

**VILLAGE OF NORWOOD, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

VILLAGE OF NORWOOD, LOUISIANA
ANNUAL FINANCIAL STATEMENTS WITH SUPPLEMENTAL INFORMATION
YEAR END JUNE 30, 2021
TABLE OF CONTENTS

BASIC FINANCIAL STATEMENTS

Independent Accountant's Review Report	1-2
Required supplemental Information (Part 1) Management's Discussion and Analysis	3-7
Government-Wide Financial Statements	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements	
Governmental Funds:	
Balance Sheet	10
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	11
Statement of Revenues, Expenditures and Changes in Fund Balances	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	13
Proprietary Funds:	
Statement of Net Position	14-15
Statement of Revenues, Expenditures and Changes in Fund Net Position	16
Statement of Cash Flows	17-18
Notes to the Financial Statements	19-27
Required Supplemental Information (Part 2)	
Budgetary Comparison Schedule - General Fund	28-29
Budgetary Comparison Schedule - Special Revenue Fund	30

AGREED-UPON PROCEDURES

Independent Accountant's Report on Applying Agreed-Upon Procedures	31-33
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SUPPLEMENTAL INFORMATION

Justice System Funding Schedule - Collecting / Disbursing Entity Schedule	34
Schedule of Compensation Paid to Governing Members	35
Schedule of Compensation, Benefits, and Other Payments to Agency Head	35
Schedule of Insurance in Force	36
Schedule of Findings and Responses	37
Louisiana Attestation Questionnaire	38-40

MC DUFFIE K. HERROD, LTD.

(A Professional Accounting Corporation)

McDUFFIE K. HERROD

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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

We have reviewed the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village of Norwood, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Village of Norwood's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

Accountant's Conclusion

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


Required Supplementary Information

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

Other Supplementary Information

The schedule of compensation paid to governing members, the Justice System Funding Schedules (reporting schedules) created by Act 87 of the Louisiana 2020 Regular Legislative Session, and schedule of insurance in force are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the procedures applied in the review of the basic financial statements and was compiled from information that is the representation of management, without audit or review. We do not express an opinion or provide any assurance on the supplementary information.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated December 23, 2021, on the results of our agreed-upon procedures.


McDuffie K. Herrod, Ltd. (APAC)
Clinton, LA
December 23, 2021

REQUIRED SUPPLEMENTAL INFORMATION (Part 1)

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF NORWOOD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

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

HIGHLIGHTS OF THE PAST YEAR

- Net assets of the Village as a whole at year-end were \$1,374,895.
- The Village made upgrades to water lines and purchased a new police vehicle 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 within the Village's boundaries and purchase a new police vehicle.

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

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION

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

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

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

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

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

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The

VILLAGE OF NORWOOD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

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 10-18.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's budgetary comparisons that start on page 28. These schedules indicate the Village's compliance with its adopted and final revised budgets.

VILLAGE OF NORWOOD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

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	
	2021	2020	2021	2020
Assets				
Current Assets	\$ 105,423	\$ 127,043	\$ 75,927	\$ 50,410
Restricted assets	28,572	17,469	39,326	33,793
Capital assets, net	306,725	250,182	847,404	905,428
Total Assets	440,720	394,694	962,657	989,631
Liabilities & Deferred Inflows				
Current liabilities	9,130	9,300	19,352	18,457
Long-term liabilities				
Deferred inflows	0	39,991		
Total Liabilities & Deferred inflows	9,130	49,291	19,352	18,457
Net Position				
Net investment in capital assets	306,725	250,182	847,404	905,428
Restricted	9,534	9,121	39,326	33,792
Unrestricted	115,331	86,100	56,575	31,954
Net Position	\$431,590	\$345,403	\$943,305	\$971,174

A summary of changes in net position is as follows:

SUMMARY OF CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities	
	2021	2020	2021	2020
Revenues / Transfers				
Charges for services	\$57,560	\$59,578	\$ 89,626	\$ 73,626
Operating grants / contributions	85,991	84,459	13,408	74,262
Capital grants / contributions				
General revenues / transfers:				
Taxes	94,258	84,979		
Licenses/permits	15,441	14,367		

VILLAGE OF NORWOOD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Interest earned	65	75	48	55
Interest expense				
Other revenues	3,701	1,983	3,374	334
Transfers	(19,979)	43,000	20,108	(43,000)
Net Revenues / Transfers	<u>237,037</u>	<u>288,441</u>	<u>126,564</u>	<u>105,277</u>
Expenses				
General government	60,925	56,643		
Public safety / works	89,925	116,646		
Water / sewer			154,433	142,369
Total Expenses	<u>150,850</u>	<u>173,289</u>	<u>154,433</u>	<u>142,369</u>
Change in net position	86,187	115,152	(27,869)	(37,092)
Net position, beginning	<u>345,403</u>	<u>230,251</u>	<u>971,174</u>	<u>1,008,266</u>
Net position, ending	<u>\$ 431,590</u>	<u>\$ 345,403</u>	<u>\$943,305</u>	<u>\$971,174</u>

BUDGETARY HIGHLIGHTS

The Village's general fund realized \$11,192 more in revenues than budgeted. General government expenditures were \$19,476 less than anticipated while public safety (fire and police) expenditures were \$479 more than budgeted.

The streets and sidewalks fund received \$8 more than anticipated. Expenditures were \$2,504 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, 2021 and 2020, was \$1,154,129 and \$1,155,610, respectively. These amounts include \$10,000 of land (non-depreciable assets). Capital additions during the year totaled \$80,122 consisting of road improvements and police vehicle 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	<u>\$ 10,000</u>			<u>\$ 10,000</u>

Capital Assets, being depreciated

VILLAGE OF NORWOOD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Buildings and Improvements	277,987		277,987
Equipment	285,422		285,422
Vehicles	170,676	40,122	210,798
Furniture and Fixtures	19,091		19,091
Infrastructure	87,201	40,000	127,201
Total Capital Assets, being depreciated	<u>840,377</u>	<u>80,122</u>	<u>920,499</u>
Capital Assets, total	<u>850,377</u>	<u>80,122</u>	<u>930,499</u>
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		1,142,934
Capital Assets, total	<u>\$2,508,160</u>		<u>\$2,508,160</u>

Accumulated depreciation totaled \$2,284,533 for all funds for a net capital assets balance of \$1,154,129 for the year ended June 30, 2021.

ECONOMIC ENVIRONMENT AND NEXT YEAR'S BUDGET

The budget for 2021-2022 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, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 105,423	\$ 68,575	\$ 173,998
Receivables, net		7,352	7,352
Restricted assets:			
Cash and cash equivalents	28,572	39,326	67,898
Capital assets, net	306,725	847,404	1,154,129
Total Assets	<u>440,720</u>	<u>962,657</u>	<u>1,403,377</u>
DEFERRED OUTFLOWS OF RESOURCES			
LIABILITIES			
Accounts payable	6,112	3,794	9,906
Due to other government agencies	1,234		1,234
Payroll related withholdings/payable	1,784		1,784
Bonds payable		-	-
Customer deposits		15,558	15,558
Total Liabilities	<u>9,130</u>	<u>19,352</u>	<u>28,482</u>
DEFERRED INFLOWS OF RESOURCES			
Grant Related	-	-	-
NET POSITION			
Net investment in capital assets	306,725	847,404	1,154,129
Restricted for:			-
Customer deposits		15,551	15,551
Debt retirement and contingency		23,775	23,775
Street maintenance/construction	28,572		28,572
Unrestricted	96,293	56,575	152,868
Net Position	<u>\$ 431,590</u>	<u>\$ 943,305</u>	<u>\$ 1,374,895</u>

