

**VILLAGE OF NORWOOD, LOUISIANA  
ANNUAL FINANCIAL STATEMENTS  
WITH SUPPLEMENTAL INFORMATION  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

VILLAGE OF NORWOOD, LOUISIANA  
ANNUAL FINANCIAL STATEMENTS WITH SUPPLEMENTAL INFORMATION  
YEAR END JUNE 30, 2023  
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# MC DUFFIE K. HERROD, LTD.

(A Professional Accounting Corporation)

**McDUFFIE K. HERROD**  
CERTIFIED PUBLIC ACCOUNTANT

Member:

American Institute of CPAs  
Society of Louisiana CPAs

POST OFFICE BOX 8436  
12410 WOODVILLE ST.  
CLINTON, LA 70722  
Telephone (225) 683-3888  
Facsimile (225) 683-6733  
Email [mkherrod@bellsouth.net](mailto:mkherrod@bellsouth.net)

## Independent Auditor's Report

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

### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Norwood, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village of Norwood's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the fiduciary funds, and the aggregate remaining fund information of the Village of Norwood as of June 30, 2023, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### *Basis or Opinions*

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

### *Responsibilities of Management for the Financial Statements*

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

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

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have issued a report dated February 26, 2024 on our consideration of the Village of Norwood's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Norwood's internal control over financial reporting and compliance.



McDuffie K. Herrod, Ltd.

A Professional Accounting Corporation

February 26, 2024

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

VILLAGE OF NORWOOD, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

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

**HIGHLIGHTS OF THE PAST YEAR**

- Net assets of the Village as a whole at year-end were \$2,549,420.
- The Village made upgrades to water lines and completed a major renovation project on the old Town Hall building through the use of grant funding.

We feel that the Village had a good year financially. We were fortunate to be able to secure a grant funding that allowed us to upgrade water lines and replace meters within the Village's boundaries.

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

**OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION**

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

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

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

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

The government-wide financial statements can be found on pages 9-10 of this report.

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

VILLAGE OF NORWOOD, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Village has two categories of funds: governmental funds and proprietary funds.

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

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

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

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

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

Fund financial statements can be found on pages 11-19.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and begin on page 20.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's budgetary comparisons that start on page 29. These schedules indicate the Village's compliance with its adopted and final revised budgets.

VILLAGE OF NORWOOD, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

**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	
	2023	2022	2023	2022
<b>Assets</b>				
Current Assets	\$ 149,296	\$ 119,467	\$ 31,875	\$ 53,725
Restricted assets	133,432	93,665	23,901	17,463
Capital assets, net	618,504	347,872	1,593,279	1,544,120
Total Assets	901,232	561,004	1,649,055	1,615,308
Deferred outflows – grant related			48,508	48,508
<b>Liabilities &amp; Deferred Inflows</b>				
Current liabilities	22,206	45,390	27,169	25,501
Long-term liabilities				
Deferred inflows – Grant	0	25,000		
Total Liabilities & Deferred inflows	22,206	70,390	27,169	25,501
<b>Net Position</b>				
Net investment in capital assets	618,504	347,872	1,593,279	1,544,120
Restricted	159,677	93,665	24,198	17,531
Unrestricted	100,845	49,077	52,917	76,664
Net Position	\$879,026	\$490,614	\$1,670,394	\$1,638,315

A summary of changes in net position is as follows:

SUMMARY OF CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities	
	2023	2022	2023	2022
<b>Revenues / Transfers</b>				
Charges for services	\$86,084	\$46,319	\$ 113,026	\$ 74,476
Operating grants / contributions	361,372	53,105	130,423	810,415
Capital grants / contributions				
General revenues / transfers:				

**VILLAGE OF NORWOOD, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

Taxes	116,200	97,774		
Licenses/permits	23,786	17,079		
Interest earned	65	73	16	34
Interest expense				
Other revenues	7,700	15,600	8,041	669
Transfers				
Net Revenues / Transfers	<u>595,207</u>	<u>229,950</u>	<u>251,506</u>	<u>885,594</u>
Expenses				
General government	94,233	77,950		
Public safety / works	112,562	92,976		
Water / sewer			219,427	190,584
Total Expenses	<u>206,795</u>	<u>170,926</u>	<u>219,427</u>	<u>190,584</u>
Change in net position	388,412	59,024	32,079	695,010
Net position, beginning	<u>490,614</u>	<u>431,590</u>	<u>1,638,315</u>	<u>943,305</u>
Net position, ending	<u>\$ 879,026</u>	<u>\$ 490,614</u>	<u>\$1,670,394</u>	<u>\$1,638,315</u>

**BUDGETARY HIGHLIGHTS**

The Village's general fund realized \$119,817 more in revenues than budgeted. General government expenditures were \$17,293 more than anticipated while public safety (fire and police) expenditures were \$9,005 less than budgeted.

