

**VILLAGE OF NORWOOD, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

VILLAGE OF NORWOOD, LOUISIANA
 ANNUAL FINANCIAL STATEMENTS WITH SUPPLEMENTAL INFORMATION
 YEAR END JUNE 30, 2018
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MC DUFFIE K. HERROD, LTD.

(A Professional Accounting Corporation)

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Honorable Rebecca Bellue, Mayor and Board of Alderpersons
Village of Norwood, Louisiana
P. O. Box 249
Norwood, Louisiana 70761

We have reviewed the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village of Norwood, Louisiana, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Village of Norwood's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our report.

Accountant's Conclusion

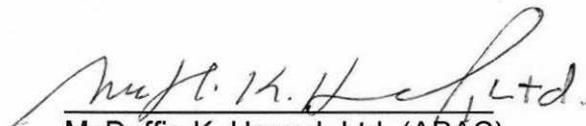
Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Such information was subjected to the procedures applied in the review of the basic financial statements and was compiled from information that is the representation of management. We have not audited the required supplementary information and we do not express an opinion or provide any assurance on the required supplementary information.

The schedule of compensation paid to governing members, schedule of insurance in force and proposed budgets for June 30, 2018 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the procedures applied in the review of the basic financial statements and was compiled from information that is the representation of management, without audit or review. We do not express an opinion or provide any assurance on the supplementary information.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated December 28, 2018, on the results of our agreed-upon procedures.


McDuffie K. Herrod, Ltd. (APAC)
Clinton, LA
December 28, 2018

REQUIRED SUPPLEMENTAL INFORMATION (Part 1)

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF NORWOOD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Management's discussion and analysis (MD&A) is a required element of the reporting model adopted by the Government Accounting Standards Board (GASB) in their Statement No. 34. Its purpose is to provide an overview of the financial activities of the Village based on currently known facts, decisions or conditions.

HIGHLIGHTS OF THE PAST YEAR

- Net assets of the Village as a whole at year-end were \$1,235,559.
- The Village made street improvements through the use of grant funding.

We feel that the Village had a good year financially. We were fortunate to be able to secure a couple of grants that allowed us to overlay some streets within the Village's boundaries and purchase fire safety equipment.

As you can see, our Village is greatly dependent upon grants for its survival. We truly appreciate all of the agencies that donate money for roads, water, sewer, etc. Otherwise, we would be unable to purchase these necessary things that are needed for everyday life in a small town.

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION

These financial statements are comprised of three components - (1) government-wide financial statements, (2) fund financial statements and, (3) notes to the financial statements. There is also other supplemental information contained in this report provided for additional information.

Government-wide Financial Statements. The government-wide financial statements present financial information for all activities of the Village from an economic resource measurement focus using the accrual basis of accounting. These provide both short-term and long-term information about the Village's overall financial status. They include a statement of net assets and statement of activities.

Statement of Net Position. This statement presents information on all of the Village's assets and deferred outflows of resources and liabilities and deferred inflows of resources with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or not.

Statement of Activities. This statement presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the Village's financial reliance on general revenues.

The government-wide financial statements can be found on pages 8-9 of this report.

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 uses fund accounting to ensure and demonstrate compliance with finance-related legal

VILLAGE OF NORWOOD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

requirements. The Village has two categories of funds: governmental funds and proprietary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements except that the focus with fund statements is to provide a distinct view of the Village's governmental funds only. These statements report short-term fiscal accountability emphasizing the use of spendable resources during the year and balances of spendable resources available at the end of the year.

Because the view of governmental funds is short-term and the view of the government-wide financial statements is long-term, it is useful to compare these two perspectives. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide reconciliation to the government-wide statements to assist in understanding the differences between the two viewpoints.

Governmental funds of the Village include a general fund that is used to account for all accounts not required to be accounted for separately and a special revenue fund used to account for proceeds legally restricted for the purpose of street maintenance.

Proprietary Funds. Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurements, which together with the maintenance of equity, is an important financial indicator.

Proprietary funds include an enterprise fund that is used to account for operations (a) where the intent of the providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Fund financial statements can be found on pages 10-18.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and begin on page 19.

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 comparisons that start on page 28. These schedules indicate the Village's compliance with its adopted and final revised budgets.

VILLAGE OF NORWOOD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

FINANCIAL ANALYSIS OF THE VILLAGE

Net assets are an indicator of the Village's financial position from year to year. A summary of net position follows.

SUMMARY OF NET POSITION

	Governmental Activities		Business-Type Activities	
	2018	2017	2018	2017
Assets				
Current Assets	\$ 53,372	\$ 55,791	\$ 100,095	\$ 100,467
Restricted assets	17,222	12,934	39,507	32,072
Capital assets, net	145,529	162,016	899,851	963,723
Total Assets	216,123	230,741	1,039,453	1,096,262
Liabilities				
Current liabilities	4,015	3,833	16,002	15,712
Long-term liabilities				0
Total Liabilities	4,015	3,833	16,002	15,712
Net Position				
Net investment in capital assets	145,529	162,016	899,851	963,723
Restricted	9,231	4,943	32,675	32,072
Unrestricted	57,348	59,949	90,925	84,755
Net Position	\$212,108	\$ 226,908	\$1,023,451	\$1,080,550

