

**VILLAGE OF NORWOOD, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022**

VILLAGE OF NORWOOD, LOUISIANA
 ANNUAL FINANCIAL STATEMENTS WITH SUPPLEMENTAL INFORMATION
 YEAR END JUNE 30, 2022
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MC DUFFIE K. HERROD, LTD.

(A Professional Accounting Corporation)

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Independent Auditor's Report

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

Opinions

We have audited the accompanying financial statements of the governmental 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, 2022, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the fiduciary funds, and the aggregate remaining fund information of the Village of Norwood as of June 30, 2022, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis of Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

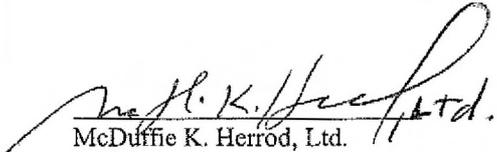
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Norwood's basic financial statements. The other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This includes the Justice System Funding Schedules (reporting schedules) created by Act 87 of the Louisiana 2020 Regular Legislative Session and the schedule of compensation, benefits & other payments to the agency head. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic

financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and other procedures performed as described above, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued a report dated December 23, 2022 on our consideration of the Village of Norwood's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Norwood's internal control over financial reporting and compliance.



McDuffie K. Herrod, Ltd.
A Professional Accounting Corporation
December 23, 2022

REQUIRED SUPPLEMENTAL INFORMATION (Part 1)

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF NORWOOD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

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 \$2,128,929.
- The Village made upgrades to water lines and purchased a tractor with a loader attachment 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 grant funding that allowed us to upgrade water lines and replace meters within the Village's boundaries and to purchase a new tractor with attachments.

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 9-10 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 OF NORWOOD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Village uses fund accounting to ensure and demonstrate compliance with finance-related legal 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 11-19.

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 20.

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 29. 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, 2022

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	
	2022	2021	2022	2021
Assets				
Current Assets	\$ 119,467	\$ 105,423	\$ 53,725	\$ 75,927
Restricted assets	93,665	28,572	17,463	39,326
Capital assets, net	347,872	306,725	1,544,120	847,404
Total Assets	561,004	440,720	1,615,308	962,657
Deferred outflows – grant related			48,508	
Liabilities & Deferred Inflows				
Current liabilities	45,390	9,130	25,501	19,352
Long-term liabilities				
Deferred inflows – Grant	25,000	0		
Total Liabilities & Deferred inflows	70,390	9,130	25,501	19,352
Net Position				
Net investment in capital assets	347,872	306,725	1,544,120	847,404
Restricted	93,665	9,534	17,531	39,326
Unrestricted	49,077	115,331	76,664	56,575
Net Position	\$490,614	\$431,590	\$1,638,315	\$943,305

A summary of changes in net position is as follows:

SUMMARY OF CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities	
	2022	2021	2022	2021
Revenues / Transfers				
Charges for services	\$46,319	\$57,560	\$ 74,476	\$ 89,626
Operating grants / contributions	53,105	85,991	810,415	13,408
Capital grants / contributions				
General revenues / transfers:				

VILLAGE OF NORWOOD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Taxes	97,774	94,258		
Licenses/permits	17,079	15,441		
Interest earned	73	65	34	48
Interest expense				
Other revenues	15,600	3,701	669	3,374
Transfers		(19,979)		20,108
Net Revenues / Transfers	229,950	237,037	885,594	126,564
Expenses				
General government	77,950	60,925		
Public safety / works	92,976	89,925		
Water / sewer			190,584	154,433
Total Expenses	170,926	150,850	190,584	154,433
Change in net position	59,024	86,187	695,010	(27,869)
Net position, beginning	431,590	345,403	943,305	971,174
Net position, ending	\$ 490,614	\$ 431,590	\$1,638,315	\$943,305

BUDGETARY HIGHLIGHTS

The Village's general fund realized \$23,852 more in revenues than budgeted. General government expenditures were \$31,159 less than anticipated while public safety (fire and police) expenditures were \$1,255 more than budgeted.

