

## OFFICE OF THE STATE AUDITOR REPORT NOTE:

*Section 7-7-211, Mississippi Code Annotated (1972)* gives the Office of the State Auditor the authority to audit, with the exception of municipalities, any governmental entity in the state. In the case of municipalities, *Section 21-35-31, Mississippi Code Annotated (1972)* requires municipalities to obtain an annual audit performed by a private CPA firm and submit that audit report to the Office of the State Auditor. The Office of the State Auditor files these audit reports for review in case questions arise related to the municipality.

As a result, the following document was not prepared by the Office of the State Auditor. Instead, it was prepared by a private CPA firm and submitted to the Office of the State Auditor. The document was placed on this web page as it was submitted and no review of the report was performed by the Office of the State Auditor prior to finalization of the report. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

**City of Rosedale, Mississippi**

**Financial Statements  
September 30, 2019**

# City of Rosedale, Mississippi

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# **BARFIELD, SALLEY & ASSOCIATES, PLLC**

## ***CERTIFIED PUBLIC ACCOUNTANTS***

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## **INDEPENDENT AUDITORS' REPORT**

### **To the Mayor and City Council**

#### **Report on the Financial Statements**

We have audited the accompanying statement of Cash Basis Assets and Fund Balances and Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances as of and for the year ended September 30, 2019, and the related notes to financial statements, which collectively comprise the system's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits 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 we plan and perform the audit to obtain reasonable assurance

about whether the financial statements are free of material misstatement.

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of City of Rosedale, as of September 30, 2019, in accordance with the basis of accounting described in Note 1.

### ***Other Matters***

#### ***Required Supplementary Information***

The City of Rosedale, Mississippi has not presented the management's discussion and analysis or budgetary comparison information that accounting principles generally accepted in the United State of America require to be presented to supplement the basic financial statements.

Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational economic or historical context. Our opinion on the basic financial statements is not affected by the missing information.

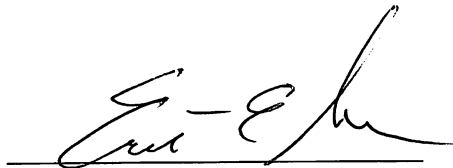
### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Rosedale, Mississippi's financial statements taken as a whole. The other information section is presented for purposes of additional analysis and is not a required part of the basic financial statement. The other information section is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The other information section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2020, on our consideration of the City of Rosedale's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the

scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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* in considering City of Rosedale's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read 'Ernest E. Seal', is written over a horizontal line.

Ernest E. Seal  
Certified Public Accountant  
November 1, 2020

For: BARFIELD, SALLEY & ASSOCIATES, PLLC

**CITY OF ROSEDALE, MISSISSIPPI**  
**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES AND**  
**AND CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES**  
**AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		
	<u>General</u>	<u>Garbage</u>	<u>Other</u>		<u>Water &amp;</u>	
	<u>Fund</u>	<u>Disposal</u>	<u>Nonmajor</u>	<u>Total</u>	<u>Sewer Fund</u>	<u>Total</u>
		<u>Fund</u>	<u>Funds</u>			
<b>Receipts</b>						
General Property Taxes	405,492		34,849	440,341		
Franchise and Utility	39,039			39,039		
Licenses and Permits	4,192			4,192		
Homestead Reimbursement	29,305		2,519	31,824		
ABC - Permit	900			900		
General Sales Tax	116,145			116,145		
Municipal Aid Surplus	934			934		
Motor Vehicle Fuel Taxes	5,385			5,385		
Fire Insurance Premium Tax Distribution			11,055	11,055		
Grand Gulf	11,607			11,607		
Charges for Services:						
Garbage		87,036		87,036		
Grant Income					31,300	31,300
Water Fees					141,924	141,924
Sewer Fees					94,503	94,503
Fines & Forfeits	47,283			47,283		
Interest Earned	1		205	206	440	440
Water Deposits					1,475	1,475
Other Revenue	16,437		250	16,687	14,975	14,975
<b>Total Receipts</b>	<b>676,720</b>	<b>87,036</b>	<b>48,878</b>	<b>812,634</b>	<b>284,617</b>	<b>284,617</b>