A summary of changes in net position is as follows:

SUMMARY OF CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities	
	2018	2017	2018	2017
Revenues / Transfers				
Charges for services	\$ 37,810	\$ 33,878	\$ 77,036	\$ 72,582
Operating grants / contributions	15,000	3,182		
Capital grants / contributions				
General revenues / transfers:				
Taxes	71,748	77,378		
Licenses/permits	15,897	17,984		
Interest earned	27	27	68	62
Interest expense				

VILLAGE OF NORWOOD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Other revenues	2,825	2,717	1,484	
Transfers				
Net Revenues / Transfers	<u>143,307</u>	<u>135,166</u>	<u>77,104</u>	<u>74,128</u>
Expenses				
General government	47,556	63,626		
Public safety / works	110,552	105,550		
Water / sewer			134,203	129,272
Total Expenses	<u>158,108</u>	<u>169,176</u>	<u>134,203</u>	<u>129,272</u>
Change in net position	(14,800)	(34,010)	(57,099)	(55,144)
Net position, beginning	<u>226,908</u>	<u>260,918</u>	<u>1,080,550</u>	<u>1,135,694</u>
Net position, ending	<u>\$ 212,108</u>	<u>\$ 226,908</u>	<u>\$1,023,451</u>	<u>\$1,080,550</u>

BUDGETARY HIGHLIGHTS

The Village's general fund realized \$19,393 more in revenues than budgeted. General government expenditures were \$498 more than anticipated while public safety (fire and police) expenditures were \$680 more than budgeted.

The streets and sidewalks fund received \$7,425 more than anticipated. Expenditures were \$2,693 less than anticipated.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The Village's investment in capital assets, net of accumulated depreciation and related debt at June 30, 2018 and 2017, was \$1,045,379 and \$1,125,739, respectively. These amounts include \$10,000 of land (non-depreciable assets). There were no capital additions during the year.

Capital assets at year-end are summarized as follows:

CAPITAL ASSETS

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities Capital Assets, not being depreciated				
Land	<u>\$ 10,000</u>			<u>\$ 10,000</u>
Capital Assets, being depreciated				
Buildings and Improvements	155,783			155,783
Equipment	275,413			275,413

VILLAGE OF NORWOOD, LOUISIANA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2018

Vehicles	170,676	170,676
Furniture and Fixtures	19,091	19,091
Infrastructure	87,201	87,201
Total Capital Assets, being depreciated	<u>708,164</u>	<u>708,164</u>
Capital Assets, total	<u><u>718,164</u></u>	<u><u>718,164</u></u>
Business-type Activities		
Capital Assets, being depreciated		
Furniture and Equipment	695	695
Sewer System	1,364,531	1,364,531
Water System	1,005,842	1,005,842
Capital Assets, total	<u><u>\$2,371,068</u></u>	<u><u>\$2,371,068</u></u>

Accumulated depreciation totaled \$2,043,854 for all funds for a net capital assets balance of \$1,045,379 for the year ended June 30, 2018.

ECONOMIC ENVIRONMENT AND NEXT YEAR'S BUDGET

The budget for 2018-19 again anticipates grant funding for improving the infrastructure within the Village's boundaries as well as enhancing police and fire protection. Sales tax collections are not expected to increase in the subsequent year presenting a challenge for capital improvements as well as operations.

ADDITIONAL INFORMATION

This financial report is designed to provide a general overview of the Village's finances, comply with finance-related laws and regulations and demonstrate the Village's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting Jennie Jelks at (225) 629-5347, P. O. Box 249, Norwood, Louisiana 70761.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VILLAGE OF NORWOOD, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 53,372	\$ 94,503	\$ 147,875
Receivables, net		5,592	5,592
Restricted assets:			
Cash and cash equivalents	17,222	39,507	56,729
Capital assets, net	145,529	899,851	1,045,380
Total Assets	216,123	1,039,453	1,255,576
 DEFERRED OUTFLOWS OF RESOURCES			
LIABILITIES			
Accounts payable	161	778	939
Due to other government agencies	1,705		1,705
Payroll related withholdings/payable	2,149		2,149
Bonds payable		-	-
Customer deposits		15,224	15,224
Total Liabilities	4,015	16,002	20,017
 DEFERRED INFLOWS OF RESOURCES			
	-	-	-
 NET POSITION			
Net investment in capital assets	145,529	899,851	1,045,380
Restricted for:			-
Customer deposits		15,224	15,224
Debt retirement and contingency		17,451	17,451
Street maintenance/construction	9,231		9,231
Unrestricted	57,348	90,925	148,273
Net Position	\$ 212,108	\$ 1,023,451	\$ 1,235,559