The streets and sidewalks fund received \$376 less than anticipated. Expenditures were \$17,626 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, 2022 and 2021, was \$1,891,992 and \$1,154,129, respectively. These amounts include \$10,000 of land (non-depreciable assets). Capital additions during the year totaled \$850,357 consisting of road water system improvements and fire station 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

VILLAGE OF NORWOOD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Capital Assets, being depreciated

Buildings and Improvements	277,987	41,363		319,350
Equipment	285,422	34,504	(1,800)	318,126
Vehicles	210,798		(25,950)	184,848
Furniture and Fixtures	19,091			19,091
Infrastructure	127,201			127,201
Total Capital Assets, being depreciated	<u>920,499</u>	<u>75,866</u>	<u>(27,750)</u>	<u>968,616</u>

Capital Assets, total	<u>930,499</u>	<u>75,866</u>	<u>(27,750)</u>	<u>978,616</u>
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Business-type Activities

Capital Assets, being depreciated

Furniture and Equipment	695			695
Sewer System	1,364,531			1,364,531
Water System	1,142,934	774,492		1,917,426

Capital Assets, total	<u>\$2,508,160</u>	<u>774,492</u>		<u>\$3,282,652</u>
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Accumulated depreciation totaled \$2,369,276 for all funds for a net capital assets balance of \$1,891,992 for the year ended June 30, 2022.

ECONOMIC ENVIRONMENT AND NEXT YEAR'S BUDGET

The budget for 2022-2023 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, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 119,467	\$ 16,196	\$ 135,663
Receivables, net		2,264	2,264
Due from other funds		35,265	35,265
Restricted assets:			
Cash and cash equivalents	93,665	17,463	111,128
Capital assets, net	347,872	1,544,120	1,891,992
Total Assets	561,004	1,615,308	2,176,312
DEFERRED OUTFLOWS OF RESOURCES			
Grant related		48,508	48,508
LIABILITIES			
Accounts payable	5,966	9,071	15,037
Due to other government agencies	1,510		1,510
Due to other funds	35,062	203	35,265
Payroll related withholdings/payable	2,852		2,852
Bonds payable		-	-
Customer deposits		16,227	16,227
Total Liabilities	45,390	25,501	70,891
DEFERRED INFLOWS OF RESOURCES			
Grant related	25,000	-	25,000
NET POSITION			
Net investment in capital assets	347,872	1,544,120	1,891,992
Restricted for:			-
Customer deposits		16,159	16,159
Debt retirement and contingency		1,304	1,304
Assigned grant funds	53,450		53,450
Street maintenance/construction	40,215		40,215
Unrestricted	49,077	76,732	125,809
Net Position	\$ 490,614	\$ 1,638,315	\$ 2,128,929

The accompanying notes are an integral part of this statement

VILLAGE OF NORWOOD, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Revenues			Net Revenues (Expenses)		
	Expenses	Charges for Services	Operating Grants & Contri- butions	Govern- mental Activities	Business- Type Activities	Total
Governmental Activities						
General government	\$ 77,950	\$ -	\$ 52,105	\$ (25,845)	\$ -	\$ (25,845)
Intergovernmental	-	3,300		3,300		3,300
Public safety	47,305	43,019	1,000	(3,286)		(3,286)
Public works	45,671		-	(45,671)		(45,671)
Total Governmental Activities	<u>170,926</u>	<u>46,319</u>	<u>53,105</u>	<u>(71,502)</u>	<u>-</u>	<u>(71,502)</u>
Business-Type Activities						
Water	102,219	50,712	810,415		758,908	758,908
Sewer	88,365	23,764	-	-	(64,601)	(64,601)
Total Business-Type Activities	<u>190,584</u>	<u>74,476</u>	<u>810,415</u>	<u>-</u>	<u>694,307</u>	<u>694,307</u>
Total Primary Government	<u>\$ 361,510</u>	<u>\$ 120,795</u>	<u>\$ 863,520</u>	<u>\$ (71,502)</u>	<u>\$ 694,307</u>	<u>\$ 622,805</u>
General Revenues, Interest and Transfers						
Taxes:						
Sales				78,862	-	78,862
Franchise				18,414	-	18,414
Beer				498	-	498
Licenses and permits				17,079		17,079
Interest earned				73	34	107
Interest expense				-	-	-
Other revenues				15,600	669	16,269
Transfers In / Out				-	-	-
				<u>130,526</u>	<u>703</u>	<u>131,229</u>
Total General Revenues, Interest and Transfers						
Change in Net Position				<u>59,024</u>	<u>695,010</u>	<u>754,034</u>
Net Position, beginning				<u>431,590</u>	<u>943,305</u>	<u>1,374,895</u>
Net Position, ending				<u>\$ 490,614</u>	<u>\$ 1,638,315</u>	<u>\$ 2,128,929</u>