**CITY OF ROSEDALE, MISSISSIPPI**  
**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES AND**  
**AND CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES**  
**AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Governmental Activities</u>			<u>Business-Type Activities</u>	
	<u>General</u>	<u>Garbage</u>	<u>Other</u>		
	<u>Fund</u>	<u>Disposal</u>	<u>Nonmajor</u>	<u>Total</u>	<u>Water &amp;</u>
		<u>Fund</u>	<u>Funds</u>	<u>Sewer Fund</u>	<u>Total</u>
<b>Operating Disbursements</b>					
General Government					
Salaries & Employee Benefits	117,323			117,323	
Supplies	2,609			2,609	
Telephone & Utilities	4,040			4,040	
Insurance	79,676			79,676	
Other Services & Charges	24,527			24,527	
Public Safety - Police					
Salaries & Employee Benefits	217,498			217,498	
Supplies & Fuel	19,100			19,100	
Fine Settlements	15,662			15,662	
Temp Holding Facility	25,914			25,914	
Other Services & Charges	26,711			26,711	
Public Safety - Fire:					
Repairs & Operating Supplies			3,939	3,939	
Telephone & Utilities			3,045	3,045	
Other Services & Charges			5,462	5,462	
Public Works - Streets					
Salaries & Employee Benefits	7,711			7,711	
Utilities	54,845			54,845	
Other Services & Charges	818			818	
Public Works - Sanitation					
Garbage Disposal		107,294		107,294	

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

**CITY OF ROSEDALE, MISSISSIPPI**  
**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES AND**  
**AND CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES**  
**AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Governmental Activities</u>			<u>Business-Type Activities</u>	
	<u>General</u>	<u>Garbage</u>	<u>Other</u>		
	<u>Fund</u>	<u>Disposal</u>	<u>Nonmajor</u>	<u>Total</u>	<u>Water &amp;</u>
		<u>Fund</u>	<u>Funds</u>		<u>Sewer Fund</u>
				<u>Total</u>	
Parks & Recreation					
Contract Services			1,870	1,870	
Repairs & Supplies			1,543	1,543	
Other Services and Charges			225	225	
Library Support			13,459	13,459	
Enterprises - Water & Sewer					
Salaries & Employee Benefits				82,046	82,046
Repairs & Operating Supplies				32,758	32,758
Telephone & Utilities				26,968	26,968
Contract Services				14,215	14,215
Other Services & Charges				22,637	22,637
Interest & Fees				26,822	26,822
Contract Tank Improvements				31,300	31,300
Total Disbursements	596,434	107,294	29,543	733,271	236,746
Excess of Receipts Over (Under) Disbursements	80,286	(20,258)	19,335	79,363	47,871
OTHER CASH SOURCES (USES)					
Debt Repaid - Principal				(24,885)	(24,885)
Transfers In		19,794	2,220	22,014	
Transfers Out	(22,014)			(22,014)	
Total Other Cash Sources (Uses)	(22,014)	19,794	2,220	-	(24,885)
Excess (Deficiency) of Receipts & Disbursements & Other Cash Uses	58,272	(464)	21,555	79,363	22,986

**CITY OF ROSEDALE, MISSISSIPPI**  
**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES AND**  
**AND CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES**  
**AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		
	<u>General</u>	<u>Garbage</u>	<u>Other</u>		<u>Water &amp;</u>	
	<u>Fund</u>	<u>Disposal</u>	<u>Nonmajor</u>	<u>Total</u>	<u>Sewer Fund</u>	<u>Total</u>
		<u>Fund</u>	<u>Funds</u>			
Cash Basis Fund Balance Beginning of Year	468,722	3,925	187,857	660,504	169,004	169,004
Cash Basis Fund Balance End of Year	526,994	3,461	209,412	739,867	191,990	191,990
<u>Cash Basis Assets - End of Year</u>						
Cash and Cash Equivalents	526,994			526,994	137,054	137,054
Restricted Cash		3,461	209,412	212,873	54,888	54,888
Total Cash Basis Assets	526,994	3,461	209,412	739,867	191,942	191,942
Cash Basis Fund Balance - End of Year						
Restricted		3,461	209,412	212,873	54,888	54,888
Unassigned	526,994			526,994	137,054	137,054
Total Cash Basis Fund Balances	526,994	3,461	209,412	739,867	191,942	191,942

