

**VILLAGE OF NORWOOD, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020**

VILLAGE OF NORWOOD, LOUISIANA
 ANNUAL FINANCIAL STATEMENTS WITH SUPPLEMENTAL INFORMATION
 YEAR END JUNE 30, 2020
 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

Schedule of Compensation Paid to Governing Members	34
Schedule of Compensation, Benefits, and Other Payments to Agency Head	34
Schedule of Insurance in Force	35
Schedule of Findings and Responses	36
Louisiana Attestation Questionnaire	37-39

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, 2019, and the related notes to the financial statements, which collectively comprise the Village of Norwood's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

Accountant's Conclusion

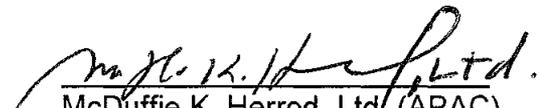
Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

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

The schedule of compensation paid to governing members, schedule of insurance in force and proposed budgets for June 30, 2020 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 16, 2020, on the results of our agreed-upon procedures.


McDuffie K. Herrod, Ltd. (APAC)
Clinton, LA
December 16, 2020

REQUIRED SUPPLEMENTAL INFORMATION (Part 1)
MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF NORWOOD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

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 \$1,316,577.
- The Village made upgrades to water lines through the use of grant funding.

We feel that the Village had a good year financially. We were fortunate to be able to secure a couple of grants that allowed us to upgrade water lines within the Village's boundaries.

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

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION

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

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

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

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

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

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Village has two categories of funds: governmental funds and proprietary

VILLAGE OF NORWOOD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

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, 2020

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	
	2020	2019	2020	2019
Assets				
Current Assets	\$ 127,043	\$ 134,343	\$ 50,410	\$ 97,387
Restricted assets	17,469	17,068	33,793	29,037
Capital assets, net	250,182	132,572	905,428	897,717
Total Assets	394,694	283,983	989,631	1,024,141
Liabilities & Deferred Inflows				
Current liabilities	9,300	3,732	18,457	15,875
Long-term liabilities				
Deferred inflows	39,991	50,000		
Total Liabilities & Deferred inflows	49,291	53,732	18,457	15,875
Net Position				
Net investment in capital assets	250,182	132,572	905,428	897,717
Restricted	9,121	9,077	33,792	32,664
Unrestricted	86,100	88,602	31,954	77,885
Net Position	\$345,403	\$230,251	\$971,174	\$1,008,266

A summary of changes in net position is as follows:

SUMMARY OF CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities	
	2020	2019	2020	2019
Revenues / Transfers				
Charges for services	\$59,578	\$66,851	\$ 73,626	\$ 72,996
Operating grants / contributions	84,459	5,000	74,262	55,000
Capital grants / contributions				
General revenues / transfers:				
Taxes	84,979	87,505		
Licenses/permits	14,367	15,681		
Interest earned	75	52	55	69

VILLAGE OF NORWOOD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

Interest expense				
Other revenues	1,983	7,166	334	712
Transfers	43,000		(43,000)	
Net Revenues / Transfers	<u>288,441</u>	<u>182,255</u>	<u>105,277</u>	<u>128,777</u>
Expenses				
General government	56,643	46,257		
Public safety / works	116,646	117,855		
Water / sewer			142,369	143,962
Total Expenses	<u>173,289</u>	<u>164,112</u>	<u>142,369</u>	<u>143,962</u>
Change in net position	115,152	18,143	(37,092)	(15,185)
Net position, beginning	<u>230,251</u>	<u>212,108</u>	<u>1,008,266</u>	<u>1,023,451</u>
Net position, ending	<u>\$ 345,403</u>	<u>\$ 230,251</u>	<u>\$971,174</u>	<u>\$1,008,266</u>

BUDGETARY HIGHLIGHTS

The Village's general fund realized \$12,845 more in revenues than budgeted. General government expenditures were \$37,421 less than anticipated while public safety (fire and police) expenditures were \$293 more than budgeted.