The streets and sidewalks fund received \$2,193 more than anticipated. Expenditures were \$1,769 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, 2023 and 2022, was \$2,211,783 and \$1,891,992, respectively. These amounts include \$10,000 of land (non-depreciable assets). Capital additions during the year totaled \$437,891 consisting of road water system improvements, bridge repairs, and building renovations and 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				

VILLAGE OF NORWOOD, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

Land	\$ 10,000		\$ 10,000
<hr/>			
Capital Assets, being depreciated			
Buildings and Improvements	319,350	235,000	554,350
Equipment	318,126	7,771	325,897
Vehicles	184,848		184,848
Furniture and Fixtures	19,091		19,091
Infrastructure	127,201	64,932	192,133
Total Capital Assets, being depreciated	<hr/>	<hr/>	<hr/>
	968,616	307,703	1,276,319
<hr/>			
Capital Assets, total	978,616	307,703	1,286,319
<hr/>			
Business-type Activities			
Capital Assets, being depreciated			
Furniture and Equipment	695		695
Sewer System	1,364,531		1,364,531
Water System	1,917,426	130,188	2,047,614
<hr/>			
Capital Assets, total	\$3,282,652	\$130,188	\$3,412,840
<hr/>			

Accumulated depreciation totaled \$2,487,376 for all funds for a net capital assets balance of \$2,211,783 for the year ended June 30, 2023.

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

The budget for 2023-2024 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, 2023

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 132,359	\$ 22,076	\$ 154,435
Receivables, net		9,799	9,799
Due from other funds	16,937		16,937
Restricted assets:			
Cash and cash equivalents	133,432	23,901	157,333
Capital assets, net	618,504	1,593,279	2,211,783
Total Assets	901,232	1,649,055	2,550,287
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Grant related		48,508	48,508
<b>LIABILITIES</b>			
Accounts payable	1,375	1,288	2,663
Due to other government agencies	1,655		1,655
Due to other funds	16,231	9,229	25,460
Payroll related withholdings/payable	2,945		2,945
Customer deposits		16,652	16,652
Total Liabilities	22,206	27,169	49,375
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Grant related	-	-	-
<b>NET POSITION</b>			
Net investment in capital assets	618,504	1,593,279	2,211,783
Restricted for:			-
Customer deposits		16,652	16,652
Debt retirement and contingency		7,546	7,546
Assigned grant funds	107,051		107,051
Street maintenance/construction	52,626		52,626
Unrestricted	100,845	52,917	153,762
Net Position	\$ 879,026	\$ 1,670,394	\$ 2,549,420

The accompanying notes are an integral part of this statement

VILLAGE OF NORWOOD, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023

	Program Revenues			Net Revenues (Expenses)		
	Expenses	Charges for Services	Operating Grants & Contri- butions	Govern- mental Activities	Business- Type Activities	Total
<b>Governmental Activities</b>						
General government	\$ 94,233	\$ -	\$ 353,601	\$ 259,368	\$ -	\$ 259,368
Intergovernmental	-	3,300		3,300		3,300
Public safety	56,965	82,784	7,771	33,590		33,590
Public works	55,597			(55,597)		(55,597)
<b>Total Governmental Activities</b>	<u>206,795</u>	<u>86,084</u>	<u>361,372</u>	<u>240,661</u>	<u>-</u>	<u>240,661</u>
<b>Business-Type Activities</b>						
Water	160,277	76,318	130,423		46,464	46,464
Sewer	59,150	36,708	-	-	(22,442)	(22,442)
<b>Total Business-Type Activities</b>	<u>219,427</u>	<u>113,026</u>	<u>130,423</u>	<u>-</u>	<u>24,022</u>	<u>24,022</u>
<b>Total Primary Government</b>	<u>\$ 426,222</u>	<u>\$ 199,110</u>	<u>\$ 491,795</u>	<u>\$ 240,661</u>	<u>\$ 24,022</u>	<u>\$ 264,683</u>
<b>General Revenues, Interest and Transfers</b>						
Taxes:						
Sales				96,243	-	96,243
Franchise				19,520	-	19,520
Beer				437	-	437
Licenses and permits				23,786		23,786
Interest earned				65	16	81
Other revenues				7,700	8,041	15,741
Transfers In / Out				-	-	-
				<u>147,751</u>	<u>8,057</u>	<u>155,808</u>
<b>Total General Revenues, Interest and Transfers</b>						
<b>Change in Net Position</b>				<u>388,412</u>	<u>32,079</u>	<u>420,491</u>
<b>Net Position, beginning</b>				<u>490,614</u>	<u>1,638,315</u>	<u>2,128,929</u>
<b>Net Position, ending</b>				<u>\$ 879,026</u>	<u>\$ 1,670,394</u>	<u>\$ 2,549,420</u>