See Accompanying Notes and Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Revenues			Net Revenues (Expenses)		
	Expenses	Charges for Services	Operating Grants & Contri- butions	Govern- mental Activities	Business- Type Activities	Total
Governmental Activities						
General government	\$ 60,925	\$ -	\$ 84,991	\$ 24,066	\$ -	\$ 24,066
Intergovernmental	-	3,300		3,300		3,300
Public safety	51,779	54,260	1,000	3,481		3,481
Public works	38,146		-	(38,146)		(38,146)
Total Governmental Activities	<u>150,850</u>	<u>57,560</u>	<u>85,991</u>	<u>(7,299)</u>	<u>-</u>	<u>(7,299)</u>
Business-Type Activities						
Water	101,712	62,609	13,408		(25,695)	(25,695)
Sewer	52,721	27,017	-	-	(25,704)	(25,704)
Total Business-Type Activities	<u>154,433</u>	<u>89,626</u>	<u>13,408</u>	<u>-</u>	<u>(51,399)</u>	<u>(51,399)</u>
Total Primary Government	<u>\$ 305,283</u>	<u>\$ 147,186</u>	<u>\$ 99,399</u>	<u>\$ (7,299)</u>	<u>\$ (51,399)</u>	<u>\$ (58,698)</u>
General Revenues, Interest and Transfers						
Taxes:						
Sales				77,736	-	77,736
Franchise				15,887	-	15,887
Beer				635	-	635
Licenses and permits				15,441		15,441
Interest earned				65	48	113
Interest expense				-	-	-
Other revenues				3,701	3,374	7,075
Transfers In / Out				(19,979)	20,108	129
				<u>93,486</u>	<u>23,530</u>	<u>117,016</u>
Total General Revenues, Interest and Transfers						
Change in Net Position				<u>86,187</u>	<u>(27,869)</u>	<u>58,318</u>
Net Position, beginning				<u>345,403</u>	<u>971,174</u>	<u>1,316,577</u>
Net Position, ending				<u>\$ 431,590</u>	<u>\$ 943,305</u>	<u>\$ 1,374,895</u>

FUND FINANCIAL STATEMENTS

VILLAGE OF NORWOOD, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Streets and Sidewalks	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 105,423	-	\$ 105,423
Restricted assets:			
Cash and cash equivalents	7,991	20,581	28,572
TOTAL ASSETS	113,414	20,581	133,995
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Due to other government agencies	1,234		1,234
Accounts payable	191	5,921	6,112
Payroll related withholdings / payable	1,784		1,784
Deferred Grant Income	-		-
Total Liabilities	3,209	5,921	9,130
Fund Balances:			
Restricted for street maintenance/construction		20,581	20,581
Assigned	7,991		7,991
Unassigned	102,214	(5,921)	96,293
Total Fund Balances	110,205	14,660	124,865
 TOTAL LIABILITIES AND FUND BALANCES	 \$ 113,414	 \$ 20,581	 \$ 133,995

VILLAGE OF NORWOOD, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2021

Total Fund Balances - Total Governmental Funds \$ 124,865

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

306,725

Net Position - Governmental Activities

\$ 431,590

VILLAGE OF NORWOOD, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
JUNE 30, 2021

	<u>General</u>	<u>Streets and Sidewalks</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>			
Intergovernmental revenues	\$ -	\$ 3,300	\$ 3,300
Taxes:			
Sales	31,849	45,887	77,736
Franchise	15,887		15,887
Beer	635		635
Licenses and permits	15,441		15,441
Fines	53,514		53,514
Grants proceeds/donations	85,991	-	85,991
Interest earned	59	6	65
Other revenues	4,447	-	4,447
Total Revenues	207,823	49,193	257,016
 <u>EXPENDITURES</u>			
General government	47,174	-	47,174
Public safety:			
Fire	1,351		1,351
Police	40,600		40,600
Capital Outlay	80,122		80,122
Public works		38,146	38,146
Total Expenditures	169,247	38,146	207,393
 Excess of Expenditures over Revenues	 38,576	 11,047	 49,623
 <u>OTHER FINANCING SOURCES</u>			
Operating transfers in (out)	(19,979)		(19,979)
Total Other Financing Sources	(19,979)	-	(19,979)
 Change in Fund Balances	 18,597	 11,047	 29,644
 Fund Balances, beginning	 91,608	 3,613	 95,221
 Fund Balances, ending	 \$ 110,205	 \$ 14,660	 \$ 124,865

See Accompanying Notes and Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 29,644

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.

