

**VILLAGE OF NORWOOD, LOUISIANA  
ANNUAL FINANCIAL STATEMENTS  
WITH SUPPLEMENTAL INFORMATION  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

VILLAGE OF NORWOOD, LOUISIANA  
 ANNUAL FINANCIAL STATEMENTS WITH SUPPLEMENTAL INFORMATION  
 YEAR END JUNE 30, 2019  
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## **BASIC FINANCIAL STATEMENTS**

# MC DUFFIE K. HERROD, LTD.

(A Professional Accounting Corporation)

**McDUFFIE K. HERROD**

*CERTIFIED PUBLIC ACCOUNTANT*

Member: American Institute of CPAs  
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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, 2019, 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, 2019 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 November 22, 2019, on the results of our agreed-upon procedures.

  
McDuffie K. Herrod, Ltd. (APAC)  
Clinton, LA  
November 22, 2019

**REQUIRED SUPPLEMENTAL INFORMATION (Part 1)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

VILLAGE OF NORWOOD, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2019

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 \$1,238,517.
- The Village made upgrades to water lines 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 upgrade water lines within the Village's boundaries.

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, 2019

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, 2019

**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	
	2019	2018	2019	2018
<b>Assets</b>				
Current Assets	\$ 134,343	\$ 53,372	\$ 97,387	\$ 100,095
Restricted assets	17,068	17,222	29,037	39,507
Capital assets, net	132,572	145,529	897,717	899,851
Total Assets	283,983	216,123	1,024,141	1,039,453
<b>Liabilities &amp; Deferred Inflows</b>				
Current liabilities	3,732	4,015	15,875	16,002
Long-term liabilities				
Deferred inflows	50,000			
Total Liabilities & Deferred inflows	53,732	4,015	15,875	16,002
<b>Net Position</b>				
Net investment in capital assets	132,572	145,529	897,717	899,851
Restricted	9,077	9,231	32,664	32,675
Unrestricted	88,602	57,348	77,885	90,925
Net Position	\$230,251	\$212,108	\$1,008,266	\$1,023,451

A summary of changes in net position is as follows:

SUMMARY OF CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities	
	2019	2018	2019	2018
<b>Revenues / Transfers</b>				
Charges for services	\$66,851	\$ 37,810	\$ 72,996	\$ 77,036
Operating grants / contributions	5,000	15,000	55,000	
Capital grants / contributions				
General revenues / transfers:				
Taxes	87,505	71,748		
Licenses/permits	15,681	15,897		
Interest earned	52	27	69	68

**VILLAGE OF NORWOOD, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2019**

Interest expense				
Other revenues	7,166	2,825	712	
Transfers				
Net Revenues / Transfers	<u>182,255</u>	<u>143,307</u>	<u>128,777</u>	<u>77,104</u>
Expenses				
General government	46,257	47,556		
Public safety / works	117,855	110,552		
Water / sewer			143,962	134,203
Total Expenses	<u>164,112</u>	<u>158,108</u>	<u>143,962</u>	<u>134,203</u>
Change in net position	18,143	(14,800)	(15,185)	(57,099)
Net position, beginning	<u>212,108</u>	<u>226,908</u>	<u>1,023,451</u>	<u>1,080,550</u>
Net position, ending	<u>\$ 230,251</u>	<u>\$ 212,108</u>	<u>\$ 1,008,266</u>	<u>\$ 1,023,451</u>

**BUDGETARY HIGHLIGHTS**

The Village's general fund realized \$64,075 less in revenues than budgeted. General government expenditures were \$49,510 less than anticipated while public safety (fire and police) expenditures were \$2,152 more than budgeted.

The streets and sidewalks fund received \$487 less than anticipated. Expenditures were \$2,872 more 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, 2019 and 2018, was \$1,030,289 and \$1,045,379, respectively. These amounts include \$10,000 of land (non-depreciable assets). Capital additions during the year totaled \$62,830 consisting of water system upgrades.

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	\$ 10,000			\$ 10,000
Capital Assets, being depreciated				
Buildings and Improvements	155,783			155,783

VILLAGE OF NORWOOD, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2019

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	<u>708,164</u>		<u>708,164</u>
Capital Assets, total	<u>718,164</u>		<u>718,164</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	62,830	<u>1,068,672</u>
Capital Assets, total	<u>\$2,371,068</u>	<u>\$62,830</u>	<u>\$2,433,898</u>

Accumulated depreciation totaled \$2,121,773 for all funds for a net capital assets balance of \$1,030,289 for the year ended June 30, 2019.