The accompanying notes are an integral part of this statement

FUND FINANCIAL STATEMENTS

VILLAGE OF NORWOOD, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Streets and Sidewalks	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 119,467	-	\$ 119,467
Restricted assets:			
Cash and cash equivalents	61,441	32,224	93,665
TOTAL ASSETS	180,908	32,224	213,132
LIABILITIES AND FUND BALANCES			
Liabilities:			
Due to other government agencies	1,510		1,510
Accounts payable	17	5,949	5,966
Due to other funds	21,757	13,305	35,062
Payroll related withholdings / payable	2,852		2,852
Deferred Grant Income	-	25,000	25,000
Total Liabilities	26,136	44,254	70,390
Fund Balances:			
Restricted for street maintenance/construction		30,395	30,395
Assigned	61,441		61,441
Unassigned	93,331	(42,425)	50,906
Total Fund Balances	154,772	(12,030)	142,742
TOTAL LIABILITIES AND FUND BALANCES	\$ 180,908	\$ 32,224	\$ 213,132

The accompanying notes are an integral part of this statement

VILLAGE OF NORWOOD, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2022

Total Fund Balances - Total Governmental Funds \$ 142,742

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

347,872

Net Position - Governmental Activities

\$ 490,614

The accompanying notes are an integral part of this statement

VILLAGE OF NORWOOD, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
JUNE 30, 2022

	<u>General</u>	<u>Streets and Sidewalks</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>			
Intergovernmental revenues	\$ -	\$ 3,300	\$ 3,300
Taxes:			
Sales	32,242	46,620	78,862
Franchise	18,414		18,414
Beer	498		498
Licenses and permits	17,079		17,079
Fines	43,019		43,019
Grants proceeds/donations	53,105	-	53,105
Interest earned	61	12	73
Other revenues	12,048	3,552	15,600
Total Revenues	176,466	53,484	229,950
 <u>EXPENDITURES</u>			
General government	43,231	-	43,231
Public safety:			
Fire	3,848		3,848
Police	43,457		43,457
Capital Outlay	41,363	34,503	75,866
Public works		45,671	45,671
Total Expenditures	131,899	80,174	212,073
 Excess of Expenditures over Revenues	 44,567	 (26,690)	 17,877
 <u>OTHER FINANCING SOURCES</u>			
Operating transfers in (out)	-		-
Total Other Financing Sources	-	-	-
 Change in Fund Balances	 44,567	 (26,690)	 17,877
 Fund Balances, beginning	 110,205	 14,660	 124,865
 Fund Balances, ending	 \$ 154,772	 \$ (12,030)	 \$ 142,742

The accompanying notes are an integral part of this statement

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, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 17,877

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.

41,147

Change in Net Position - Governmental Activities

\$ 59,024

The accompanying notes are an integral part of this statement

VILLAGE OF NORWOOD, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Business - Type Activities Enterprise Funds		
ASSETS	Water	Sewer	Total
Current Assets:			
Cash and cash equivalents	\$ 14,946	\$ 1,250	\$ 16,196
Due from other funds	35,265		35,265
Receivables, net	(550)	2,815	2,265
Grants receivable	48,508		48,508
Total Current Assets	98,169	4,065	102,234
Restricted Assets:			
Cash and cash equivalents	16,159	1,304	17,463
Capital Assets:			
Furniture and equipment	695		695
Water well/distribution system	1,917,425		1,917,425
Sewer treatment plant		1,364,531	1,364,531
Less: accumulated depreciation	(647,716)	(1,090,816)	(1,738,532)
Capital Assets, net	1,270,404	273,715	1,544,119
Total Assets	1,384,732	279,084	1,663,816
 DEFERRED OUTFLOWS OF RESOURCES			
LIABILITIES			
Current Liabilities			
Accounts payable	7,279	1,792	9,071
Due to other funds		203	203
Total Current Liabilities	7,279	1,995	9,274
Long-Term Liabilities			
Payable from restricted assets:			-
Customer deposits	16,227		16,227
Total Long-Term Liabilities	16,227	-	16,227
Total Liabilities	\$ 23,506	\$ 1,995	\$ 25,501