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

## **City of Rosedale, Mississippi**

### **Notes to the Financial Statements**

**September 30, 2019**

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#### **Note 1. Summary of Significant Accounting Policies**

##### **General Information**

The City operates under a Mayor-Council form of government and provides all of the rights and privileges provided by statute for municipalities. The cities population on the 2010 census was 1,873. The accounting policies of the City of Rosedale conform to the laws of Mississippi for a municipality with a population of less than 3,000. The following is a summary of the more significant policies.

##### **Reporting Entity**

The financial statement of the City consists of all the funds of the city. There are no component units or related organizations included in the statement as they do not fit the criteria for such inclusion.

##### **Fund Accounting**

The accounts of the City are organized o the basis of the funds, each of which is considered a separate accounting entity.

##### **Basis of Accounting**

The financial statement is prepared on the cash basis, as prescribed by the Office of the State Auditor. Consequently, certain revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred. Cash receipts and disbursements is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

#### **Note 2. Report Classifications**

Receipts and Disbursements were classified according to small towns in the State of Mississippi as prescribed by the Office of the State Auditor.

## **City of Rosedale, Mississippi**

### **Notes to the Financial Statements September 30, 2019**

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#### **Note 3. Funding Sources - Property Taxes**

The City uses the county tax rolls for the assessment of its ad valorem tax. Property is assessed in January of each year and the tax levy is set in September of each year. Property taxes attach as an enforceable lien on property as of January of the next year and are delinquent after February 1. The millage rate for the City for the fiscal year ended September 30, 2019 were 81.45 mills for general purposes, 2.00 mills for library maintenance, 2.00 mills for parks and recreation, 3.00 mills for the city fire department.

#### **Note 4. Defined Benefit Pension Plan**

##### **Plan Description**

The system contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information.

## City of Rosedale, Mississippi

### Notes to the Financial Statements September 30, 2019

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#### Note 4. Defined Benefit Pension Plan, continued

##### Benefits Provided

For the cost-sharing plan participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2% of their average annual compensation for each year of creditable service up to and including 30 years (25 years of creditable service for employees who became members of PERS before July 1, 2011), plus 2.5% for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employees's earnings during the four highest compensated years of creditable service. A member may elect a reduced retirement allowance payable for life with a provision that, after death, a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary.

##### Contributions

Pursuant to Miss. Code Ann. &25-11-123 (1972, as amended), the Board of Trustees of the Public Employees' Retirement System of Mississippi is authorized to set the contribution rates for both employee and employer contributions based on the basis of the liabilities of the retirement system as shown by the actuarial valuation. Effective July 1, 2010 and continuing thereafter until amended by the Board of Trustees of the Public Employees Retirement System of Mississippi, the employee contribution rate was fixed at 9.00% of earned compensation. The system's contractually required contribution rate, effective July 1, 2013 and continuing thereafter until amended by the Board of Trustees of Public Employees Retirement System of Mississippi, was fixed at 15.75% of earned compensation.

## **City of Rosedale, Mississippi**

### **Notes to the Financial Statements September 30, 2019**

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#### **Note 5. Risk Management**

The city is exposed to various risks of loss, including torts, theft of, damage to, and destruction of assets, errors and omissions; injuries to and health care of employees; and natural disasters. The city purchases commercial insurance for most of these risks. There were no reductions in purchased coverage for the year ended September 30, 2019.

#### **Note 6. Subsequent Events**

Subsequent events are events or transactions that occur after the statement of financial position but before the financial statements are issued or are available to be issued. These events and transactions either provide additional evidence about conditions that existed at the date of the financial statement, including the estimates inherent in the process of preparing financial statements (that is, recognized subsequent events), or provide evidence about conditions that did not exist at the date of the statement of financial position but arose after that date (that is non-recognized subsequent events).