See Accompanying Notes and Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	Program Revenues			Net Revenues (Expenses)		
	Expenses	Charges for Services	Operating Grants & Contri- butions	Govern- mental Activities	Business- Type Activities	Total
Governmental Activities						
General government	\$ 47,556	\$ -	\$ -	\$ (47,556)	\$ -	\$ (47,556)
Intergovernmental	-	3,300	10,000	13,300		13,300
Public safety	65,518	34,510	5,000	(26,008)		(26,008)
Public works	45,033		-	(45,033)		(45,033)
Total Governmental Activities	<u>158,107</u>	<u>37,810</u>	<u>15,000</u>	<u>(105,297)</u>	-	<u>(105,297)</u>
Business-Type Activities						
Water	86,478	51,322	-	-	(35,156)	(35,156)
Sewer	47,725	25,714	-	-	(22,011)	(22,011)
Total Business-Type Activities	<u>134,203</u>	<u>77,036</u>	<u>-</u>	<u>-</u>	<u>(57,167)</u>	<u>(57,167)</u>
Total Primary Government	<u>\$ 292,310</u>	<u>\$ 114,846</u>	<u>\$ 15,000</u>	<u>\$ (105,297)</u>	<u>\$ (57,167)</u>	<u>\$ (162,464)</u>
General Revenues, Interest and Transfers						
Taxes:						
Sales				56,412	-	56,412
Franchise				14,682	-	14,682
Beer				654	-	654
Licenses and permits				15,897		15,897
Interest earned				27	68	95
Interest expense				-	-	-
Other revenues				2,825	-	2,825
				<u>90,497</u>	<u>68</u>	<u>90,565</u>
Total General Revenues, Interest and Transfers						
Change in Net Position				<u>(14,800)</u>	<u>(57,099)</u>	<u>(71,899)</u>
Net Position, beginning				<u>226,908</u>	<u>1,080,550</u>	<u>1,307,458</u>
Net Position, ending				<u>\$ 212,108</u>	<u>\$ 1,023,451</u>	<u>\$ 1,235,559</u>

FUND FINANCIAL STATEMENTS

VILLAGE OF NORWOOD, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General	Streets and Sidewalks	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 53,373	-	\$ 53,373
Restricted assets:			
Cash and cash equivalents	7,991	9,231	17,222
TOTAL ASSETS	61,364	9,231	70,595
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Due to other government agencies	1,705		1,705
Accounts payable	99	63	162
Payroll related withholdings / payable	2,149		2,149
Total Liabilities	3,953	63	4,016
 Fund Balances:			
Restricted for street maintenance/construction		9,231	9,231
Assigned for insurance	816		816
Unassigned	56,595	(63)	56,532
Total Fund Balances	57,411	9,168	66,579
 TOTAL LIABILITIES AND FUND BALANCES	 \$ 61,364	 \$ 9,231	 \$ 70,595

See Accompanying Notes and Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2018

Total Fund Balances - Total Governmental Funds	\$ 66,579
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Amounts reported for governmental activities in the
Statement of Net Position are different because:

Capital assets used in governmental activities are not current
financial resources and, therefore, are not reported in the
Governmental Funds Balance Sheet. This is the capital
assets, net of accumulated depreciation, reported on the
Statement of Net Position

145,529

Net Position - Governmental Activities

\$ 212,108

VILLAGE OF NORWOOD, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General	Streets and Sidewalks	Total Governmental Funds
REVENUES			
Intergovernmental revenues	\$ -	\$ 3,300	\$ 3,300
Taxes:			
Sales	19,490	36,922	56,412
Franchise	14,682		14,682
Beer	654		654
Licenses and permits	15,899		15,899
Fines	34,510		34,510
Grants proceeds/donations	5,000	10,000	15,000
Interest earned	23	4	27
Other revenues	2,825		2,825
Total Revenues	<u>93,083</u>	<u>50,226</u>	<u>143,309</u>
EXPENDITURES			
General government	31,071		31,071
Public safety:			
Fire	11,495		11,495
Police	54,023		54,023
Public works		45,033	45,033
Total Expenditures	<u>96,589</u>	<u>45,033</u>	<u>141,622</u>
Change in Fund Balances	(3,506)	5,193	1,687
Fund Balances, beginning	60,916	3,976	64,892
Fund Balances, ending	<u>\$ 57,410</u>	<u>\$ 9,169</u>	<u>\$ 66,579</u>

See Accompanying Notes and Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

Net Change in Fund Balances - Total Governmental Funds \$ 1,687

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

Governmental funds report capital outlays as expenditures.
However, in the Statement of Activities, the cost of those
assets is allocated over their estimated useful life as
depreciation expense. This is the amount by which depreciation
differed from capital outlay charged in the current period.

(16,487)

Change in Net Position - Governmental Activities

\$ (14,800)

VILLAGE OF NORWOOD, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

ASSETS	Business - Type Activities Enterprise Funds		
	Water	Sewer	Total
Current Assets:			
Cash and cash equivalents	\$ 89,176	\$ 5,328	\$ 94,504
Receivables, net	298	5,294	5,592
Total Current Assets	89,474	10,622	100,096
Restricted Assets:			
Cash and cash equivalents	15,228	24,278	39,506
Capital Assets:			
Furniture and equipment	695		695
Water well/distribution system	1,005,842		1,005,842
Sewer treatment plant		1,364,531	1,364,531
Less: accumulated depreciation	(516,641)	(954,576)	(1,471,217)
Capital Assets, net	489,896	409,955	899,851
Total Assets	\$ 594,598	\$ 444,855	\$ 1,039,453
DEFERRED OUTFLOWS OF RESOURCES			
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 619	\$ 159	\$ 778
Payable from restricted assets:			
Bonds payable		-	-
Total Current Liabilities	\$ 619	\$ 159	\$ 778
Long-Term Liabilities			
Payable from restricted assets:			-
Customer deposits	15,224		15,224
Bonds payable		-	-
Total Long-Term Liabilities	15,224	-	15,224
Total Liabilities	\$ 15,843	\$ 159	\$ 16,002