The accompanying notes are an integral part of this statement

VILLAGE OF NORWOOD, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

CONTINUED

NET POSITION

Net investment in capital assets	\$ 1,270,404	\$ 273,715	\$ 1,544,119
Restricted for:			
Customer deposits	16,159		16,159
Debt retirement and contingency		1,304	1,304
Unrestricted	74,663	2,070	76,733
Total Net Position	<u>\$ 1,361,226</u>	<u>\$ 277,089</u>	<u>\$ 1,638,315</u>

The accompanying notes are an integral part of this statement

VILLAGE OF NORWOOD, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Total
OPERATING REVENUES			
Charges for services	50,712	23,764	74,476
Grant revenue	\$ 810,415	\$ -	\$ 810,415
Total Operating Revenue	861,127	23,764	884,891
OPERATING EXPENSES			
Administrative	\$ 1,500		\$ 1,500
Depreciation	43,715	34,060	77,775
Employee and related expenses	16,750	1,800	18,550
Occupancy	16,658	6,142	22,800
Personal services	23,596	46,364	69,960
Total Operating Expenses	102,219	88,366	190,585
Operating Surplus (deficit)	\$ 758,908	\$ (64,602)	\$ 694,306
NON-OPERATING REVENUES (EXPENSES)			
Interest earned	\$ 23	\$ 12	\$ 35
Other revenue / (cost)	67	602	669
Interest expense		-	-
Total Non-Operating Revenues (Expenses)	90	614	704
Income before transfers	758,998	(63,988)	695,010
Transfers in (out)	-		-
Change in Net Position	758,998	(63,988)	695,010
Net Position, beginning	602,229	341,076	943,305
Net Position, ending	\$ 1,361,227	\$ 277,088	\$ 1,638,315

The accompanying notes are an integral part of this statement

VILLAGE OF NORWOOD, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers/grantors	\$ 858,981	\$ 27,164	\$ 886,145
Cash paid to suppliers for goods/services	(34,977)	(43,335)	(78,312)
Cash paid to employees for services	(16,750)	(1,800)	(18,550)
Net Cash Provided/(Used) by Operating Activities	<u>807,254</u>	<u>(17,971)</u>	<u>789,283</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on notes and bond maturities	(79,262)	-	(79,262)
Interest paid on notes		-	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(79,262)</u>	<u>-</u>	<u>(79,262)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(774,492)		(774,492)
Interest received from savings/certificates of deposit	23	12	35
Net Cash Provided/(used) by Investing Activities	<u>(774,469)</u>	<u>12</u>	<u>(774,457)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(46,477)	(17,959)	(64,436)
Cash and Cash Equivalents, beginning of year	<u>77,582</u>	<u>20,513</u>	<u>98,095</u>
Cash and Cash Equivalents, end of year	<u>31,105</u>	<u>2,554</u>	<u>33,659</u>
<u>Cash Presentation on Statement of Net Assets:</u>			
Current Assets: Cash and cash equivalents	14,946	1,250	16,196
Restricted Assets: Cash and cash equivalents	16,159	1,304	17,463
Cash and Cash Equivalents, end of year	<u>\$ 31,105</u>	<u>\$ 2,554</u>	<u>\$ 33,659</u>

The accompanying notes are an integral part of this statement

VILLAGE OF NORWOOD, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Total
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income/(loss)	\$ 758,998	\$ (63,988)	\$ 695,010
Adjustments to Reconcile Operating Loss to Net Cash Provided/(Used) by Operating Activities:			
Depreciation	43,715	34,060	77,775
(Increase) decrease in assets:			
Accounts receivable	(1,405)	11,754	10,349
Increase (decrease) in liabilities:			
Accounts payable	5,480	203	5,683
Customer deposits	466	-	466
Net Cash Provided/(Used) by Operating Activities	\$ 807,254	\$ (17,971)	\$ 789,283

The accompanying notes are an integral part of this statement

NOTES TO FINANCIAL STATEMENTS

VILLAGE OF NORWOOD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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 194 water and 99 sewer customers, and employs 11 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, 2022

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, 2022

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, 2022

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.

VILLAGE OF NORWOOD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Compensated Absences: The Village does not provide compensated absences.

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 governmentwide 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, 2022

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, 2022.