The city has evaluated subsequent events through the date of the auditor's report, which was the date that these financial statements were available for issuance, and determined that there were no significant non-recognized subsequent events through that date.

**City of Rosedale, Mississippi**  
**Schedule of Investments (All Funds)**  
**September 30, 2019**

<b>Ownership</b>	<b>Type of Investment</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Investment Cost/Value</b>
Water and Sewer Fund	Certificate of Deposit	0.75%	19-Dec-19	\$ 10,000.00
Water and Sewer Fund	Certificate of Deposit	0.75%	19-Dec-19	\$ 38,000.00
Bond Cushion	Certificate of Deposit	0.90%	26-Feb-20	\$ 6,887.80
<b>Total Investments</b>				<u><u>\$ 54,887.80</u></u>



**City of Rosedale, Mississippi**  
**Schedule of Long - Term Debt**  
**September 30, 2019**

	<b>Balance Outstanding 10/01/18</b>		<b>Issued</b>		<b>Redeemed</b>		<b>Balance Outstanding 09/30/19</b>
<hr/>							
<u>Revenue Bonds</u>							
Combined Water & Sewer System Bond #93-03, issued 03/10/88	\$ 29,736	\$	-0-	\$	7,113	\$	22,623
Combined Water & Sewer System Bond #93-05, issued 08/04/04	\$ 576,023	\$	-0-	\$	17,772	\$	558,251
<hr/>							
<b>Total Debt</b>	<b>\$ 605,759</b>	<b>\$</b>	<b>-0-</b>	<b>\$</b>	<b>24,885</b>	<b>\$</b>	<b>580,874</b>
<hr/>							

**City of Rosedale, Mississippi**  
**Schedule of Capital Assets**  
**September 30, 2019**

	Balances 10/01/16	Increases	Decreases	Balances 09/30/17
<b><u>Governmental Activities:</u></b>				
Capital Assets:				
Land	\$ 60,166			60,166
Buildings	629,441			629,441
Police Cars	49,952			49,952
Machinery and Equipment	21,902			21,902
Infrastructure	392,542			392,542
<b>Total Govenmental Activities Capital Assets</b>	<b>\$ 1,154,003</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,154,003</b>
<b><u>Business -Type Activities:</u></b>				
Capital Assets:				
Machinery and Equipment	\$ 60,166			60,166
Water and Sewer System	629,441			629,441
<b>Total Business-Type Activities Capital Assets</b>	<b>\$ 689,607</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 689,607</b>

**City of Rosedale, Mississippi**  
**Schedule of Surety Bonds For Municipal Officials**  
**September 30, 2019**

<b>Name</b>	<b>Position</b>	<b>Company</b>	<b>Bond</b>
Carey G. Estes	Mayor	Western Surety and MS Municipal Bond Program	\$ 131,000
Jasanda Love	City Clerk	Western Surety Company	\$ 81,000
Tarsha C. Lewis	Deputy Clerk	Western Surety Company	\$ 106,000
Elijah Johnson	Police Chief	Western Surety Company	\$ 50,000
Charles E. Turner	Councilman	MS Municipalities Bond Program	\$ 50,000
Tracey Lee Robinson	Councilman	MS Municipalities Bond Program	\$ 50,000
Debra Smith	Councilwoman	MS Municipalities Bond Program	\$ 50,000
James Bolden	Councilman	MS Municipalities Bond Program	\$ 50,000

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SUSAN BARFIELD, Paraprofessional

### **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***

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of City of Rosedale ("the city") as of and for the year ended September 30, 2018, and the related notes to the financial statement, which collectively comprise the city's basic financial statements, and have issued our report thereon dated November 1, 2020. Our report differed from the standard report due to the basis of accounting. All governmental and proprietary funds contained in this report are accounted for using the cash basis of accounting. All governmental and proprietary funds contained in this report are accounted for using the cash basis of accounting, as permitted by the Mississippi State Department of Audit. This basis of accounting differs from generally accepted accounting principles in that revenues are recognized when received rather than when measurable and available as net current assets and expenditures are generally recognized when the related fund expense is disbursed rather than when the related fund liability is incurred. Consequently, these financial statements are not intended to present financial position or results of operations in accordance with generally accepted accounting principles. The City of Rosedale, Mississippi has not presented the management's discussion and analysis or budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial

statement, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basis financial statements in an appropriate operational economic or historical context. Our opinion on the basic financial statements is not affected by the missing information.