See Accompanying Notes and Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018
CONTINUED

DEFERRED INFLOWS OF RESOURCES

NET POSITION

Net investment in capital assets	\$ 489,895	\$ 409,955	\$ 899,850
Restricted for:			
Customer deposits	15,224		15,224
Debt retirement and contingency		17,451	17,451
Unrestricted	73,636	17,290	90,926
Total Net Position	<u>\$ 578,755</u>	<u>\$ 444,696</u>	<u>\$ 1,023,451</u>

See Accompanying Notes and Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Total
OPERATING REVENUES			
Charges for services	\$ 51,112	\$ 25,714	\$ 76,826
OPERATING EXPENSES			
Administrative	\$ 5,804		\$ 5,804
Depreciation	29,812	34,060	63,872
Employee and related expenses	13,189	1,800	14,989
Occupancy	5,068	4,883	9,951
Personal services	32,605	6,982	39,587
Total Operating Expenses	<u>86,478</u>	<u>47,725</u>	<u>134,203</u>
Operating Loss	<u>\$ (35,366)</u>	<u>\$ (22,011)</u>	<u>\$ (57,377)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest earned	\$ 59	\$ 9	\$ 68
Other revenue	210		210
Interest expense		-	-
Total Non-Operating Revenues (Expenses)	<u>269</u>	<u>9</u>	<u>278</u>
Change in Net Position	(35,097)	(22,002)	(57,099)
Net Position, beginning	613,807	466,743	1,080,550
Net Position, ending	<u>\$ 578,710</u>	<u>\$ 444,741</u>	<u>\$ 1,023,451</u>

See Accompanying Notes and Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers/grantors	\$ 54,762	\$ 23,914	\$ 78,676
Cash paid to suppliers for goods/services	(42,277)	(15,834)	(58,111)
Cash paid to employees for services	(13,189)	(1,800)	(14,989)
Net Cash Provided/Used by Operating Activities	(704)	6,280	5,576
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
		-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on notes and bond maturities	-	-	-
Interest paid on notes and bonds	-	-	-
<hr/>			
Net Cash Provided by (Used for) Capital and Related Financing Activities	-	-	-
<hr/>			
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received from savings/certificates of deposit	59	9	68
Net Cash Provided by Investing Activities	59	9	68
<hr/>			
Net Increase in Cash and Cash Equivalents	(645)	6,289	5,644
Cash and Cash Equivalents, beginning of year	105,049	23,317	128,366
Cash and Cash Equivalents, end of year	\$ 104,404	\$ 29,606	\$ 134,010

See Accompanying Notes and Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Total
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating loss	(35,366)	(22,011)	(57,377)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:			
Depreciation	29,812	34,060	63,872
(Increase) decrease in assets:			
Accounts receivable	298	5,294	5,592
Increase (decrease) in liabilities:			
Accounts payable	(619)	(159)	(778)
Customer deposits	-	-	-
Net Cash Provided by Operating Activities	<u>(5,875)</u>	<u>17,184</u>	<u>11,309</u>
Cash Presentation on Statement of Net Assets:			
Current Assets: Cash and cash equivalents	89,176	5,328	94,504
Restricted Assets: Cash and cash equivalents	<u>15,228</u>	<u>24,278</u>	<u>39,506</u>
Cash and Cash Equivalents, end of year	<u>\$ 104,404</u>	<u>\$ 29,606</u>	<u>\$ 134,010</u>

See Accompanying Notes and Accountant's Review Report

NOTES TO FINANCIAL STATEMENTS

VILLAGE OF NORWOOD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

INTRODUCTION

The Village of Norwood, Louisiana (hereafter referred to as the Village) was created under the provisions of the Lawrason Act, La. Revised Statute 33:321-463, in 1960. Therefore, it operates under a Mayor-Board of Aldermen form of government.

The Mayor and three Alderpersons are elected at large every four years by the citizens of the Village. They are compensated for their services.

The purpose of the municipality is to promote the general welfare and the safety, health, peace, good order, comfort, convenience and morals of its inhabitants. It currently serves approximately 291 utility customers and employs 15 persons.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The accounting and reporting practice of the Village conforms to governmental accounting principles generally accepted in the United States of America. Such accounting and reporting procedures also conform to the requirements of La. Revised Statute 24:513 and to the guidelines set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*.

Financial Reporting Entity: Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the Village includes all funds which are controlled by or dependent on the Village which was determined on the basis of oversight responsibility, including accountability for fiscal and budget matter, designation of management or governing authority and authority to issue debt. Certain units of local government over which the Village exercises no oversight responsibility, such as the parish police jury, parish school board, other independently elected officials, and other municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Village.

Government-Wide Accounting: In accordance with Government Accounting Standards Boards Statement No. 34, the Village has presented a statement of net position and statement of activities for the Village as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Government-wide statements distinguish between governmental-type and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

Policies specific to the government-wide statements are as follows:

Eliminating Internal Activity

Interfund receivables and payables are eliminated in the statement of net position except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses from one function to another or within the

VILLAGE OF NORWOOD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

same function is eliminated in the statement of activities. Allocated expenses are reported by the function to which they were allocated.