A summary of cash and cash equivalents (book balances) at June 30, 2022, of which \$111,128 is restricted, is as follows:

	Governmental Activities	Business- type Activities
Petty Cash	100	0
Demand deposits	109,224	0
Interest-bearing demand deposits	19,703	5,881
Savings accounts	84,105	27,778
Total	213,132	33,659

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, 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	277,987	41,363		319,350
Equipment	285,422	34,504	(1,800)	318,126
Vehicles	210,798		(25,950)	184,848
Furniture and Fixtures	19,091			19,091
Infrastructure	127,201	40,000		127,201

VILLAGE OF NORWOOD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Total Capital Assets, being depreciated	920,499	75,866		968,616
Capital Assets, total	930,499	75,866	(27,750)	968,616
 Business-type Activities				
Capital Assets, being depreciated				
Furniture and Equipment	695			695
Sewer System	1,364,531			1,364,531
Water System	1,142,934	774,492		1,917,426
Capital Assets, total	2,508,160	774,492		3,282,652

Accumulated depreciation totaled \$2,369,276 for all funds for a net capital assets balance of \$1,891,992 for the year ended June 30, 2022.

NOTE 4 -ACCOUNTS AND OTHER PAYABLES

The following is a summary of current payables at June 30, 2022:

	General Fund	Special Revenue Fund	Enterprise Funds	Total
Accounts payable	17	5,949	9,071	9,906
Due to other agencies	1,510			1,234
Payroll / withholdings	2,852			1,784
Customer deposits			16,227	15,558
Due to other funds	25,865	9,197	203	
Deferred grant revenue		25,000		
Total	30,244	40,146	25,501	28,482

NOTE 5 - LONG-TERM OBLIGATIONS

The Village has no long-term obligations.

NOTE 6 -RESTRICTED NET POSITION

The following is a summary of restricted net position at June 30, 2022:

	Governmental Activities	Business - Type Activities
Restricted for:		
Customer deposits		\$16,159
Debt retirement		1,304
Assigned grant funds	\$53,450	
Street maintenance / construction	40,215	

VILLAGE OF NORWOOD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Total Restricted for	<u>\$93,665</u>	<u>\$17,463</u>
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NOTE 7 - LEASES

No capital or financing leases existed at June 30, 2022.

NOTE 8 - RETIREMENT SYSTEM

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

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS

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

NOTE 10 - PROPRIETARY FUND SEGMENT INFORMATION

The Village maintains one enterprise fund which provides water and sewer services. Segment information for the year ended June 30, 2022, is as follows:

Condensed Statement of Net Position

Current Assets		\$ 102,234
Restricted assets		17,463
Capital Assets, net		<u>1,544,119</u>
Total Assets		<u>1,663,816</u>
Current liabilities		9,274
Long-term liabilities		<u>16,227</u>
Total Liabilities		<u>25,501</u>
Investment in capital assets		1,544,119
Restricted		17,463
Unrestricted		<u>76,733</u>
Total Net Position		<u>\$1,638,315</u>

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

Operating Revenues:		
Charges for services & grants		<u>\$884,891</u>
Operating expenses		112,810
Depreciation		<u>77,775</u>
Total Operating Expenses		<u>190,585</u>
Operating Surplus		694,306
Non-operating revenue (expenses)		<u>704</u>
Change in Net Position		<u>\$695,010</u>

Condensed Statement of Cash Flows

Net cash provided by (used for):

VILLAGE OF NORWOOD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Operating activities	789,283
Non-capital financing activities	0
Capital and related financing activities	(79,262)
Investing activities	(774,457)
Net increase/(decrease) in cash and cash equivalents	(64,436)
Cash and cash equivalents, beginning of year	<u>98,095</u>
Cash and cash equivalents end of year	<u><u>33,659</u></u>

NOTE 11 -RELATED PARTY TRANSACTIONS

There were no related party transactions that require disclosure.

NOTE 12 - LITIGATION

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

NOTE 13 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 23, 2022, the date on which the financial statements were available to be issued. There were no subsequent events that required disclosure.