### **ECONOMIC ENVIRONMENT AND NEXT YEAR'S BUDGET**

The budget for 2019-2020 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.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

VILLAGE OF NORWOOD, LOUISIANA  
STATEMENT OF NET POSITION  
JUNE 30, 2019

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 134,343	\$ 88,499	\$ 222,842
Receivables, net		8,888	8,888
Restricted assets:			
Cash and cash equivalents	17,068	29,037	46,105
Capital assets, net	132,572	897,717	1,030,289
Total Assets	283,983	1,024,141	1,308,124
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>			
 <b>LIABILITIES</b>			
Accounts payable	55	662	717
Due to other government agencies	1,214		1,214
Payroll related withholdings/payable	2,463		2,463
Bonds payable		-	-
Customer deposits		15,213	15,213
Total Liabilities	3,732	15,875	19,607
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Grant Related	50,000	-	50,000
 <b>NET POSITION</b>			
Net investment in capital assets	132,572	897,717	1,030,289
Restricted for:			-
Customer deposits		15,213	15,213
Debt retirement and contingency		17,451	17,451
Street maintenance/construction	9,077		9,077
Unrestricted	88,602	77,885	166,487
Net Position	\$ 230,251	\$ 1,008,266	\$ 1,238,517

See Accompanying Notes and Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

	Program Revenues			Net Revenues (Expenses)		
	Expenses	Charges for Services	Operating Grants & Contri- butions	Govern- mental Activities	Business- Type Activities	Total
<b>Governmental Activities</b>						
General government	\$ 46,257	\$ -	\$ -	\$ (46,257)	\$ -	\$ (46,257)
Intergovernmental	-	3,300		3,300		3,300
Public safety	71,992	63,551	5,000	(3,441)		(3,441)
Public works	45,863		-	(45,863)		(45,863)
<b>Total Governmental Activities</b>	<u>164,112</u>	<u>66,851</u>	<u>5,000</u>	<u>(92,261)</u>	<u>-</u>	<u>(92,261)</u>
<b>Business-Type Activities</b>						
Water	72,793	48,578	55,000		30,785	30,785
Sewer	71,169	24,418	-	-	(46,751)	(46,751)
<b>Total Business-Type Activities</b>	<u>143,962</u>	<u>72,996</u>	<u>55,000</u>	<u>-</u>	<u>(15,966)</u>	<u>(15,966)</u>
<b>Total Primary Government</b>	<u>\$ 308,074</u>	<u>\$ 139,847</u>	<u>\$ 60,000</u>	<u>\$ (92,261)</u>	<u>\$ (15,966)</u>	<u>\$ (108,227)</u>
<b>General Revenues, Interest and Transfers</b>						
Taxes:						
Sales				72,021	-	72,021
Franchise				14,916	-	14,916
Beer				568	-	568
Licenses and permits				15,681		15,681
Interest earned				52	69	121
Interest expense				-	-	-
Other revenues				7,166	712	7,878
				<u>110,404</u>	<u>781</u>	<u>111,185</u>
<b>Total General Revenues, Interest and Transfers</b>						
Change in Net Position				<u>18,143</u>	<u>(15,185)</u>	<u>2,958</u>
Net Position, beginning				<u>212,108</u>	<u>1,023,451</u>	<u>1,235,559</u>
Net Position, ending				<u>\$ 230,251</u>	<u>\$ 1,008,266</u>	<u>\$ 1,238,517</u>

See Accompanying Notes and Independent Accountant's Review Report

**FUND FINANCIAL STATEMENTS**

VILLAGE OF NORWOOD, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019

	General	Streets and Sidewalks	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 134,343	-	\$ 134,343
Restricted assets:			
Cash and cash equivalents	7,991	9,077	17,068
<b>TOTAL ASSETS</b>	<b>142,334</b>	<b>9,077</b>	<b>151,411</b>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Due to other government agencies	1,214		1,214
Accounts payable	100	(45)	55
Payroll related withholdings / payable	2,463		2,463
Deferred Grant Income	50,000		50,000
<b>Total Liabilities</b>	<b>53,777</b>	<b>(45)</b>	<b>53,732</b>
 <b>Fund Balances:</b>			
Restricted for street maintenance/construction		9,077	9,077
Assigned for insurance	3,569		3,569
Unassigned	84,988	45	85,033
<b>Total Fund Balances</b>	<b>88,557</b>	<b>9,122</b>	<b>97,679</b>
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>	 <b>\$ 142,334</b>	 <b>\$ 9,077</b>	 <b>\$ 151,411</b>