Capitalizing Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the statement of net assets. Depreciation of contributed assets of proprietary funds is charged against contributed capital as opposed to unrestricted net assets.

Under the requirements of GASB Statement No. 34, the Village is considered a Phase 3 government, as its total annual revenues are less than \$10 million. Such governments were not required to report major general infrastructure assets retroactively. The Village opted not to retroactively report those types of capital assets.

Program Revenues

The statement of activities presents three categories of program revenues - (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the Village. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are restricted for a specific use.

Indirect Expenses

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the Village has chosen not to do so.

Operating/Non-Operating Revenues

Proprietary funds separately report operating and non-operating revenues. Revenues from transactions of the Village's operation of providing water and sewer services are considered operating revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing, are reported as non-operating revenues.

Restricted Net Position

Restricted net positions are those for which a constraint has been imposed either externally or by law. The Village recognizes the use of restricted resources for expenditures that comply with the specific restrictions. Restricted resources are exhausted before unrestricted net position is used.

Fund Accounting: The Village uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate entity with a self-balancing set of accounts. Funds of the Village are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds: Governmental funds account for all or most of the Village's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds of the Village include:

VILLAGE OF NORWOOD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

1. General Fund - is the general operating fund of the Village and accounts for all financial resources, except those required to be accounted for in other funds.
2. Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Proprietary Funds: Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds of the Village include:

1. Enterprise Funds - account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Basis of Accounting/Measurement Focus: In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification, and subsequent GASB pronouncements, is recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The type of financial statement presentation determines the accounting and financial reporting treatment applied to a fund.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of governmental-type and business-type activities are included in the statement of net position. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the statement of activities. In these statements, capital assets are reported and depreciated in each fund, and long-term debt is reported.

The fund statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated. Principal and interest paid on long-term debt is reported as current expenses.

Budgets: The Village adopts an annual budget for the general fund, special revenue fund and enterprise fund. It is prepared in accordance with the basis of accounting utilized by that fund. It is published and made available for public inspection prior to the start of the fiscal year. Appropriations lapse at year-end. The Board of Alderpersons must approve any revisions that alter the total expenditures. Budgeted amounts shown are as originally adopted and as amended, if applicable, by the Board. Budget amendments are passed on an as-needed basis. A balanced budget is required.

VILLAGE OF NORWOOD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Cash and Cash Equivalents: Cash includes amounts in demand deposits, interest bearing demand deposits and money market savings. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Village may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law or any other state of the United States or under the laws of the United States.

Investments: Investments are limited by La. Revised Statute 49:327. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair market value, based on quoted market prices, with the corresponding increase or decrease reported in investment earnings.

Inventory: Inventory of the Village includes only office supplies, the amount of which is considered immaterial. Therefore, the acquisition of such items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statement.

Receivables: Receivables are recorded net of any allowance for uncollectible amounts in both governmental and business-type activities. Management bases its uncollectible amounts in part on historical information. Revenues become susceptible to accrual when they become both measurable and available.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Restricted Assets: Certain proceeds are classified as restricted assets on the statement of net assets because their use is limited. Components of these assets for governmental activities include public safety. Components for business-type activities include customer deposits and debt retirement.

Capital Assets: The Village's assets are recorded at historical cost or estimated cost if historical cost is not available. Donated assets are recorded at their estimated fair market value at the date of donation. The Village utilizes a threshold of \$1,000 or more for capitalizing assets. The cost of maintaining and/or repairing capital assets is expensed unless the repair will extend the assets life materially. Significant costs associated with the construction of capital assets are capitalized along with any interest incurred during the construction phase.

Depreciation is recorded using the straight-line method over the useful lives of the assets as follows: buildings -40 years; equipment -4-10 years; furniture - 5-7 years; vehicles -7-10 years and infrastructure -40-50 years.

In June 1999, the Governmental Accounting Standards Board issued Statement No. 34 which requires the inclusion of infrastructure assets used in governmental activities in the basic financial statements retroactively reported back to 1982. An exception existed for local governments with annual revenues of less than \$10 million. The Village elected to not report its governmental infrastructure retroactively as a result. From that point forward, the Village has used the basic approach to infrastructure reporting for its governmental activities.

Compensated Absences: The Village does not provide compensated absences.

VILLAGE OF NORWOOD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Long-Term Obligations: In the government-wide financial statements, debt principal payments of both governmental and business-type activities are reported as decreases in the balance of the liability on the statement of net position. In the fund financial statements of governmental activities, however, debt principal payments of governmental funds are recognized as expenditures when paid.

Equity: In the statement of net position, the difference between a government's assets and deferred outflows of resources and its liabilities and deferred inflows of resources is recorded as net position. The three components of net position are as follows:

Net Investment in Capital Assets

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Position

Net position that is reserved by external sources such as banks or by law are reported separately as restricted net position. When assets are required to be retained in perpetuity, the resulting non-expendable net position are recorded separately from expendable net position. These are components of restricted net position.

Unrestricted Net Position

This category represents net position not appropriate for expenditures or legally segregated for a specific future use.