REQUIRED SUPPLEMENTAL INFORMATION

PART 2 OF 2

VILLAGE OF NORWOOD, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Taxes:				
Franchise	\$ 16,200	\$ 18,500	\$ 18,414	\$ (86)
Sales tax	0	0	32,242	32,242
Beer	750	750	498	(252)
Licenses and permits	15,600	17,600	17,079	(521)
Fines	63,000	41,000	43,019	2,019
Grants proceeds/donations/gains	65,600	65,000	53,105	(11,895)
Interest earned	32	34	61	27
Other revenues	750	9,730	12,048	2,318
Total Revenues	161,932	152,614	176,466	23,852

EXPENDITURES

General Government:

Dues and subscriptions	400	400	290	110
Insurance	3,300	400	402	(2)
Mileage	50	4,503	587	3,916
Miscellaneous expense	500	1,600	1,200	400
Office expense	5,000	5,500	5,327	173
Postage	250	250	191	59
Professional fees	2,700	2,700	2,510	190
Public notices	800	1,200	1,149	51
Repairs / maintenance	500	1,600	201	1,399
Salaries and payroll taxes	21,200	26,200	28,511	(2,311)
Grant Expense	50,000	70,000	42,752	27,248
Telephone	1,800	1,400	1,474	(74)
Total General Government	86,500	115,753	84,594	31,159

Public Safety:

Fire:

Gas & Oil	0	0	0	0
Miscellaneous expense	100	150	131	19
Repairs / maintenance	100	0	0	0
Telephone	2,600	2,200	2,393	(193)
Training	0	0	0	0
Grant Expense	10,000	0	0	0
Utilities	1,500	1,200	1,324	(124)

Total Fire \$ 14,300 \$ 3,550 \$ 3,848 \$ (298)

See Independent Auditor's Report

VILLAGE OF NORWOOD, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2022

CONTINUED

Police:				
Sheriff / dispatch fees	\$ 1,320	\$ 1,300	\$ 1,320	\$ (20)
Dues and Subscriptions	0	100	0	100
Gas and oil	2,500	1,800	1,801	(1)
Insurance	10,000	10,000	10,115	(115)
Miscellaneous expense	100	650	620	30
Office expense	700	800	817	(17)
Repairs / maintenance	2,000	2,500	2,407	93
Salaries and payroll taxes	32,300	24,700	25,730	(1,030)
Supply Purchase	200	0	0	0
Telephone	0	0	0	0
Christmas fund	0	0	0	0
Training	0	150	150	0
Grant expense	0	0	0	0
Utilities	800	500	497	3
Total Police	<u>49,920</u>	<u>42,500</u>	<u>43,457</u>	<u>(957)</u>
Total Public Safety	<u>64,220</u>	<u>46,050</u>	<u>47,305</u>	<u>(1,255)</u>
Public works	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>150,720</u>	<u>161,803</u>	<u>131,899</u>	<u>29,904</u>
Change in Fund Balances	<u>11,212</u>	<u>(9,189)</u>	<u>44,567</u>	<u>0</u>
Fund Balances, beginning	<u>294,073</u>	<u>(22,438)</u>	<u>110,205</u>	<u>0</u>
Fund Balances, ending	<u>\$ 305,285</u>	<u>\$ (31,627)</u>	<u>\$ 154,772</u>	<u>\$ -</u>

See Independent Auditor's Report

VILLAGE OF NORWOOD, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE
 STREETS AND SIDEWALKS FUND
 YEAR ENDED JUNE 30, 2022

	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	46,000	47,000	46,620	(380)
Interest earned	3	10	12	2
Grant Income	-	-	-	-
Other revenues	-	3,550	3,552	2
Total Revenues	49,303	53,860	53,484	(376)
EXPENDITURES				
Public Works	-	-	-	-
Gas and oil	2,500	4,900	4,829	71
Insurance	1,300	1,600	1,644	(44)
Repair / maintenance	10,000	9,000	7,087	1,913
Utilities	8,800	9,200	9,620	(420)
Salaries and payroll taxes	24,700	22,500	21,830	670
Miscellaneous Expense	550	600	661	(61)
Grant expense	-	50,000	34,503	15,497
Total Expenditures	47,850	97,800	80,174	17,626
Change in Fund Balances	1,453	(43,940)	(26,690)	-
Fund Balance, beginning	22,040	15,061	14,660	-
Fund Balance, ending	\$ 23,493	\$ (28,879)	\$ (12,030)	\$ -

See Independent Auditor's Report

SUPPLEMENTAL INFORMATION

VILLAGE OF NORWOOD, LOUISIANA
 COLLECTING / DISBURSING ENTITY SCHEDULE
 As required by Act 87 of 2020 Regular Legislative Session