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, 2019

Total Fund Balances - Total Governmental Funds \$ 97,679

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

132,572

Net Position - Governmental Activities

\$ 230,251

See Accompanying Notes and Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
JUNE 30, 2019

	<u>General</u>	<u>Streets and Sidewalks</u>	<u>Total Governmental Funds</u>
<b><u>REVENUES</u></b>			
Intergovernmental revenues	\$ -	\$ 3,300	\$ 3,300
Taxes:			
Sales	29,508	42,513	72,021
Franchise	14,916		14,916
Beer	568		568
Licenses and permits	15,681		15,681
Fines	63,551		63,551
Grants proceeds/donations	5,000	-	5,000
Interest earned	49	3	52
Other revenues	7,166		7,166
<b>Total Revenues</b>	<u>136,439</u>	<u>45,816</u>	<u>182,255</u>
 <b><u>EXPENDITURES</u></b>			
General government	38,324	-	38,324
Public safety:			
Fire	(399)		(399)
Police	67,367		67,367
Public works		45,863	45,863
<b>Total Expenditures</b>	<u>105,292</u>	<u>45,863</u>	<u>151,155</u>
 <b>Change in Fund Balances</b>	 31,147	 (47)	 31,100
 <b>Fund Balances, beginning</b>	 <u>57,410</u>	 <u>9,169</u>	 <u>66,579</u>
 <b>Fund Balances, ending</b>	 <u>\$ 88,557</u>	 <u>\$ 9,122</u>	 <u>\$ 97,679</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, 2019

Net Change in Fund Balances - Total Governmental Funds \$ 31,100

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.

(12,957)

Change in Net Position - Governmental Activities

\$ 18,143

VILLAGE OF NORWOOD, LOUISIANA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2019

ASSETS	Business - Type Activities Enterprise Funds		
	Water	Sewer	Total
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 86,800	\$ 1,699	\$ 88,499
Receivables, net	2,357	6,531	8,888
<b>Total Current Assets</b>	<b>89,157</b>	<b>8,230</b>	<b>97,387</b>
<b>Restricted Assets:</b>			
Cash and cash equivalents	15,161	13,876	29,037
<b>Capital Assets:</b>			
Furniture and equipment	695		695
Water well/distribution system	1,068,672		1,068,672
Sewer treatment plant		1,364,531	1,364,531
Less: accumulated depreciation	(547,545)	(988,636)	(1,536,181)
<b>Capital Assets, net</b>	<b>521,822</b>	<b>375,895</b>	<b>897,717</b>
<b>Total Assets</b>	<b>\$ 626,140</b>	<b>\$ 398,001</b>	<b>\$ 1,024,141</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 622	\$ 40	\$ 662
Payable from restricted assets:			
Bonds payable		-	-
<b>Total Current Liabilities</b>	<b>\$ 622</b>	<b>\$ 40</b>	<b>\$ 662</b>
<b>Long-Term Liabilities</b>			
Payable from restricted assets:			-
Customer deposits	15,213		15,213
Bonds payable		-	-
<b>Total Long-Term Liabilities</b>	<b>15,213</b>	<b>-</b>	<b>15,213</b>
<b>Total Liabilities</b>	<b>\$ 15,835</b>	<b>\$ 40</b>	<b>\$ 15,875</b>

See Accompanying Notes and Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA  
 STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2019

CONTINUED

DEFERRED INFLOWS OF RESOURCES  
 NET POSITION

Net investment in capital assets	\$ 521,822	\$ 375,895	\$ 897,717
Restricted for:			
Customer deposits	15,213		15,213
Debt retirement and contingency		17,451	17,451
Unrestricted	73,270	4,615	77,885
Total Net Position	<u>\$ 610,305</u>	<u>\$ 397,961</u>	<u>\$ 1,008,266</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, 2019