In the balance sheet of governmental funds, fund balances are segregated as follows:

Non-spendable - that portion of net resources that cannot be spent because of its form or because it must be maintained intact

Restricted - net resources for which an external and enforceable limitation was placed on its use either by creditors, grantors, contributors or laws/regulations of other governments

Committed - net resources with a self-imposed limitation set in place by the governing body through a formal action of that body as to its intended use prior to year-end

Assigned - net resources for which an intended specific use is placed by the governing body, a committee thereof or by an official designated to handle that particular use not requiring a formal action of the governing body

Unassigned - that portion of net resources not otherwise classified as non-spendable, restricted, committed or assigned, i.e. surplus.

Interfund Transactions: All interfund transactions, except quasi-external transactions, are reported as operating transfers. These are eliminated in the government-wide statements.

Sales Taxes: Sales taxes are levied by the Police Jury of East Feliciana Parish and allocated to the Village according to their population within the parish. They are collected by the Jury and remitted to the Village the following month.

VILLAGE OF NORWOOD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 - CASH AND CASH EQUIVALENTS

Deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding, or custodial bank mutually acceptable to both parties.

Even though pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, La. Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

With the adoption of GASB Statement No. 40, only deposits that are considered exposed to custodial credit risk are required to be disclosed. The Village has no deposits (bank balances) that are considered uninsured and uncollateralized at June 30, 2018.

A summary of cash and cash equivalents (book balances) at June 30, 2018, of which \$56,729 is restricted, is as follows:

	Governmental Activities	Business- type Activities
Petty Cash	100	0
Demand deposits	36,928	0
Interest-bearing demand deposits	19,530	18,671
Savings accounts	14,037	115,339
Total	70,595	134,010

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets, not being depreciated				
Land	10,000			10,000
Capital Assets, being depreciated				
Buildings and Improvements	155,783			155,783
Equipment	275,413			275,413
Vehicles	170,676			170,676
Furniture and Fixtures	19,091			19,091
Infrastructure	87,201			87,201
Total Capital Assets, being depreciated	708,164			708,164
Capital Assets, total	718,164			718,164

VILLAGE OF NORWOOD, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

Business-type Activities		
Capital Assets, being depreciated		
Furniture and Equipment	695	695
Sewer System	1,364,531	1,364,531
Water System	1,005,842	1,005,842
Capital Assets, total	2,371,068	2,371,068

NOTE 5 - ACCOUNTS AND OTHER PAYABLES

The following is a summary of current payables at June 30, 2018:

	General Fund	Special Revenue Fund	Enterprise Funds	Total
Accounts payable	99	62	778	939
Due to other agencies	1,705			1,705
Payroll / withholdings	2,149			2,149
Customer deposits			15,224	15,224
Bonds, short term portion				
Bonds, long term portion				
Total	3,953	62	16,002	20,017

NOTE 6 - LONG-TERM OBLIGATIONS

The long-term obligations were paid off in December 2016.

NOTE 7 - RESTRICTED NET POSITION

The following is a summary of restricted net position at June 30, 2018:

	Governmental Activities	Business - Type Activities
Restricted for:		
Customer deposits		15,228
Debt retirement		24,279
Street maintenance / construction	9,231	
Total Restricted for	9,231	39,507

NOTE 8 - LEASES

No capital leases existed at June 30, 2018.

VILLAGE OF NORWOOD, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

NOTE 9 -RETIREMENT SYSTEM

The Village pays social security on its employees. No other system of retirement is currently in place.

NOTE 10- OTHER POST-EMPLOYMENT BENEFITS

The Village does not provide any post-employment benefits to its employees.

NOTE 11 -PROPRIETARY FUND SEGMENT INFORMATION

The Village maintains one enterprise fund which provides water and sewer services. Segment information for the year ended June 30, 2018, is as follows:

Condensed Statement of Net Position

Current Assets	100,096
Restricted assets	39,506
Capital Assets, net	899,851
Total Assets	1,039,453
Current liabilities	778
Long-term liabilities	15,224
Total Liabilities	16,002
Investment in capital assets	899,850
Restricted	32,675
Unrestricted	90,926
Total Net Position	1,023,451

Condensed Statement of Revenues, Expenses, and Changes in Fund Net Position

Operating Revenues:	
Charges for services	76,826
Operating expenses	70,331
Depreciation	63,872
Total Operating Expenses	134,203
Operating Loss	(57,377)
Non-operating revenue (expenses)	278
Change in Net Position	(57,099)

Condensed Statement of Cash Flows

Net cash provided by (used for):	
Operating activities	5,576
Non-capital financing activities	0
Capital and related financing activities	0
Investing activities	68

VILLAGE OF NORWOOD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Net increase in cash and cash equivalents	5,644
Cash and cash equivalents, beginning of year	<u>128,366</u>
Cash and cash equivalents end of year	<u>134,010</u>

NOTE 12 -RELATED PARTY TRANSACTIONS

There were no related party transactions that require disclosure.

NOTE 13 - LITIGATION

There is no litigation that would require disclosure in the accompanying financial statements.