	First Six Month Period Ended <u>12/31/2021</u>	Second Six Month Period Ended <u>6/30/2022</u>
Cash Basis Presentation		
Beginning Balance of Amounts Collected	\$ 11,120	\$ 25,772
Add Collections		
Criminal Court Costs/Fees	540	1,170
Criminal Fines - Contempt	1,800	3,900
Criminal Fines - Other	11,631	25,995
Service / Collection Fees	1,566	3,306
Interest Earnings on Collected Balances	3	5
Other	-	-
Total Collections	<u>15,540</u>	<u>34,376</u>
Less: Disbursements to Governments & Nonprofits		
Louisiana Commission on Law Enforcement - LETF/CVRF	124	326
Treasurer, State of Louisiana - CMIS	58	159
East Feliciana Parish Juvenile Justice - JDC	290	790
Louisiana Supreme Court - LJCC	29	80
Norwood Fire Department - FDU	145	398
LDH-THSCI Trust Fund - DHH	240	615
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	2	6
Less: Disbursements to Individuals or Processing Agency		
Payments to 3rd Party Collection / Processing Agency	-	-
Total Disbursements / Retainage	<u>888</u>	<u>2,374</u>
Ending Balance of Amounts Collected	<u>\$ 25,772</u>	<u>\$ 57,774</u>
Other Information:		
Ending Balance of Amounts Assessed but not yet Collected	\$ -	\$ -

See independent auditor's report

VILLAGE OF NORWOOD, LOUISIANA
 SCHEDULE OF COMPENSATION PAID TO GOVERNING MEMBERS
 YEAR ENDED JUNE 30, 2022

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:

David C. Jett		900
P.O. Box 38		
Norwood, LA 70761		

Tyler J. Glascock		900
3227 Oak St.		
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, 2022

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

See Accompanying Independent Auditor's Report

VILLAGE OF NORWOOD, LOUISIANA
 SCHEDULE OF INSURANCE IN FORCE
 JUNE 30, 2022

Policy No.	Expiration	Carrier	Coverage	Amount
T200148	1/1/2024	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
MEPK10426600	3/19/2023	Arch Insurance Company	Business Property Limit Deductible Coinsurance	\$ 118,916 \$ 500 GRC
10002650001280	1/1/2024	La. Municipal Risk Management Agency	Law Enforcement Officer Personal injury / property Bodily injury / property Deductible	\$ 500,000 \$ 500,000 \$ 1,000
5CB8346	10/9/2023	Lloyds of London	Auto Physical Damage Deductible each loss	\$ 500

See independent auditor's report

MC DUFFIE K. HERROD, LTD.

(A Professional Accounting Corporation)

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Member:

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Rebecca Bellue, Mayor and Board of Alderperson's
Village of Norwood, Louisiana
Norwood, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business type activities, and the major fund of the Village of Norwood, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Village of Norwood's basic financial statements, and have issued our report thereon dated December 23, 2022.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Village of Norwood's, State of Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Norwood's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Norwood's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

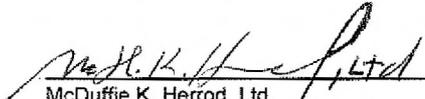
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Norwood's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of

financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Norwood's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Norwood's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



McDuffie K. Herron, Ltd.
A Professional Accounting Corporation
December 23, 2022

VILLAGE OF NORWOOD, LOUISIANA
SCHEDULE OF FINDINGS & COMMUNICATIONS
FOR THE YEAR ENDED JUNE 30, 2022

A. SUMMARY OF AUDIT RESULTS:

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the Village of Norwood.
2. No instances of noncompliance material to the financial statements of the Village of Norwood were disclosed during the audit.
3. No significant deficiencies relating to the financial statements are reported in the Independent Auditor's Report on Internal Control.
4. No instances of noncompliance were disclosed during the audit.

B. PRIOR YEAR FINDINGS - FINANCIAL STATEMENT AUDIT

None

C. PRIOR YEAR FINDINGS – INTERNAL CONTROL OVER FINANCIAL REPORTING

None

D. CURRENT YEAR FINDINGS – FINANCIAL STATEMENTS AUDIT

None

E. CURRENT YEAR FINDINGS – INTERNAL CONTROL OVER FINANCIAL REPORTING

None

F. MANAGEMENT LETTER ITEMS

A management letter was not issued.

VILLAGE OF NORWOOD
Communications
Year Ended June 30, 2022

Results of audit findings were discussed with the Mayor and Town Clerk on December 23, 2022.