56,543

Change in Net Position - Governmental Activities

\$ 86,187

VILLAGE OF NORWOOD, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business - Type Activities Enterprise Funds		
	Water	Sewer	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 62,031	\$ 6,544	\$ 68,575
Receivables, net	2,579	4,773	7,352
Total Current Assets	64,610	11,317	75,927
Restricted Assets:			
Cash and cash equivalents	15,551	23,775	39,326
Capital Assets:			
Furniture and equipment	695		695
Water well/distribution system	1,142,934		1,142,934
Sewer treatment plant		1,364,531	1,364,531
Less: accumulated depreciation	(604,001)	(1,056,755)	(1,660,756)
Capital Assets, net	539,628	307,776	847,404
Total Assets	\$ 619,789	\$ 342,868	\$ 962,657
DEFERRED OUTFLOWS OF RESOURCES			
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 2,002	\$ 1,792	\$ 3,794
Payable from restricted assets:			
Total Current Liabilities	\$ 2,002	\$ 1,792	\$ 3,794
Long-Term Liabilities			
Payable from restricted assets:			-
Customer deposits	15,558		15,558
Total Long-Term Liabilities	15,558	-	15,558
Total Liabilities	\$ 17,560	\$ 1,792	\$ 19,352

See Accompanying Notes and Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2021

CONTINUED

DEFERRED INFLOWS OF RESOURCES
 NET POSITION

Net investment in capital assets	\$ 539,628	\$ 307,776	\$ 847,404
Restricted for:			
Customer deposits	15,551		15,551
Debt retirement and contingency		23,775	23,775
Unrestricted	47,050	9,525	56,575
Total Net Position	<u>\$ 602,229</u>	<u>\$ 341,076</u>	<u>\$ 943,305</u>

See Accompanying Notes and Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Total
OPERATING REVENUES			
Charges for services	62,609	27,017	89,626
Grant revenue	\$ 13,408	\$ -	\$ 13,408
Total Operating Revenue	<u>76,017</u>	<u>27,017</u>	<u>103,034</u>
OPERATING EXPENSES			
Administrative	\$ 1,835		\$ 1,835
Depreciation	23,964	34,060	58,024
Employee and related expenses	17,331	1,800	19,131
Occupancy	11,977	4,616	16,593
Personal services	45,966	12,247	58,213
Total Operating Expenses	<u>101,073</u>	<u>52,723</u>	<u>153,796</u>
Operating Loss	<u>\$ (25,056)</u>	<u>\$ (25,706)</u>	<u>\$ (50,762)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest earned	\$ 36	\$ 12	\$ 48
Other revenue / (cost)	2,134	603	2,737
Interest expense		-	-
Total Non-Operating Revenues (Expenses)	<u>2,170</u>	<u>615</u>	<u>2,785</u>
Income before transfers	(22,886)	(25,091)	(47,977)
Transfers in (out)	<u>20,108</u>		<u>20,108</u>
Change in Net Position	(2,778)	(25,091)	(27,869)
Net Position, beginning	605,007	366,167	971,174
Net Position, ending	<u>\$ 602,229</u>	<u>\$ 341,076</u>	<u>\$ 943,305</u>