The streets and sidewalks fund received \$407 less than anticipated. Expenditures were \$1,231 more than anticipated.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The Village's investment in capital assets, net of accumulated depreciation and related debt at June 30, 2020 and 2019, was \$1,155,610 and \$1,030,289, respectively. These amounts include \$10,000 of land (non-depreciable assets). Capital additions during the year totaled \$157,213 consisting of water system upgrades.

Capital assets at year-end are summarized as follows:

CAPITAL ASSETS

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities Capital Assets, not being depreciated				
Land	<u>\$ 10,000</u>			<u>\$ 10,000</u>
Capital Assets, being depreciated				
Buildings and Improvements	155,783	122,204		277,987
Equipment	275,413	10,009		285,422

VILLAGE OF NORWOOD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

Vehicles	170,676		170,676
Furniture and Fixtures	19,091		19,091
Infrastructure	87,201		87,201
Total Capital Assets, being depreciated	<u>708,164</u>	<u>132,213</u>	<u>840,377</u>
Capital Assets, total	<u>718,164</u>	<u>132,213</u>	<u>850,377</u>
Business-type Activities			
Capital Assets, being depreciated			
Furniture and Equipment	695		695
Sewer System	1,364,531		1,364,531
Water System	1,068,672	74,262	1,142,934
Capital Assets, total	<u>\$2,433,898</u>	<u>\$74,262</u>	<u>\$2,508,160</u>

Accumulated depreciation totaled \$2,202,929 for all funds for a net capital assets balance of \$1,155,610 for the year ended June 30, 2020.

ECONOMIC ENVIRONMENT AND NEXT YEAR'S BUDGET

The budget for 2020-2021 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, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 127,043	\$ 43,001	\$ 170,044
Receivables, net		7,409	7,409
Restricted assets:			
Cash and cash equivalents	17,469	33,793	51,262
Capital assets, net	250,182	905,428	1,155,610
Total Assets	394,694	989,631	1,384,325
 DEFERRED OUTFLOWS OF RESOURCES			
 LIABILITIES			
Accounts payable	5,928	3,039	8,967
Due to other government agencies	1,312		1,312
Payroll related withholdings/payable	2,060		2,060
Bonds payable		-	-
Customer deposits		15,418	15,418
Total Liabilities	9,300	18,457	27,757
 DEFERRED INFLOWS OF RESOURCES			
Grant Related	39,991	-	39,991
 NET POSITION			
Net investment in capital assets	250,182	905,428	1,155,610
Restricted for:			-
Customer deposits		15,468	15,468
Debt retirement and contingency		18,324	18,324
Street maintenance/construction	9,121		9,121
Unrestricted	86,100	31,954	118,054
Net Position	\$ 345,403	\$ 971,174	\$ 1,316,577

See Accompanying Notes and Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Revenues			Net Revenues (Expenses)		
	Expenses	Charges for Services	Operating Grants & Contri- butions	Govern- mental Activities	Business- Type Activities	Total
Governmental Activities						
General government	\$ 56,643	\$ -	\$ 79,459	\$ 22,816	\$ -	\$ 22,816
Intergovernmental	-	3,300		3,300		3,300
Public safety	65,315	56,278	5,000	(4,037)		(4,037)
Public works	51,331		-	(51,331)		(51,331)
Total Governmental Activities	<u>173,289</u>	<u>59,578</u>	<u>84,459</u>	<u>(29,252)</u>	<u>-</u>	<u>(29,252)</u>
Business-Type Activities						
Water	86,391	49,944	74,262		37,815	37,815
Sewer	55,978	23,682	-	-	(32,296)	(32,296)
Total Business-Type Activities	<u>142,369</u>	<u>73,626</u>	<u>74,262</u>	<u>-</u>	<u>5,519</u>	<u>5,519</u>
Total Primary Government	<u>\$ 315,658</u>	<u>\$ 133,204</u>	<u>\$ 158,721</u>	<u>\$ (29,252)</u>	<u>\$ 5,519</u>	<u>\$ (23,733)</u>
General Revenues, Interest and Transfers						
Taxes:						
Sales				70,293	-	70,293
Franchise				14,108	-	14,108
Beer				578	-	578
Licenses and permits				14,367		14,367
Interest earned				75	55	130
Interest expense				-	-	-
Other revenues				1,983	334	2,317
Transfers In / Out				43,000	(43,000)	-
Total General Revenues, Interest and Transfers				<u>144,404</u>	<u>(42,611)</u>	<u>101,793</u>
Change in Net Position				<u>115,152</u>	<u>(37,092)</u>	<u>78,060</u>
Net Position, beginning				<u>230,251</u>	<u>1,008,266</u>	<u>1,238,517</u>
Net Position, ending				<u>\$ 345,403</u>	<u>\$ 971,174</u>	<u>\$ 1,316,577</u>