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Total
<b>OPERATING REVENUES</b>			
Charges for services	48,578	24,418	72,996
Grant revenue	\$ 55,000	\$ -	\$ 55,000
Total Operating Revenue	<u>103,578</u>	<u>24,418</u>	<u>127,996</u>
<b>OPERATING EXPENSES</b>			
Administrative	\$ 5,741		\$ 5,741
Depreciation	30,904	34,060	64,964
Employee and related expenses	13,087	1,800	14,887
Occupancy	4,546	5,610	10,156
Personal services	18,515	29,699	48,214
Total Operating Expenses	<u>72,793</u>	<u>71,169</u>	<u>143,962</u>
Operating Loss	<u>\$ 30,785</u>	<u>\$ (46,751)</u>	<u>\$ (15,966)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest earned	\$ 54	\$ 15	\$ 69
Other revenue	712		712
Interest expense		-	-
Total Non-Operating Revenues (Expenses)	<u>766</u>	<u>15</u>	<u>781</u>
Change in Net Position	31,551	(46,736)	(15,185)
Net Position, beginning	<u>578,754</u>	<u>444,697</u>	<u>1,023,451</u>
Net Position, ending	<u>\$ 610,305</u>	<u>\$ 397,961</u>	<u>\$ 1,008,266</u>

See Accompanying Notes and Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2019

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers/grantors	\$ 104,290	\$ 24,418	\$ 128,708
Cash paid to suppliers for goods/services	(28,802)	(35,309)	(64,111)
Cash paid to employees for services	(13,087)	(1,800)	(14,887)
Net Cash Provided/Used by Operating Activities	62,401	(12,691)	49,710
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Principal paid on notes and bond maturities	-	-	-
Interest paid on notes and bonds	-	-	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	(62,830)		(62,830)
Interest received from savings/certificates of deposit	54	15	69
Net Cash Provided by Investing Activities	(62,776)	15	(62,761)
Net Increase in Cash and Cash Equivalents	(375)	(12,676)	(13,051)
Cash and Cash Equivalents, beginning of year	104,404	29,606	134,010
Cash and Cash Equivalents, end of year	\$ 104,029	\$ 16,930	\$ 120,959

See Accompanying Notes and Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2019

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Total
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating loss	31,551	(46,736)	(15,185)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:			
Depreciation	30,904	34,060	64,964
(Increase) decrease in assets:			
Accounts receivable	2,357	6,531	8,888
Increase (decrease) in liabilities:			
Accounts payable	(622)	(40)	(662)
Customer deposits	-	-	-
Net Cash Provided by Operating Activities	<u>64,190</u>	<u>(6,185)</u>	<u>58,005</u>
Cash Presentation on Statement of Net Assets:			
Current Assets: Cash and cash equivalents	86,800	1,699	88,499
Restricted Assets: Cash and cash equivalents	15,161	13,877	29,038
Cash and Cash Equivalents, end of year	<u>\$ 101,961</u>	<u>\$ 15,576</u>	<u>\$ 117,537</u>

See Accompanying Notes and Accountant's Review Report

**NOTES TO FINANCIAL STATEMENTS**

VILLAGE OF NORWOOD, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

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 294 utility customers and employs 17 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, 2019

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, 2019

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, 2019

**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, 2019

**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 appropriable 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, 2019

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 deposits (bank balances) of \$18,947 that are considered uninsured and uncollateralized at June 30, 2019.

A summary of cash and cash equivalents (book balances) at June 30, 2019, of which \$46,105 is restricted, is as follows:

	Governmental Activities	Business- type Activities
Petty Cash	100	0
Demand deposits	105,021	0
Interest-bearing demand deposits	15,114	13,208
Savings accounts	31,176	104,328
Total	151,411	117,536

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
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, 2019

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	62,830	1,068,672
Capital Assets, total	<u>2,371,068</u>	<u>62,830</u>	<u>2,433,898</u>

NOTE 5 - ACCOUNTS AND OTHER PAYABLES

The following is a summary of current payables at June 30, 2019:

	General Fund	Special Revenue Fund	Enterprise Funds	Total
Accounts payable	100	(45)	662	717
Due to other agencies	1,214			1,214
Payroll / withholdings	2,463			2,463
Customer deposits			15,213	15,213
Bonds, short term portion				
Bonds, long term portion				
Total	<u>3,777</u>	<u>(45)</u>	<u>15,875</u>	<u>19,607</u>

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, 2019:

	Governmental Activities	Business - Type Activities
Restricted for:		
Customer deposits		15,213
Debt retirement		17,451
Street maintenance / construction	9,077	
Total Restricted for	<u>9,077</u>	<u>32,664</u>

NOTE 8 - LEASES

No capital leases existed at June 30, 2019.