See Accompanying Notes and Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers/grantors	\$ 124,017	\$ 27,017	\$ 151,034
Cash paid to suppliers for goods/services	(85,523)	(15,413)	(100,936)
Cash paid to employees for services	(17,331)	(1,800)	(19,131)
Net Cash Provided/(Used) by Operating Activities	<u>21,163</u>	<u>9,804</u>	<u>30,967</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on notes and bond maturities	102	(10)	92
Interest paid on notes		-	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>102</u>	<u>(10)</u>	<u>92</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	-		-
Interest received from savings/certificates of deposit	36	12	48
Net Cash Provided/(used) by Investing Activities	<u>36</u>	<u>12</u>	<u>48</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	21,301	9,806	31,107
Cash and Cash Equivalents, beginning of year	<u>56,281</u>	<u>20,513</u>	<u>76,794</u>
Cash and Cash Equivalents, end of year	<u>\$ 77,582</u>	<u>\$ 30,319</u>	<u>\$ 107,901</u>

See Accompanying Notes and Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Total
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating loss	(2,776)	(25,093)	(27,869)
Adjustments to Reconcile Operating Loss to Net Cash Provided/(Used) by Operating Activities:			
Depreciation	23,964	34,060	58,024
(Increase) decrease in assets:			
Accounts receivable	(1,405)	1,461	56
Increase (decrease) in liabilities:			
Accounts payable	1,380	(624)	756
Customer deposits	-	-	-
	21,163	9,804	30,967
Net Cash Provided/(Used) by Operating Activities			
Cash Presentation on Statement of Net Assets:			
Current Assets: Cash and cash equivalents	62,031	6,544	68,575
Restricted Assets: Cash and cash equivalents	15,551	23,775	39,326
	\$ 77,582	\$ 30,319	\$ 107,901
Cash and Cash Equivalents, end of year			

See Accompanying Notes and Accountant's Review Report

NOTES TO FINANCIAL STATEMENTS

VILLAGE OF NORWOOD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

INTRODUCTION

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

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

The purpose of the municipality is to promote the general welfare and the safety, health, peace, good order, comfort, convenience and morals of its inhabitants. It currently serves approximately 294 utility customers and employs 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, 2021

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, 2021

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, 2021

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

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

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

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

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

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

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

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

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

Compensated Absences: The Village does not provide compensated absences.

VILLAGE OF NORWOOD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

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

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

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

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

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

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

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

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

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

VILLAGE OF NORWOOD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021.

A summary of cash and cash equivalents (book balances) at June 30, 2021, of which \$67,898 is restricted, is as follows:

	Governmental Activities	Business- type Activities
Petty Cash	100	0
Demand deposits	56,377	0
Interest-bearing demand deposits	17,182	20,697
Savings accounts	60,336	87,204
Total	133,995	107,901

NOTE 4 -CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, 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	277,988			277,988
Equipment	285,422			285,422
Vehicles	170,676	40,122		210,798
Furniture and Fixtures	19,091			19,091
Infrastructure	87,201	40,000		127,201
Total Capital Assets, being depreciated	840,378	80,122		920,500
Capital Assets, total	850,378	80,122		930,500

VILLAGE OF NORWOOD, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

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	1,142,934
Capital Assets, total	2,508,160	2,508,160

NOTE 5 -ACCOUNTS AND OTHER PAYABLES

The following is a summary of current payables at June 30, 2021:

	General Fund	Special Revenue Fund	Enterprise Funds	Total
Accounts payable	191	5,921	3,794	9,906
Due to other agencies	1,234			1,234
Payroll / withholdings	1,784			1,784
Customer deposits			15,558	15,558
Bonds, short term portion				
Bonds, long term portion				
Total	3,209	5,921	19,352	28,482

NOTE 6 - LONG-TERM OBLIGATIONS

The Village has no long-term obligations.

NOTE 7 -RESTRICTED NET POSITION

The following is a summary of restricted net position at June 30, 2021:

	Governmental Activities	Business - Type Activities
Restricted for:		
Customer deposits		15,551
Debt retirement		23,775
Street maintenance / construction	28,572	
Total Restricted for	28,572	39,326

NOTE 8 - LEASES

No capital leases existed at June 30, 2021.