See Accompanying Notes and Independent Accountant's Review Report

FUND FINANCIAL STATEMENTS

VILLAGE OF NORWOOD, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General	Streets and Sidewalks	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 127,043	-	\$ 127,043
Restricted assets:			
Cash and cash equivalents	7,991	9,478	17,469
TOTAL ASSETS	135,034	9,478	144,512
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Due to other government agencies	1,312		1,312
Accounts payable	63	5,865	5,928
Payroll related withholdings / payable	2,060		2,060
Deferred Grant Income	39,991		39,991
Total Liabilities	43,426	5,865	49,291
Fund Balances:			
Restricted for street maintenance/construction		9,478	9,478
Assigned for insurance	675		675
Unassigned	90,933	(5,865)	85,068
Total Fund Balances	91,608	3,613	95,221
 TOTAL LIABILITIES AND FUND BALANCES	 \$ 135,034	 \$ 9,478	 \$ 144,512

VILLAGE OF NORWOOD, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2020

Total Fund Balances - Total Governmental Funds	\$ 95,221
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Amounts reported for governmental activities in the
Statement of Net Position are different because:

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

250,182

Net Position - Governmental Activities

\$ 345,403

VILLAGE OF NORWOOD, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
JUNE 30, 2020

	<u>General</u>	<u>Streets and Sidewalks</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>			
Intergovernmental revenues	\$ -	\$ 3,300	\$ 3,300
Taxes:			
Sales	28,800	41,493	70,293
Franchise	14,108		14,108
Beer	578		578
Licenses and permits	14,367		14,367
Fines	56,278		56,278
Grants proceeds/donations	84,459	-	84,459
Interest earned	71	4	75
Other revenues	958	1,025	1,983
Total Revenues	199,619	45,822	245,441
 <u>EXPENDITURES</u>			
General government	47,063	-	47,063
Public safety:			
Fire	320		320
Police	59,972		59,972
Capital Outlay	132,213		132,213
Public works		51,331	51,331
Total Expenditures	239,568	51,331	290,899
 Excess of Expenditures over Revenues	 (39,949)	 (5,509)	 (45,458)
 <u>OTHER FINANCING SOURCES</u>			
Operating transfers in (out)	43,000		43,000
Total Other Financing Sources	43,000	-	43,000
 Change in Fund Balances	 3,051	 (5,509)	 (2,458)
 Fund Balances, beginning	 88,557	 9,122	 97,679
Fund Balances, ending	\$ 91,608	\$ 3,613	\$ 95,221

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, 2020

Net Change in Fund Balances - Total Governmental Funds \$ (2,458)

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.

117,610

Change in Net Position - Governmental Activities

\$ 115,152

VILLAGE OF NORWOOD, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

ASSETS	Business - Type Activities Enterprise Funds		
	Water	Sewer	Total
Current Assets:			
Cash and cash equivalents	\$ 40,812	\$ 2,189	\$ 43,001
Receivables, net	1,174	6,235	7,409
Total Current Assets	41,986	8,424	50,410
Restricted Assets:			
Cash and cash equivalents	15,469	18,324	33,793
Capital Assets:			
Furniture and equipment	695		695
Water well/distribution system	1,142,935		1,142,935
Sewer treatment plant		1,364,531	1,364,531
Less: accumulated depreciation	(580,037)	(1,022,696)	(1,602,733)
Capital Assets, net	563,593	341,835	905,428
Total Assets	\$ 621,048	\$ 368,583	\$ 989,631
DEFERRED OUTFLOWS OF RESOURCES			
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 622	\$ 2,417	\$ 3,039
Payable from restricted assets:			
Bonds payable		-	-
Total Current Liabilities	\$ 622	\$ 2,417	\$ 3,039
Long-Term Liabilities			
Payable from restricted assets:			
Customer deposits	15,418		15,418
Bonds payable		-	-
Total Long-Term Liabilities	15,418	-	15,418
Total Liabilities	\$ 16,040	\$ 2,417	\$ 18,457