NOTE 14 -SUBSEQUENT EVENTS

There have been no transactions or events subsequent to year end through December 28, 2018, the date on which the financial statements were available to be issued that would materially impact the accompanying financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

PART 2 OF 2

VILLAGE OF NORWOOD, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Sales	0	19,500	19,490	(10)
Franchise	13,900	14,700	14,682	(18)
Beer	1,200	700	654	(46)
Licenses and permits	15,550	15,950	15,899	(51)
Fines	30,700	34,500	34,510	10
Grants proceeds/donations	48,000	5,000	5,000	0
Interest earned	13	10	23	13
Other revenues	3,400	2,830	2,825	(5)
Total Revenues	112,763	93,190	93,083	(107)
EXPENDITURES				
General Government:				
Dues and subscriptions	300	400	390	10
Insurance	400	270	264	6
Mileage	500	0	654	(654)
Miscellaneous expense	300	200	180	20
Office expense	2,000	2,900	2,855	45
Postage	200	300	297	3
Professional fees	2,100	2,100	2,050	50
Public notices	800	300	332	(32)
Repairs / maintenance	1,500	1,700	1,929	(229)
Salaries and payroll taxes	21,000	20,500	20,143	357
Grant Expense	25,000	0	0	0
Telephone	1,500	1,900	1,974	(74)
Total General Government	55,600	30,570	31,068	(498)
Public Safety:				
Fire:				
Gas & Oil	0	110	112	(2)
Miscellaneous expense	0	75	71	4
Repairs / maintenance	0	50	44	6
Telephone	1,700	2,100	2,163	(63)
Grant Expense	0	7,000	7,000	0
Utilities	0	2,100	2,101	(1)
Total Fire	1,700	11,435	11,491	(56)

See Accompanying Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2018
 CONTINUED

Police:				
Sheriff / dispatch fees	1,200	1,200	1,200	0
Dues and Subscriptions	150	100	200	(100)
Gas and oil	1,750	2,000	2,147	(147)
Insurance	6,300	6,200	6,221	(21)
Miscellaneous expense	750	100	140	(40)
Office expense	500	150	430	(280)
Repairs / maintenance	1,000	1,800	1,779	21
Salaries and payroll taxes	35,500	36,500	36,609	(109)
Supply Purchase	2,000	300	275	25
Telephone	1,200	1,400	1,370	30
Christmas fund	1,800	2,400	2,407	(7)
Training	0	600	607	(7)
Utilities	850	650	639	11
Total Police	<u>53,000</u>	<u>53,400</u>	<u>54,024</u>	<u>(624)</u>
Total Public Safety	<u>54,700</u>	<u>64,835</u>	<u>65,515</u>	<u>(680)</u>
Public works	0	0	0	0
Total Expenditures	<u>110,300</u>	<u>95,405</u>	<u>96,583</u>	<u>(1,178)</u>
Change in Fund Balances	<u>2,463</u>	<u>(2,215)</u>	<u>(3,500)</u>	<u>0</u>
Fund Balances, beginning	<u>295,549</u>	<u>7,574</u>	<u>62,181</u>	<u>0</u>
Fund Balances, ending	<u><u>298,012</u></u>	<u><u>5,359</u></u>	<u><u>58,681</u></u>	<u><u>0</u></u>

See Accompanying Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE
 STREETS AND SIDEWALKS FUND
 YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Intergovernmental				-
LA DOTD maintenance fees	3,300	3,300	3,300	-
Taxes				-
Sales	40,500	39,500	36,922	(2,578)
Interest earned	1	1	4	3
Grant Income	-	-	10,000	10,000
Other revenues	5,500	-	-	-
Total Revenues	49,301	42,801	50,226	7,425
EXPENDITURES				
Public Works	-	125	-	125
Gas and oil	1,700	1,700	1,841	(141)
Insurance	2,200	2,200	1,088	1,112
Repair / maintenance	8,000	8,000	8,372	(372)
Utilities	11,000	11,000	7,667	3,333
Salaries and payroll taxes	23,700	23,700	26,004	(2,304)
Miscellaneous Expense	225	1,000	60	940
Capital outlay	2,000	-	-	-
Total Expenditures	48,825	47,725	45,032	2,693
Change in Fund Balances	476	(4,924)	5,194	-
Fund Balance, beginning	21,704	12,018	14,114	-
Fund Balance, ending	22,180	7,094	19,308	-

See Accompanying Independent Accountant's Review Report

AGREED-UPON PROCEDURES

MC DUFFIE K. HERROD, LTD.

(A Professional Accounting Corporation)

McDUFFIE K. HERROD
CERTIFIED PUBLIC ACCOUNTANT

Member:
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Society of Louisiana CPAs

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Rebecca Bellue, Mayor
And Board of Alderpersons
Village of Norwood, Louisiana
P.O. Box 249
Norwood, Louisiana 70761

We have performed the procedures enumerated below, which were agreed to by the Village of Norwood and the Louisiana Legislative Auditor, on the Village's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2018, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Village's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$152,550. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

There were no expenditures for the year ended June 30, 2018 that were subject to the public bid law.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided us with the requested information.

3. Obtain a list of all employees paid during the fiscal year.

Management provided us with the requested information.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

None of the employees included on the list provided by management for agreed-upon Procedure 3 appeared on the list provided by management for agreed-upon Procedure 2 with one exception. The Treasurer is the wife of an alderman. This situation was deemed acceptable based on the population of the Village provided that the alderman recuses himself on personnel issues that directly impact his wife.