VILLAGE OF NORWOOD, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 9 -RETIREMENT SYSTEM

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

NOTE 10- OTHER POST-EMPLOYMENT BENEFITS

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

NOTE 11 -PROPRIETARY FUND SEGMENT INFORMATION

The Village maintains one enterprise fund which provides water and sewer services. Segment information for the year ended June 30, 2021, is as follows:

Condensed Statement of Net Position

Current Assets	75,927
Restricted assets	39,326
Capital Assets, net	847,404
Total Assets	962,657
Current liabilities	3,794
Long-term liabilities	15,558
Total Liabilities	19,352
Investment in capital assets	847,404
Restricted	39,326
Unrestricted	56,575
Total Net Position	943,305

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

Operating Revenues:	
Charges for services & grants	103,034
Operating expenses	75,818
Depreciation	78,615
Total Operating Expenses	154,433
Operating Deficit	(51,399)
Non-operating revenue (expenses)	23,530
Change in Net Position	(27,869)

Condensed Statement of Cash Flows

Net cash provided by (used for):	
Operating activities	30,967
Non-capital financing activities	0
Capital and related financing activities	92
Investing activities	48

VILLAGE OF NORWOOD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Net increase in cash and cash equivalents	31,107
Cash and cash equivalents, beginning of year	<u>76,794</u>
Cash and cash equivalents end of year	<u>107,901</u>

NOTE 12 -RELATED PARTY TRANSACTIONS

There were no related party transactions that require disclosure.

NOTE 13 - LITIGATION

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

NOTE 14 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 23, 2021, the date on which the financial statements were available to be issued, and it has been determined that one significant event requires disclosure. The COVID-19 outbreak in the United States and Louisiana has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and whether those closings will precipitate a wider economic recession. As a result, the related financial impact on the Village of Norwood and the duration cannot be estimated at this time.

REQUIRED SUPPLEMENTAL INFORMATION

PART 2 OF 2

VILLAGE OF NORWOOD, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Taxes:				
Franchise	17,100	16,300	15,888	(412)
Beer	750	700	635	(65)
Licenses and permits	11,600	15,800	15,442	(358)
Fines	63,000	54,000	53,514	(486)
Grants proceeds/donations/gains	50,000	73,250	85,991	12,741
Interest earned	25	34	59	25
Other revenues	2,210	4,700	4,447	(253)
Total Revenues	144,685	164,784	175,976	11,192
EXPENDITURES				
General Government:				
Dues and subscriptions	300	390	390	0
Insurance	4,200	3,200	3,247	(47)
Mileage	550	45	45	0
Miscellaneous expense	400	2,300	2,312	(12)
Office expense	2,500	5,200	5,455	(255)
Postage	250	220	220	0
Professional fees	2,200	2,600	2,690	(90)
Public notices	600	950	1,107	(157)
Repairs / maintenance	2,000	15,500	381	15,119
Salaries and payroll taxes	19,300	20,000	19,911	89
Grant Expense	25,000	85,040	80,122	4,918
Telephone	1,600	1,500	1,589	(89)
Total General Government	58,900	136,945	117,469	19,476
Public Safety:				
Fire:				
Gas & Oil	0	0	0	0
Miscellaneous expense	26	250	299	(49)
Repairs / maintenance	100	200	250	(50)
Telephone	2,500	2,400	2,609	(209)
Training	250	0	0	0
Grant Expense	20,000	0	0	0
Utilities	1,500	1,250	1,335	(85)
Total Fire	24,376	4,100	4,493	(393)

