				
Distribution system	1,220,396	26,115	(50,000)	1,196,511
Machinery & equipment	66,413	0	(6,754)	59,659
Total Depreciable	1,286,809	26,115	(56,754)	1,256,170
Total Capital Assets	1,323,066	88,117	(56,754)	1,354,430
Less: Accumulated depreciation				
Distribution system	650,069	45,719	(50,000)	645,788
Machinery & equipment	35,247	6,593	(6,754)	35,086
Total Accumulated depreciation	685,316	52,312	(56,754)	680,874
 Net Book Value	 <u>\$ 637,750</u>			 <u>\$ 673,556</u>

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2010

7. Pension Plans

Municipal Employees' Retirement System -

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

Funding Policy The payroll for employees covered by the System for the year ended December 31, 2010 was \$147,378; the Village's total payroll was \$261,483. Covered employees are required by State statute to contribute 9.25% of their salary to the System. The Village is required by the same statute to contribute 13.5%/14.25% of the employee's eligible compensation quarterly to the System. The contribution requirement for the years ended December 31, 2010, 2009 and 2008 was \$34,105, \$29,637, and \$24,813, respectively.

8. Risk Management

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

9. Economic Dependence

The Village of Rosedale received 80% of its total revenue from parish sales tax. Proceeds of the 1% sales tax are to be used for the purposes of opening, constructing, paving and improving streets, sidewalks, roads and alleys, constructing bridges, purchasing or constructing waterworks, sewers, drains, drainage canals, pumping plants, sewerage disposal works, light and power plants, gas plants, halls, jails, fire departments' stations, and equipment, hospitals, auditoriums, public parks, natatoriums, libraries, docks, wharves, river terminals and other public buildings, including the necessary equipment and furnishings there for. The 1% sales and use tax is used by the Village to pay the cost of capital outlay projects; to maintain and operate public facilities, to administer local governments, and to provide other lawful services. Additionally, proceeds of the 2/3% sales and use tax provided by the Iberville Parish Council is dedicated for fire protection for the Village.

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2010

10. Subsequent Events

Subsequent events were evaluated through July 13, 2011, which is the date the financial statements were available to be issued. It was determined that the following significant event requires disclosure through this date:

Potential Capital Asset Impairment -

The Village entered into a one year lease for land to be used as a burn site, with an annual lease payment of \$200. The lease expired on July 26, 2010 and, as of the date of the financial statements, has not been renewed. In 2009 and 2010, the Village expended a total of \$38,986 for improvements to leased property. The cost has been capitalized and is reported in the government-wide Statement of Net Assets as a capital asset and is being depreciated over a period of 20 years with current year depreciation of \$1,961 reported in the government-wide Statement of Activities.

The Village is negotiating the renewal of the lease and will exhaust all legal means to retain use of the property. However, should all efforts fail, the capital asset, net of accumulated depreciation will be reported as an impairment loss in the government-wide financial statements for the period this determination is made. There is no effect upon the fund financial statements.

REQUIRED SUPPLEMENTARY INFORMATION (Part II)

**Village of Rosedale, Louisiana
Budgetary Comparison Schedule
General Fund**

For the Year Ended December 31, 2010 with summarized comparative totals for 2009

	<u>Budgeted Amounts</u>		2010	Variance with	2009
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Over (Under)</u>	<u>Actual Amounts</u> <u>(Budgetary Basis)</u>
Revenues					
Taxes and licenses	\$ 50,900	\$ 53,105	\$ 59,873	\$ 6,768	\$ 51,547
Intergovernmental revenue	609,500	719,200	771,016	51,816	671,325
Charges for services	13,500	13,490	14,340	850	13,690
Fines & Forfeitures	3,500	3,500	2,432	(1,068)	3,805
Interest income	1,200	500	687	187	1,137
Miscellaneous	500	500	472	(28)	9,066
Sale of capital assets	0	0	1,000	1,000	0
Total Revenues	679,100	790,295	849,820	59,525	750,570
Expenditures					
General administration	165,480	170,475	184,300	(13,825)	159,854
Public safety - Police	33,733	35,091	31,132	3,959	30,614
Public works - Streets & sanitation	234,286	240,085	208,424	31,661	203,064
Capital outlay	401,026	573,084	277,893	295,192	96,254
Total Expenditures	834,525	1,018,735	701,748	316,987	489,786
Excess (Deficiency) of Revenues Over Expenditures	(155,425)	(228,440)	148,072	376,512	260,784
OTHER FINANCING SOURCES (USES):					
Operating transfers (out)	(75,930)	(112,742)	(143,062)	(30,320)	(28,701)
Total Other Financing Sources (Uses)	(75,930)	(112,742)	(143,062)	(30,320)	(28,701)
Net Change in Fund Balances	(231,355)	(341,182)	5,009	346,191	232,083
Beginning Fund Balance	580,746	651,676	560,435	(91,241)	328,352
Ending Fund Balance	\$ 349,391	\$ 310,494	\$ 565,445	\$ 254,951	\$ 560,435

Notes to Budgetary Schedule:

1. Budget reflects Modified Accrual Basis of Accounting

Village of Rosedale, Louisiana
Budgetary Comparison Schedule
Special Revenue Fund - Fire Protection
For the Year Ended December 31, 2010 with summarized comparative totals for 2009