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Management provided the requested information. None of the businesses of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and all amendments to the budget during the year.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

The adoption of the original and amended budgets was traced to the minutes.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).

There were no exceptions noted.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

(a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.

Each of the six selected disbursements agreed with the amount and payee in the supporting documentation.

(b) Report whether the six disbursements were coded to the correct fund and general ledger account.

All six of the disbursements were properly coded to the correct fund and general ledger account.

(c) Report whether the six disbursements were approved by proper authorities.

The disbursements were approved by the proper authority.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

Evidence examined supported that agendas for meetings were properly posted.

Debt

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We scanned all bank deposit slips for the fiscal year, and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

We scanned payroll disbursements and found no payments or approval for payments to employees that would constitute bonuses, advances, or gifts.

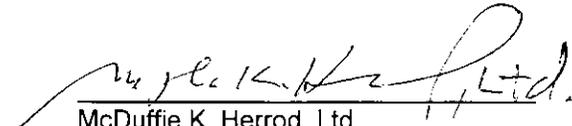
Prior-Year Comments

13. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.

The prior year report did not include any suggestions, exceptions, recommendations, or comments.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Village's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the Village's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



McDuffie K. Herrod, Ltd.
Clinton, LA

December 28, 2018

SUPPLEMENTAL INFORMATION

VILLAGE OF NORWOOD, LOUISIANA
 SCHEDULE OF COMPENSATION PAID TO GOVERNING MEMBERS
 YEAR ENDED JUNE 30, 2018

The following information is provided in compliance with House Concurrent Resolution No. 54 of the Louisiana Legislature.

Mayor:

Rebecca G. Bellue	\$ 3,000
P.O. Box 35	
Norwood, LA 70761	

Alderspersons:

Anthony C. Jelks	900
14236 Main Street	
Norwood, LA 70761	

Willie R. Duncan	900
P.O. Box 55	
Norwood, LA 70761	

Kimmi A. Sellers	450
14647 Shady Grove Lane	
Norwood, LA 70761	

Total	<u>\$ 5,250</u>
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VILLAGE OF NORWOOD, LOUISIANA
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
 TO AGENCY HEAD
 YEAR ENDED JUNE 30, 2018

Mayor: Rebecca G. Bellue	
Salary	\$ 3,000
Benefits	-
Reimbursements	-
	<u>\$ 3,000</u>

See Accompanying Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA
 SCHEDULE OF INSURANCE IN FORCE
 JUNE 30, 2018

Policy No.	Expiration	Carrier	Coverage	Amount
T200148	1/1/2019	EMC Insurance Companies	Fidelity Bond: Mayor Mayor Pro-Temp Clerk	\$ 30,000 \$ 30,000 \$ 30,000
	Quarterly	La. Municipal Risk Management Agency	Worker's Compensation	Statutory
2A8966210	3/19/2019	EMC Insurance Companies	Business Property Limit Deductible Coinsurance	\$ 54,080 \$ 1,000 80%
10002650001280	2/19/2020	La. Municipal Risk Management Agency	Law Enforcement Officer Personal injury / property Bodily injury / property Deductible	\$ 500,000 \$ 500,000 \$ 1,000
5CB8346	10/9/2019	Lloyds of London	Auto Physical Damage Deductible each loss	\$ 500

See Accompanying Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA
SCHEDULE OF FINDINGS
FOR THE YEAR ENNDED JUNE 30, 2018

A. PRIOR YEAR FINDINGS - FINANCIAL STATEMENT

There were no prior year findings to report

B. CURRENT YEAR FINDINGS – FINANCIAL STATEMENTS

2018-001 Louisiana Audit Law – Filing Deadline

Finding: The review of the Village of Norwood as of and for the year ended June 30, 2018 was required to be filed with the Legislative Auditor's Office within six months of the fiscal year end as required by state law and was not filed within the time period.

Criteria: The Louisiana Audit Act requires filing of the annual financial statements that are compiled, review, or audited within six months of the fiscal year end.

Cause: Key personnel of the accounting firm performing the review was severely ill for a week and a half prior to the due date; therefore, the report could not be completed and submitted by the deadline.

Effect: The report was not filed timely.

Recommendation:
In the future, the report should be completed in advance of the due date.

Management Response:
Management will work with the accounting firm to comply with the Louisiana State Audit Law.

C. MANAGEMENT LETTER ITEMS

There are no management letter items to report as of June 30, 2018.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

1/2/19 (Date Transmitted)

MK HERROD, CPA
12410 WOODVILLE ST
CLINTON, LA 70722 (Auditors)

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.
Yes No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.
Yes No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.
Yes No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.
Yes No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.
Yes No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.
Yes No []

We have had our financial statements reviewed in accordance with R.S. 24:513.
Yes No []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.
Yes No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.
Yes No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes No []

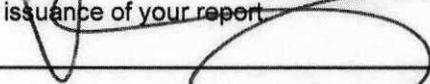
Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

	Town Clerk	1/2/19	Date
_____	Secretary	_____	_____
	Treasurer	_____	Date
_____	Mayor	1/2/19	Date
_____	President	_____	_____