See Accompanying Notes and Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

CONTINUED

DEFERRED INFLOWS OF RESOURCES
NET POSITION

Net investment in capital assets	\$ 563,593	\$ 341,835	\$ 905,428
Restricted for:			
Customer deposits	15,418		15,418
Debt retirement and contingency	-	17,451	17,451
Unrestricted	25,997	6,880	32,877
Total Net Position	<u>\$ 605,008</u>	<u>\$ 366,166</u>	<u>\$ 971,174</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, 2020

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Total
OPERATING REVENUES			
Charges for services	49,944	23,682	73,626
Grant revenue	\$ 74,262	\$ -	\$ 74,262
Total Operating Revenue	<u>124,206</u>	<u>23,682</u>	<u>147,888</u>
OPERATING EXPENSES			
Administrative	\$ 3,480		\$ 3,480
Depreciation	32,492	34,060	66,552
Employee and related expenses	13,530	1,800	15,330
Occupancy	5,728	4,609	10,337
Personal services	31,161	15,510	46,671
Total Operating Expenses	<u>86,391</u>	<u>55,979</u>	<u>142,370</u>
Operating Loss	<u>\$ 37,815</u>	<u>\$ (32,297)</u>	<u>\$ 5,518</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest earned	\$ 47	\$ 8	\$ 55
Other revenue / (cost)	(160)	495	335
Interest expense		-	-
Total Non-Operating Revenues (Expenses)	<u>(113)</u>	<u>503</u>	<u>390</u>
Income before transfers	37,702	(31,794)	5,908
Transfers out	<u>(43,000)</u>		<u>(43,000)</u>
Change in Net Position	(5,298)	(31,794)	(37,092)
Net Position, beginning	610,305	397,961	1,008,266
Net Position, ending	<u>\$ 605,007</u>	<u>\$ 366,167</u>	<u>\$ 971,174</u>

See Accompanying Notes and Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers/grantors	\$ 125,389	\$ 23,978	\$ 149,367
Cash paid to suppliers for goods/services	(83,482)	(17,239)	(100,721)
Cash paid to employees for services	(13,530)	(1,800)	(15,330)
Net Cash Provided/(Used) by Operating Activities	<u>28,377</u>	<u>4,939</u>	<u>33,316</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on notes and bond maturities	(1,957)	(1,364)	(3,321)
Interest paid on notes		-	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(1,957)</u>	<u>(1,364)</u>	<u>(3,321)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(74,215)		(74,215)
Interest received from savings/certificates of deposit	47	8	55
Net Cash Provided/(used) by Investing Activities	<u>(74,168)</u>	<u>8</u>	<u>(74,160)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(47,748)	3,583	(44,165)
Cash and Cash Equivalents, beginning of year	<u>104,029</u>	<u>16,930</u>	<u>120,959</u>
Cash and Cash Equivalents, end of year	<u>\$ 56,281</u>	<u>\$ 20,513</u>	<u>\$ 76,794</u>

See Accompanying Notes and Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Total
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating loss	(5,298)	(31,794)	(37,092)
Adjustments to Reconcile Operating Loss to Net Cash Provided/(Used) by Operating Activities:			
Depreciation	32,492	34,060	66,552
(Increase) decrease in assets:			
Accounts receivable	1,183	296	1,479
Increase (decrease) in liabilities:			
Accounts payable	-	2,377	2,377
Customer deposits	-	-	-
Net Cash Provided/(Used) by Operating Activities	28,377	4,939	33,316
Cash Presentation on Statement of Net Assets:			
Current Assets: Cash and cash equivalents	40,812	2,189	43,001
Restricted Assets: Cash and cash equivalents	15,469	18,324	33,793
Cash and Cash Equivalents, end of year	\$ 56,281	\$ 20,513	\$ 76,794