See Accompanying Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2021

CONTINUED

Police:				
Sheriff / dispatch fees	1,200	1,250	1,240	10
Dues and Subscriptions	0	75	113	(38)
Gas and oil	2,800	2,200	2,124	76
Insurance	10,500	9,300	9,265	35
Miscellaneous expense	100	75	65	10
Office expense	500	700	610	90
Repairs / maintenance	1,500	1,800	1,722	78
Salaries and payroll taxes	43,000	30,800	31,281	(481)
Supply Purchase	1,000	300	240	60
Telephone	0	0	0	0
Christmas fund	1,000	0	0	0
Training	1,000	0	0	0
Grant expense	0	0	0	0
Utilities	1,000	700	626	74
Total Police	<u>63,600</u>	<u>47,200</u>	<u>47,286</u>	<u>(86)</u>
Total Public Safety	<u>87,976</u>	<u>51,300</u>	<u>51,779</u>	<u>(479)</u>
Public works	0	0	0	0
Total Expenditures	<u>146,876</u>	<u>188,245</u>	<u>169,248</u>	<u>18,997</u>
Change in Fund Balances	<u>(2,191)</u>	<u>(23,461)</u>	<u>6,728</u>	<u>0</u>
Fund Balances, beginning	<u>296,264</u>	<u>1,023</u>	<u>87,643</u>	<u>0</u>
Fund Balances, ending	<u><u>294,073</u></u>	<u><u>(22,438)</u></u>	<u><u>94,371</u></u>	<u><u>0</u></u>

See Accompanying Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE
 STREETS AND SIDEWALKS FUND
 YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				-
LA DOTD maintenance fees	3,300	3,300	3,300	-
Taxes				-
Sales	46,000	45,880	45,887	7
Interest earned	3	5	6	1
Grant Income	-	-	-	-
Other revenues	-	-	-	-
Total Revenues	49,303	49,185	49,193	8
EXPENDITURES				
Public Works	-	-	-	-
Gas and oil	2,000	2,500	2,291	209
Insurance	2,200	1,300	1,293	7
Repair / maintenance	10,000	10,000	8,428	1,572
Utilities	8,000	8,500	8,400	100
Salaries and payroll taxes	25,000	17,800	16,926	874
Miscellaneous Expense	550	550	808	(258)
Grant expense	-	-	-	-
Total Expenditures	47,750	40,650	38,146	2,504
Change in Fund Balances	1,553	8,535	11,047	-
Fund Balance, beginning	20,487	6,526	13,743	-
Fund Balance, ending	22,040	15,061	24,790	-

See Accompanying Independent Accountant's Review Report

AGREED-UPON PROCEDURES

MC DUFFIE K. HERROD, LTD.

(A Professional Accounting Corporation)

McDUFFIE K. HERROD
CERTIFIED PUBLIC ACCOUNTANT

Member:

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Society of Louisiana CPAs

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the Village of Norwood and the Louisiana Legislative Auditor, on the Village's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2021, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Village's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

There were no exceptions noted.

Code of Ethics for Public Officials and Public Employees

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

Management provided us with the requested information.

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

Management provided us with the requested information.

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

None of the employees included on the list provided by management for agreed-upon Procedure 3 appeared on the list provided by management for agreed-upon Procedure 2.

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

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

Budgeting

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

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

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

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

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

There were no exceptions noted.

Accounting and Reporting

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

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

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

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

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

Meetings

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

Evidence examined supported that agendas for meetings were properly posted.