AGREED-UPON PROCEDURES

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Governing Board of **Village of Norwood** and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period **July 1, 2021 through June 30, 2022**. **Village of Norwood's** management is responsible for those C/C areas identified in the SAUPs.

Village of Norwood has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period **July 1, 2021 through June 30, 2022**. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
Procedures addressed the budgeting process adequately.
The Entity's policies and procedures were reviewed with no exceptions noted.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

We reviewed the policies and procedures with no exceptions noted.

- c) **Disbursements**, including processing, reviewing, and approving.

No exceptions were noted for this procedure.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

The policies and procedures were reviewed with no exceptions noted.

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

No exceptions were noted.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

The policies and procedures were reviewed with no exceptions noted.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

We reviewed the policies and procedures with no exceptions noted.

- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

We reviewed the policies and procedures with no exceptions noted.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

We reviewed the policies and procedures with no exceptions noted.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

This is addressed under the Entity's policies and procedures although the Entity does not have any outside debt.

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that

backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The policies and procedures were reviewed with no exceptions noted.

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

The policies and procedures were reviewed with no exceptions noted.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions were noted for this procedure

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds.

No exceptions were noted for this procedure

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Inspection of the Entity's prior-year review report showed a positive unassigned fund balance, so not applicable.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

No exceptions were noted.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No exceptions noted.

- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Of the 5 accounts reviewed, one account had outstanding checks for more than 12 months.

Collections (excluding electronic funds transfers)

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

We received management's list of collection locations and representation that the list is complete. The Entity only has one location.

- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees responsible for cash collections do not share cash drawers/registers.

It was determined upon our analysis that employees responsible for cash collections do not share cash drawers.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

The procedures used for cash collection and deposit processing were found to comply with AUP standards.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

The procedures used for cash collection and deposit processing were found to comply with AUP standards.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

The procedures used for cash collection and deposit processing were found to comply with AUP standards.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

All employees that have access to cash are bonded.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

No exceptions were noted.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions noted.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions noted.

- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

No exceptions noted.

- e) Trace the actual deposit per the bank statement to the general ledger.

We were able to trace the deposit listed on the bank statement back to the general ledger with no exceptions noted.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

No exceptions noted.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

No exceptions noted.

- b) At least two employees are involved in processing and approving payments to vendors.

No exceptions noted.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

No exceptions noted.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

No exceptions noted.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

Of the disbursements selected, all matched the general ledger and original invoices.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions were noted.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

No exceptions were noted.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note:

Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

No exceptions noted.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Not applicable

- 13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions were noted.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

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

Management provided us with the general ledger along with representation of completion.

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Not applicable

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Not applicable

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Not applicable

- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Not applicable

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

No exceptions noted.

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

No exceptions noted.

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

Not applicable.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

No exceptions noted.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

No exceptions were noted.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

No exceptions were noted for this procedure.

- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exceptions were noted for this procedure.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exceptions were noted for this procedure.

- 18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

No exceptions were noted.

- 19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions were noted for this procedure.

Ethics

- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

We reviewed documentation from management and determined that the employees had completed the required ethics training.

- b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

No exceptions were noted.

Debt Service

- 21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments

on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

Not applicable

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Not applicable

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

According to management, there was no misappropriation of public funds or assets.

24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

The required notice is posted on the Entity's premises. As of June 30, 2022, the entity does not have a website.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

No exceptions noted.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

No exceptions noted.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

No exceptions noted.

Sexual Harassment

- 26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Training was completed by each employee no exceptions noted.

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

Not applicable

- 28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;

All five employees no exception noted.

- b) Number of sexual harassment complaints received by the agency; -

None were received.

- c) Number of complaints which resulted in a finding that sexual harassment occurred;

None were received.

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

None received, n/a.

- e) Amount of time it took to resolve each complaint.

None – n/a.

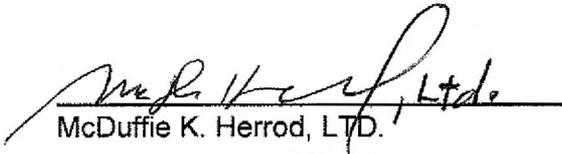
Management's Response

Management of the Village of Norwood concurs with the exceptions noted and are working to address the deficiencies identified.

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

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

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



McDuffie K. Herrod, LTD.

Clinton, Louisiana

December 23, 2022