See Accompanying Notes and Accountant's Review Report

NOTES TO FINANCIAL STATEMENTS

VILLAGE OF NORWOOD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

INTRODUCTION

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

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

The purpose of the municipality is to promote the general welfare and the safety, health, peace, good order, comfort, convenience and morals of its inhabitants. It currently serves approximately 294 utility customers and employs 17 persons.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

Eliminating Internal Activity

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

VILLAGE OF NORWOOD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020

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, 2020

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, 2020

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, 2020

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, 2020.

A summary of cash and cash equivalents (book balances) at June 30, 2020, of which \$51,262 is restricted, is as follows:

	Governmental Activities	Business- type Activities
Petty Cash	100	0
Demand deposits	73,835	0
Interest-bearing demand deposits	11,806	13,702
Savings accounts	58,771	63,092
Total	<u>144,512</u>	<u>76,794</u>

NOTE 4 -CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets, not being depreciated				
Land	10,000			10,000
Capital Assets, being depreciated				
Buildings and Improvements	155,783	122,205		277,988
Equipment	275,413	10,009		285,422
Vehicles	170,676			170,676
Furniture and Fixtures	19,091			19,091
Infrastructure	87,201			87,201
Total Capital Assets, being depreciated	<u>708,164</u>	<u>132,214</u>		<u>840,378</u>
Capital Assets, total	<u>718,164</u>	<u>132,214</u>		<u>850,378</u>

VILLAGE OF NORWOOD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Business-type Activities			
Capital Assets, being depreciated			
Furniture and Equipment	695		695
Sewer System	1,364,531		1,364,531
Water System	1,068,672	74,262	1,142,934
Capital Assets, total	<u>2,433,898</u>	<u>74,262</u>	<u>2,508,160</u>

NOTE 5 -ACCOUNTS AND OTHER PAYABLES

The following is a summary of current payables at June 30, 2020:

	General Fund	Special Revenue Fund	Enterprise Funds	Total
Accounts payable	63	5,865	3,039	8,967
Due to other agencies	1,312			1,312
Payroll / withholdings	2,060			2,060
Customer deposits			15,418	15,418
Bonds, short term portion				
Bonds, long term portion				
Total	<u>3,435</u>	<u>5,865</u>	<u>18,457</u>	<u>27,757</u>

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, 2020:

	Governmental Activities	Business - Type Activities
Restricted for:		
Customer deposits		15,418
Debt retirement		17,451
Street maintenance / construction	9,121	
Total Restricted for	<u>9,121</u>	<u>32,869</u>

NOTE 8 - LEASES

No capital leases existed at June 30, 2020.

VILLAGE OF NORWOOD, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020

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, 2020, is as follows:

Condensed Statement of Net Position

Current Assets	50,410
Restricted assets	33,793
Capital Assets, net	905,428
Total Assets	989,631
Current liabilities	3,039
Long-term liabilities	15,418
Total Liabilities	18,457
Investment in capital assets	905,428
Restricted	32,869
Unrestricted	32,877
Total Net Position	971,174

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

Operating Revenues:	
Charges for services & grants	147,888
Operating expenses	75,818
Depreciation	66,552
Total Operating Expenses	142,370
Operating Surplus	5,518
Non-operating revenue (expenses)	(42,610)
Change in Net Position	(37,092)

Condensed Statement of Cash Flows

Net cash provided by (used for):	
Operating activities	33,316
Non-capital financing activities	0
Capital and related financing activities	(3,321)
Investing activities	(74,160)

VILLAGE OF NORWOOD, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Net increase in cash and cash equivalents	(44,165)
Cash and cash equivalents, beginning of year	<u>120,959</u>
Cash and cash equivalents end of year	<u>76,794</u>

NOTE 12 -RELATED PARTY TRANSACTIONS

There were no related party transactions that require disclosure.