VILLAGE OF NORWOOD, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2019

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, 2019, is as follows:

**Condensed Statement of Net Position**

Current Assets	97,387
Restricted assets	29,038
Capital Assets, net	897,717
Total Assets	1,024,142
Current liabilities	662
Long-term liabilities	15,213
Total Liabilities	15,875
Investment in capital assets	897,717
Restricted	32,664
Unrestricted	77,886
Total Net Position	1,008,267

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

Operating Revenues:	
Charges for services & grants	127,996
Operating expenses	78,998
Depreciation	64,964
Total Operating Expenses	143,962
Operating Loss	(15,966)
Non-operating revenue (expenses)	781
Change in Net Position	(15,185)

**Condensed Statement of Cash Flows**

Net cash provided by (used for):	
Operating activities	49,710
Non-capital financing activities	0
Capital and related financing activities	0
Investing activities	(62,761)

VILLAGE OF NORWOOD, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

Net increase in cash and cash equivalents	(13,051)
Cash and cash equivalents, beginning of year	<u>134,010</u>
Cash and cash equivalents end of year	<u>120,959</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 November 22, 2019, 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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Sales	0	0	29,508	29,508
Franchise	15,400	14,900	14,916	16
Beer	1,000	750	568	(182)
Licenses and permits	16,050	10,100	15,681	5,581
Fines	50,000	62,500	63,551	1,051
Grants proceeds/donations	85,000	105,000	5,000	(100,000)
Interest earned	14	29	49	20
Other revenues	3,105	7,235	7,166	(69)
<b>Total Revenues</b>	<b>170,569</b>	<b>200,514</b>	<b>136,439</b>	<b>(64,075)</b>
<b>EXPENDITURES</b>				
General Government:				
Dues and subscriptions	400	300	390	(90)
Insurance	400	450	456	(6)
Mileage	700	900	954	(54)
Miscellaneous expense	300	350	850	(500)
Office expense	3,000	2,800	2,791	9
Postage	300	260	260	0
Professional fees	2,100	2,100	2,100	0
Public notices	500	1,000	1,176	(176)
Repairs / maintenance	1,800	3,600	3,538	62
Salaries and payroll taxes	21,000	19,350	19,061	289
Grant Expense	25,000	50,000	0	50,000
Telephone	1,900	1,700	1,724	(24)
<b>Total General Government</b>	<b>57,400</b>	<b>82,810</b>	<b>33,300</b>	<b>49,510</b>
Public Safety:				
Fire:				
Gas & Oil	0	0	0	0
Miscellaneous expense	0	0	0	0
Repairs / maintenance	100	0	0	0
Telephone	2,200	2,500	2,711	(211)
Training	200	0	86	(86)
Grant Expense	30,000	0	0	0
Utilities	2,100	1,800	1,819	(19)
<b>Total Fire</b>	<b>34,600</b>	<b>4,300</b>	<b>4,616</b>	<b>(316)</b>

See Accompanying Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2019

CONTINUED

Police:				
Sheriff / dispatch fees	1,200	1,200	1,200	0
Dues and Subscriptions	100	150	150	0
Gas and oil	2,000	2,400	2,796	(396)
Insurance	6,500	8,000	8,351	(351)
Miscellaneous expense	500	875	631	244
Office expense	200	550	741	(191)
Repairs / maintenance	1,800	2,000	2,238	(238)
Salaries and payroll taxes	37,600	42,290	43,187	(897)
Supply Purchase	500	1,250	1,243	7
Telephone	1,400	1,725	1,725	0
Christmas fund	2,500	2,900	2,970	(70)
Training	700	1,200	1,143	57
Grant expense	25,000	0	0	0
Utilities	750	1,000	1,001	(1)
Total Police	80,750	65,540	67,376	(1,836)
Total Public Safety	115,350	69,840	71,992	(2,152)
Public works	0	0	0	0
Total Expenditures	172,750	152,650	105,292	47,358
Change in Fund Balances	(2,181)	47,864	31,147	0
Fund Balances, beginning	298,012	5,359	58,681	0
Fund Balances, ending	295,831	53,223	89,828	0