### **Internal Control over Financial Reporting**

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

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. A *significant deficiency* is a deficiency, or combination of deficiencies, that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a material weakness, which is reported as Finding 17-1.

## **Compliance and Other Matters**

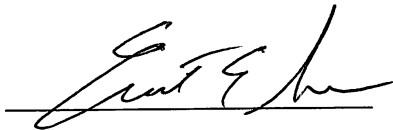
As part of obtaining reasonable assurance about whether City of Rosedale's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

## **City's Response to the Finding**

The City of Rosedale, Mississippi's response to the finding identified in our audit is described in the schedule of findings and responses. We did not audit the City of Rosedale, Mississippi's response and, accordingly, we express no opinion on it.

## Purpose of this Report

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

A handwritten signature in black ink, appearing to read 'Ernest E. Seal', is written over a horizontal line.

Ernest E. Seal  
Certified Public Accountant  
November 1, 2020

For: BARFIELD, SALLEY & ASSOCIATES, PLLC

**CITY OF ROSEDALE, MISSISSIPPI  
SCHEDULE OF FINDINGS AND RESPONSES  
SEPTEMBER 30, 2019**

**17-1 Finding:**

There is a lack of segregation of duties in the City Clerk's office. Internal accounting controls of the City of Rosedale are inadequate because of a lack of segregation of duties due to limited personnel and limited funding. Good internal controls call for the segregation of duties between the performance, approval and record keeping of a transaction. This finding was reported in the prior year.

**Recommendation:**

An evaluation of the internal control structure of the City of Rosedale, Mississippi to determine a workable and economically feasible improvement in the internal control structure.

**Response:**

The City of Rosedale, Mississippi is unable to hire additional employees to properly segregate the duties due to the limited funding resources of a small municipality.



# **BARFIELD, SALLEY & ASSOCIATES, PLLC**

## ***CERTIFIED PUBLIC ACCOUNTANTS***

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FOUNDER (1914 – 1993)

LINDA K. LINDSEY, CPA (1951 – 2000)

DENA WEEKS, Staff Accountant  
HOPE MERIDETH, Staff Accountant

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GLENDA BRUCE, Paraprofessional  
DEBORAH BARFIELD, Paraprofessional  
LAURIE DOHERTY, Paraprofessional  
SUSAN BARFIELD, Paraprofessional

## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS**

Honorable Mayor and City Council  
City of Rosedale  
Rosedale, Mississippi

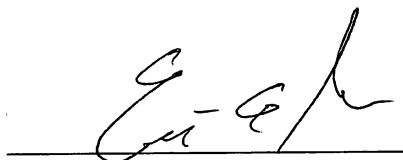
In planning and performing our audit of the financial statements of the City of Rosedale, Mississippi for the year ended September 30, 2019, we considered the City of Rosedale, Mississippi's internal control to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control.

In addition, for areas not considered material to the City of Rosedale, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objection of which is the expression of an opinion on the City's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated November 1, 2020, on the financial statement of the City of Rosedale, Mississippi.

Although no findings came to our attention as a result of these review procedures and compliance tests, these procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of the internal control would not necessarily disclose all matters with the internal control that might be weaknesses. In

accordance with Sections 7-7-211, Miss. Code Ann. (1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and test of transactions for this or other fiscal years to ensure compliance with legal requirements.

This report is intended solely for the information and use of management. City Council, State Auditor's Office and federal awarding agencies and pass-through entities and is not intended to be and should not be sued by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read 'E. Seal', is written over a horizontal line.

Ernest E. Seal  
Certified Public Accountant  
November 1, 2020

For: BARFIELD, SALLEY & ASSOCIATES, PLLC