NOTE 13 - LITIGATION

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

NOTE 14 -SUBSEQUENT EVENTS

There have been no transactions or events subsequent to year end through December 16, 2020, the date on which the financial statements were available to be issued, and is issuing the following statement:

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (COVID-19) and the risk to the international community as the virus spread globally beyond its point of origin. On March 7, 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The Governor of the State of Louisiana declared a statewide emergency on March 11, 2020. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Village of Norwood's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Village of Norwood is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the year 2020. No adjustments have been made to these financial statements as a result of this uncertainty

REQUIRED SUPPLEMENTAL INFORMATION

PART 2 OF 2

VILLAGE OF NORWOOD, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Franchise	17,100	14,600	14,108	(492)
Beer	750	600	578	(22)
Licenses and permits	11,600	14,100	14,367	267
Fines	63,000	57,000	56,278	(722)
Grants proceeds/donations/gains	52,600	99,525	113,334	13,809
Interest earned	18	44	71	27
Other revenues	1,115	905	883	(22)
Total Revenues	146,183	186,774	199,619	12,845
EXPENDITURES				
General Government:				
Dues and subscriptions	300	390	290	100
Insurance	450	4,200	4,201	(1)
Mileage	700	560	566	(6)
Miscellaneous expense	350	485	484	1
Office expense	2,500	6,000	6,099	(99)
Postage	250	225	165	60
Professional fees	2,100	2,200	2,190	10
Public notices	800	500	490	10
Repairs / maintenance	2,000	45,602	6,937	38,665
Salaries and payroll taxes	19,350	17,800	19,040	(1,240)
Grant Expense	25,000	94,450	94,450	0
Telephone	1,800	1,500	1,579	(79)
Total General Government	55,600	173,912	136,491	37,421
Public Safety:				
Fire:				
Gas & Oil	0	0	0	0
Miscellaneous expense	0	26	28	(2)
Repairs / maintenance	100	900	918	(18)
Telephone	2,300	2,500	2,512	(12)
Training	200	275	268	7
Grant Expense	20,000	0	0	0
Utilities	2,100	1,600	1,617	(17)
Total Fire	24,700	5,301	5,343	(42)

See Accompanying Independent Accountant's Review Report

VILLAGE OF NORWOOD, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2020

CONTINUED

Police:				
Sheriff / dispatch fees	1,200	1,200	1,200	0
Dues and Subscriptions	150	0	0	0
Gas and oil	2,500	2,600	2,657	(57)
Insurance	9,000	10,500	10,513	(13)
Miscellaneous expense	700	16	16	0
Office expense	500	500	520	(20)
Repairs / maintenance	2,100	1,500	1,513	(13)
Salaries and payroll taxes	44,000	42,000	42,123	(123)
Supply Purchase	1,000	120	120	0
Telephone	0	0	0	0
Christmas fund	2,300	0	0	0
Training	1,000	450	436	14
Grant expense	0	0	0	0
Utilities	1,000	875	872	3
Total Police	<u>65,450</u>	<u>59,761</u>	<u>59,970</u>	<u>(209)</u>
Total Public Safety	<u>90,150</u>	<u>65,062</u>	<u>65,313</u>	<u>(251)</u>
Public works	0	0	0	0
Total Expenditures	<u>145,750</u>	<u>238,974</u>	<u>201,804</u>	<u>37,170</u>
Change in Fund Balances	<u>433</u>	<u>(52,200)</u>	<u>(2,185)</u>	<u>0</u>
Fund Balances, beginning	<u>295,831</u>	<u>53,223</u>	<u>89,828</u>	<u>0</u>
Fund Balances, ending	<u><u>296,264</u></u>	<u><u>1,023</u></u>	<u><u>87,643</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, 2020