	<u>Budgeted Amounts</u>		2010	Variance with	2009
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Over (Under)</u>	<u>Actual Amounts</u> <u>(Budgetary Basis)</u>
REVENUES					
Intergovernmental revenue	\$ 127,000	\$ 144,000	\$ 151,454	\$ 7,454	\$ 196,243
Interest income	200	120	202	82	173
Miscellaneous income	0	0	10	10	0
Sale of capital assets	0	0	0	0	0
Total Revenue	127,200	144,120	151,665	7,545	196,416
EXPENDITURES					
Public safety - Fire	85,447	93,450	67,045	26,405	59,091
Capital outlay	1,600	4,600	3,000	1,600	87,185
Total Expenditures	87,047	98,050	70,045	28,005	146,275
Excess (Deficiency) of Revenues Over Charges to Expenditures	40,153	46,070	81,621	35,551	50,141
OTHER FINANCING SOURCES (USES):					
Operating transfers (in)	6,300	6,600	6,547	(53)	6,034
Total Other Financing Sources (Uses)	6,300	6,600	6,547	(53)	6,034
Net Change in Fund Balances	46,453	52,670	88,168	35,498	56,175
Beginning Fund Balance	110,364	122,255	122,255	(0)	66,080
Ending Fund Balance	\$ 156,817	\$ 174,925	\$ 210,422	\$ 35,497	\$ 122,255

Notes to Budgetary Schedule:

1. Budget reflects Modified Accrual Basis of Accounting

OTHER SUPPLEMENTARY INFORMATION

Village of Rosedale, Louisiana
Schedule of Per Diem and Paid to the Mayor and Board Members
Year ended December 31, 2010

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

INFORMATION REQUIRED BY GOVERNMENT AUDITING STANDARDS

W. Kathleen Beard
Certified Public Accountant
10191 Bueche Rd. - Erwinville, LA 70729
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

I have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the of the Village of Rosedale, Louisiana, as of and for the year ended December 31, 2010, which collectively comprise the Village of Rosedale's basic financial statements, and have issued my report thereon dated July 13, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

My consideration of internal control over financial reporting was for a limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses I identified certain deficiencies in internal control over financial reporting that I consider to be material weaknesses.

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. I consider the deficiency described in the accompanying schedule of findings and responses to be a material weaknesses: Item 2010-2.

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. I consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency: Item 2010-1

Compliance and Other Matters

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

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

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

W. Kathleen Beard

Certified Public Accountant

July 13, 2011

Village of Rosedale, Louisiana
Schedule of Findings and Responses
As of and for the year ended December 31, 2010

Summary of Audit Results

Financial Statements

Type of auditor's report issued: Unqualified

Report on Internal Control and Compliance Material to the Financial Statements

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

Federal Awards

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

Management Letter

No management letter was issued.

Village of Rosedale, Louisiana
Schedule of Findings and Responses
As of and for the year ended December 31, 2010

Findings – Financial Reporting Internal Control - Significant Deficiency

2010-1 Record Retention System

Condition: There appears to be a lack of document retention procedures for maintaining supporting documents related to the purchase of items that exceed applicable dollar threshold provided in the Louisiana Public Bid Law. Additionally, supporting documentation for FEMA reimbursements could not be located

Criteria: All documentation supporting a disbursement should be attached together and maintained in the town hall. Public Bid Law RS 38:2212 requires different procedures for purchases of different types of items for various amounts. Written evidence of procedures performed should be retained as part of the purchase record. When purchasing via the Louisiana State Office of Purchasing, documents should be printed and retained that include contract details (Description, Number, T-Number, Contract Price, etc.)

Cause: Recordkeeping procedures were not consolidated

Effect: May result in appearance of non-compliance with state laws and local ordinances.

Recommendation: Establish record retention procedures that include assigned responsibility for all aspects of the purchase process including maintaining one centralized filing system for ultimate final location of the original purchase record. Consult with Local Government "Best Practices" on the Legislative Auditor website for examples of applicable policies and procedures for various activities that may be used for developing effective policies and procedures.

Management's Response: Policy and procedure for purchasing and disbursements has been drafted and will be adopted once approved.

Village of Rosedale, Louisiana
Schedule of Findings and Responses
As of and for the year ended December 31, 2010

Findings – Financial Reporting Internal Control - Material Weakness

2010-2 Personnel Policy

Condition: The Village's personnel policy is so ambiguous that it provides little guidance or constraints and does not require approvals by supervisors and/or Mayor necessary for a strong internal control system.

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

Cause: Oversight over payroll processing was not sufficient to comply with personnel policy.

Recommendation: The personnel policy should be reviewed and revised to clearly state the Village's personnel policy. All employees should be provided a copy of the formally adopted personnel policy.

Management's Response: Will form committed to rewrite personnel policies and procedures.

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

Prior Year Findings:

Section I – Internal Control and Compliance to the Financial Statements

2009-1 Condition: An invoice in the amount of \$13, 010.56 was paid without approval of the governing board, nor was it provided for in the operating budget. Additionally, there was no intergovernmental cooperative agreement authorizing the transaction between the two parties.

Resolution: All expenditures are approved by governing board directly or by budget appropriation.

2009-2 Condition: A vehicle assigned to Village personnel was used as a personal vehicle beyond the permitted commuting to and from home and work.

Resolution: The Village adopted a policy notifying all employees that Village assets can only be used for town business.

2009-3 Condition: Violation of LRS 39:1303 “Local Budget Act”. Actual revenues were 7.35% under budget in the General Fund; actual expenditures were 5.02% over budget in the Special Revenue – Fire Protection Fund.

Resolution: Budget for current year were closely monitored and amended as needed.

Section II – Internal Control and Compliance Material to Federal Awards

97.044 Assistance to Firefighters Grant FY 2008

2009-4 Procurement, Suspension and Debarment

Condition: Internal controls were not established requiring written documentation of procurement procedures performed. There was no written documentation justifying their determination for use of sole source purchase method prior to ordering the radios. Additionally, there was no monitoring of the procurement activities performed by Village management, particularly in the initial stages of the procurement process.

Resolution: No federal grants were received.

Section III - Management Letter

No management letter issued