See Accompanying Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA  
 BUDGETARY COMPARISON SCHEDULE  
 STREETS AND SIDEWALKS FUND  
 YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental				-
LA DOTD maintenance fees	3,300	3,300	3,300	-
Taxes				-
Sales	40,500	43,000	42,513	(487)
Interest earned	4	3	3	-
Grant Income	10,000	-	-	-
Other revenues	-	-	-	-
<b>Total Revenues</b>	<b>53,804</b>	<b>46,303</b>	<b>45,816</b>	<b>(487)</b>
<b>EXPENDITURES</b>				
Public Works	-	-	-	-
Gas and oil	2,000	1,980	2,145	(165)
Insurance	1,500	2,200	2,198	2
Repair / maintenance	8,000	12,000	13,692	(1,692)
Utilities	8,000	6,000	6,014	(14)
Salaries and payroll taxes	25,700	18,900	19,911	(1,011)
Miscellaneous Expense	400	420	399	21
Grant expense	10,000	1,500	1,513	(13)
<b>Total Expenditures</b>	<b>55,600</b>	<b>43,000</b>	<b>45,872</b>	<b>(2,872)</b>
<b>Change in Fund Balances</b>	<b>(1,796)</b>	<b>3,303</b>	<b>(56)</b>	<b>-</b>
Fund Balance, beginning	22,180	7,094	19,308	-
Fund Balance, ending	20,384	10,397	19,252	-

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

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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, 2019, 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 \$157,700. 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, 2019 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 exceptions noted as follows: the budget for the General Fund contained unfavorable variance overall, due to miscoding a grant and not correcting the budget item prior to year-end.

#### *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.

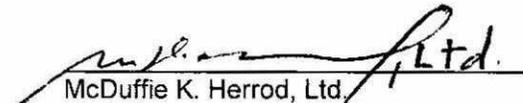
*Prior-Year Comments*

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

November 22, 2019

**SUPPLEMENTAL INFORMATION**

VILLAGE OF NORWOOD, LOUISIANA  
 SCHEDULE OF COMPENSATION PAID TO GOVERNING MEMBERS  
 YEAR ENDED JUNE 30, 2019

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		900
14647 Shady Grove Lane		
Norwood, LA 70761		

Total	\$	5,700
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VILLAGE OF NORWOOD, LOUISIANA  
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS  
 TO AGENCY HEAD  
 YEAR ENDED JUNE 30, 2019

Mayor: Rebecca G. Bellue		
Salary	\$	3,000
Benefits		-
Reimbursements		-
	\$	3,000

See Accompanying Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA  
 SCHEDULE OF INSURANCE IN FORCE  
 JUNE 30, 2019

Policy No.	Expiration	Carrier	Coverage	Amount
T200148	1/1/2020	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	3/19/2020	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	10/9/2020	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 ENDED JUNE 30, 2019

A. PRIOR 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.

Status: Resolved

B. CURRENT YEAR FINDINGS – FINANCIAL STATEMENTS

2019-001 Compliance with Local Government Budget Act

Condition: For the year ended June 30, 2019, in the General Fund actual revenue was less than budgeted by more than the 5% variance allowed.

Criteria: The Louisiana Local Government Budget Act, LA RS 39:1301-1315 specifies that revenue should not vary 5% or more, and expenditures should not vary 5% or more from budget amounts.

Cause: Due to an item being miscoded resulting from a clerical error, there were grant income and expenses that were miscoded in the general ledger. The error was discovered during the review but not before the final budget amendment was adopted.

Effect: Noncompliance with the Local Government Budget Act.

Recommendation: Management should review the general ledger more closely to ensure that any coding errors are corrected in a timely manner.

Management Response: Management will monitor and review the general ledger to ensure future compliance.

C. MANAGEMENT LETTER ITEMS

There are no management letter items to report as of June 30, 2019.

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Governmental Agencies)**

December 30, 2019 (Date Transmitted)

McDuffie K. Herrod, Ltd (CPA Firm Name)

12410 Woodville Street (CPA Firm Address)

Clinton, Louisiana 70722 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2019 (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.

**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 [ x ] 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 [ x ] 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 [ x ] 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 [ x ]

**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 [ x ] No [ ]

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [ x ] No [ ]

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [ x ] No [ ]

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [ x ] 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 [ x ] No [ ]

**Meetings**

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

**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.  
Yes [ x ] No [ ]

**General**

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.  
Yes [ x ] No [ ]

We have evaluated our compliance with these laws and regulations prior to making these representations.  
Yes [ x ] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.  
Yes [ x ] No [ ]

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.  
Yes [ x ] No [ ]

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants 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 your report.  
Yes [ x ] No [ ]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.  
Yes [ x ] No [ ]

The previous responses have been made to the best of our belief and knowledge.

The previous responses have been made to the best of our belief and knowledge.

<u>[Signature]</u>	Secretary	<u>12/20/19</u>	Date
<u>[Signature]</u>	Treasurer	<u>12/20/19</u>	Date
<u>[Signature]</u>	President	<u>12/20/19</u>	Date