Debt

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

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

Advances and Bonuses

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

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

Prior-Year Comments

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

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

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

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



McDuffie K. Herrod, Ltd.
Clinton, LA

December 23, 2021

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>12/31/2020</u>	Second Six Month Period Ended <u>6/30/2021</u>
Cash Basis Presentation		
Beginning Balance of Amounts Collected	\$ 5,384	\$ 7,096
Add Collections		
Criminal Court Costs/Fees	2,648	2,717
Criminal Fines - Contempt	1,949	3,360
Criminal Fines - Other	21,154	18,787
Service / Collection Fees	1,561	1,204
Interest Earnings on Collected Balances	3	5
Other	23	111
Total Collections	<u>27,338</u>	<u>26,184</u>
Less: Disbursements to Governments & Nonprofits		
Louisiana Commission on Law Enforcement - LETF/CVRF	326	284
Treasurer, State of Louisiana - CMIS	148	123
East Feliciana Parish Juvenile Justice - JDC	740	614
Louisiana Supreme Court - LJCC	74	60
Norwood Fire Department - FDU	370	308
LDH-THSCI Trust Fund - DHH	635	490
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency	20,229	18,919
Less: Disbursements to Individuals or Processing Agency		
Payments to 3rd Party Collection / Processing Agency	<u>1,762</u>	<u>1,362</u>
Total Disbursements / Retainage	<u>24,284</u>	<u>22,160</u>
Ending Balance of Amounts Collected	<u>\$ 8,438</u>	<u>\$ 11,120</u>
Other Information:		
Ending Balance of Amounts Assessed but not yet Collected	\$ -	\$ -

See Accompanying Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA
 SCHEDULE OF COMPENSATION PAID TO GOVERNING MEMBERS
 YEAR ENDED JUNE 30, 2021

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		825
P.O. Box 38		
Norwood, LA 70761		

Tyler J. Glascock		825
3227 Oak St.		
Norwood, LA 70761		

Kimmi A. Sellers		900
14647 Shady Grove Lane		
Norwood, LA 70761		

Total		\$ 5,550
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VILLAGE OF NORWOOD, LOUISIANA
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
 TO AGENCY HEAD
 YEAR ENDED JUNE 30, 2021

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

See Accompanying Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA
 SCHEDULE OF INSURANCE IN FORCE
 JUNE 30, 2021

Policy No.	Expiration	Carrier	Coverage	Amount
T200148	1/22/2021	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	3/19/2022	Arch Insurance Company	Business Property Limit Deductible Coinsurance	\$ 118,916 \$ 500 GRC
10002650001280	2/19/2022	La. Municipal Risk Management Agency	Law Enforcement Officer Personal injury / property Bodily injury / property Deductible	\$ 500,000 \$ 500,000 \$ 1,000
5CB8346	10/9/2022	Lloyds of London	Auto Physical Damage Deductible each loss	\$ 500

See Accompanying Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA
SCHEDULE OF FINDINGS
FOR THE YEAR ENNDED JUNE 30, 2021

A. PRIOR YEAR FINDINGS - FINANCIAL STATEMENTS

None

B. CURRENT YEAR FINDINGS – FINANCIAL STATEMENTS

None

C. MANAGEMENT LETTER ITEMS

There are no management letter items to report as of June 30, 2021.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

01-03-2022 (Date Transmitted)

McDuffie K. Herrod, Ltd (CPA Firm Name)

12410 Woodville St (CPA Firm Address)

Clinton La 70722 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2021 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the state procurement code (R.S. 39:1551 – 39:1755); the public bid law (R.S. 38:2211-2296), and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes No [] N/A []

Code of Ethics for Public Officials and Public Employees

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

Yes No [] N/A []

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

Yes No [] N/A []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes No [] N/A []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes No [] N/A []

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

Yes No [] N/A []

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

Yes No [] N/A []

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

Yes No [] N/A []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No [] N/A []

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes No [] N/A []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes No [] N/A []

Debt

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

Yes No [] N/A []

Advances and Bonuses

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

Yes No [] N/A []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No [] N/A []

General

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No [] N/A []

We acknowledge that we are responsible for determining that that the procedures performed are appropriate for the purposes of this engagement.

Yes No [] N/A []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes No [] N/A []

We have provided you with all relevant information and access under the terms of our agreement.

Yes No [] N/A []

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

Yes No [] N/A []

We are not aware of any material misstatements in the information we have provided to you.

Yes No [] N/A []

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will

disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes [] No [] N/A []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes [] No [] N/A []

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

<u>Denise Jell, Town Clerk</u>	Secretary	<u>12/29/2021</u>	Date
<u>Robert Bellini Mayor</u>	Treasurer	<u>12/29/2021</u>	Date
	President	<u>12/29/2021</u>	Date