	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	44,000	41,900	41,493	(407)
Interest earned	3	4	4	-
Grant Income	-	-	-	-
Other revenues	500	1,025	1,025	-
Total Revenues	47,803	46,229	45,822	(407)
EXPENDITURES				
Public Works	-	-	-	-
Gas and oil	2,000	1,600	1,668	(68)
Insurance	2,200	1,900	1,896	4
Repair / maintenance	10,000	16,600	18,413	(1,813)
Utilities	8,000	8,000	7,836	164
Salaries and payroll taxes	25,000	21,500	21,065	435
Miscellaneous Expense	500	500	453	47
Grant expense	-	-	-	-
Total Expenditures	47,700	50,100	51,331	(1,231)
Change in Fund Balances	103	(3,871)	(5,509)	-
Fund Balance, beginning	20,384	10,397	19,252	-
Fund Balance, ending	20,487	6,526	13,743	-

See Accompanying Independent Accountant's Review Report

SUPPLEMENTAL INFORMATION

AGREED-UPON PROCEDURES

MC DUFFIE K. HERROD, LTD.

(A Professional Accounting Corporation)

McDUFFIE K. HERROD
CERTIFIED PUBLIC ACCOUNTANT

Member:

American Institute of CPAs
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, 2020, 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 expenditures for the year ended June 30, 2019 that were subject to the public bid law.

Code of Ethics for Public Officials and Public Employees

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

Management provided us with the requested information.

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

Management provided us with the requested information.

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

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

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

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

Budgeting

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

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

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

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

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

There were 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.

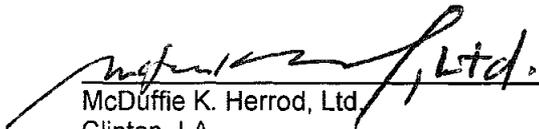
Prior-Year Comments

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 16, 2020

VILLAGE OF NORWOOD, LOUISIANA
 SCHEDULE OF COMPENSATION PAID TO GOVERNING MEMBERS
 YEAR ENDED JUNE 30, 2020

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

Mayor:

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

Alderspersons:

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

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

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

Total	\$	5,700
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VILLAGE OF NORWOOD, LOUISIANA
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
 TO AGENCY HEAD
 YEAR ENDED JUNE 30, 2020

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, 2020

Policy No.	Expiration	Carrier	Coverage	Amount
T200148	1/1/2021	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
2A8966210	3/19/2021	EMC Insurance Companies	Business Property Limit Deductible Coinsurance	\$ 54,080 \$ 1,000 80%
1000265000128	2/19/2021	La. Municipal Risk Management Agency	Law Enforcement Officer Personal injury / property Bodily injury / property Deductible	\$ 500,000 \$ 500,000 \$ 1,000
5CB8346	10/9/2021	Lloyds of London	Auto Physical Damage Deductibe each loss	\$ 500

VILLAGE OF NORWOOD, LOUISIANA
SCHEDULE OF FINDINGS
FOR THE YEAR ENNDED JUNE 30, 2020

A. PRIOR YEAR FINDINGS - FINANCIAL STATEMENTS

2019-001 Compliance with Local Government Budget Act

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

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

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

Effect: Noncompliance with the Local Government Budget Act.

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

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

Status: Resolved

B. CURRENT YEAR FINDINGS – FINANCIAL STATEMENTS

None

C. MANAGEMENT LETTER ITEMS

There are no management letter items to report as of June 30, 2020.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

December 30, 2020 (Date Transmitted)

McDuffie K. Herrod, Ltd (CPA Firm Name)
12410 Woodville Street (CPA Firm Address)
Clinton, Louisiana 70722 (City, State Zip)

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

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes No

Code of Ethics for Public Officials and Public Employees

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

Yes No

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

Yes No

Budgeting

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

Yes No

Accounting and Reporting

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

Yes No

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

Yes No

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

Yes No

We 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

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

Yes No

Meetings

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

Debt

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

Yes [] No []

Advances and Bonuses

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

Yes [] No []

Prior-Year Comments

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

Yes [] No []

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [] No []

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

Yes [] No []

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

Yes [] No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [] No []

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes [] No []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [] No []

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

<u>Annifer R. Gill</u>	Secretary		Date
<u>Annifer R. Gill</u>	Treasurer	12/21/2020	Date
<u>Debra Bell</u>	President	12/29/2020	Date