The accompanying notes are an integral part of this statement

## **FUND FINANCIAL STATEMENTS**

VILLAGE OF NORWOOD, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023

	General	Streets and Sidewalks	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 132,359	-	\$ 132,359
Due from other funds	16,937	-	16,937
Restricted assets:			
Cash and cash equivalents	115,042	18,390	133,432
<b>TOTAL ASSETS</b>	<b>264,338</b>	<b>18,390</b>	<b>282,728</b>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Due to other government agencies	1,655		1,655
Accounts payable	20	1,355	1,375
Due to other funds	-	16,231	16,231
Payroll related withholdings / payable	2,945		2,945
<b>Total Liabilities</b>	<b>4,620</b>	<b>17,586</b>	<b>22,206</b>
 <b>Fund Balances:</b>			
Restricted for street maintenance/construction		52,626	52,626
Assigned	115,042		115,042
Unassigned	144,676	(51,822)	92,854
<b>Total Fund Balances</b>	<b>259,718</b>	<b>804</b>	<b>260,522</b>
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>	 <b>\$ 264,338</b>	 <b>\$ 18,390</b>	 <b>\$ 282,728</b>

The accompanying notes are an integral part of this statement

VILLAGE OF NORWOOD, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION  
JUNE 30, 2023

Total Fund Balances - Total Governmental Funds \$ 260,522

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

618,504

Net Position - Governmental Activities

\$ 879,026

The accompanying notes are an integral part of this statement

VILLAGE OF NORWOOD, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
JUNE 30, 2023

	<u>General</u>	<u>Streets and Sidewalks</u>	<u>Total Governmental Funds</u>
<b><u>REVENUES</u></b>			
Intergovernmental revenues	\$ -	\$ 3,300	\$ 3,300
Taxes:			
Sales	39,114	57,129	96,243
Franchise	19,520		19,520
Beer	437		437
Licenses and permits	23,786		23,786
Fines	82,784		82,784
Grants proceeds/donations	361,372	-	361,372
Interest earned	56	9	65
Other revenues	4,635	3,065	7,700
<b>Total Revenues</b>	531,704	63,503	595,207
 <b><u>EXPENDITURES</u></b>			
General government	62,091	-	62,091
Public safety:			
Fire	52,043		52,043
Police	4,921		4,921
Capital Outlay	307,703	-	307,703
Public works		50,669	50,669
<b>Total Expenditures</b>	426,758	50,669	477,427
 Excess of Expenditures over Revenues	 104,946	 12,834	 117,780
 <b><u>OTHER FINANCING SOURCES</u></b>			
None	-		-
<b>Total Other Financing Sources</b>	-	-	-
 <b>Change in Fund Balances</b>	 104,946	 12,834	 117,780
 <b>Fund Balances, beginning</b>	 154,772	 (12,030)	 142,742
 <b>Fund Balances, ending</b>	 \$ 259,718	 \$ 804	 \$ 260,522

The accompanying notes are an integral part of this statement

VILLAGE OF NORWOOD, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 117,780

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.

270,632

Change in Net Position - Governmental Activities

\$ 388,412

The accompanying notes are an integral part of this statement

VILLAGE OF NORWOOD, LOUISIANA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2023

	Business - Type Activities Enterprise Funds		
ASSETS	Water	Sewer	Total
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 12,527	\$ 9,549	\$ 22,076
Receivables, net	7,040	2,759	9,799
Grants receivable	48,508		48,508
<b>Total Current Assets</b>	<b>68,075</b>	<b>12,308</b>	<b>80,383</b>
<b>Restricted Assets:</b>			
Cash and cash equivalents	16,355	7,546	23,901
<b>Capital Assets:</b>			
Furniture and equipment	695		695
Water well/distribution system	2,047,613		2,047,613
Sewer treatment plant		1,364,531	1,364,531
Less: accumulated depreciation	(694,685)	(1,124,875)	(1,819,560)
<b>Capital Assets, net</b>	<b>1,353,623</b>	<b>239,656</b>	<b>1,593,279</b>
<b>Total Assets</b>	<b>1,438,053</b>	<b>259,510</b>	<b>1,697,563</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	1,288	-	1,288
Due to other funds	5,882	3,347	9,229
<b>Total Current Liabilities</b>	<b>7,170</b>	<b>3,347</b>	<b>10,517</b>
<b>Long-Term Liabilities</b>			
Payable from restricted assets:			-
Customer deposits	16,652		16,652
<b>Total Long-Term Liabilities</b>	<b>16,652</b>	<b>-</b>	<b>16,652</b>
<b>Total Liabilities</b>	<b>\$ 23,822</b>	<b>\$ 3,347</b>	<b>\$ 27,169</b>

The accompanying notes are an integral part of this statement

VILLAGE OF NORWOOD, LOUISIANA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2023

CONTINUED

NET POSITION

Net investment in capital assets	\$ 1,353,623	\$ 239,656	\$ 1,593,279
Restricted for:			
Customer deposits	16,652		16,652
Debt retirement and contingency		7,546	7,546
Unrestricted	43,956	8,961	52,917
Total Net Position	<u>\$ 1,414,231</u>	<u>\$ 256,163</u>	<u>\$ 1,670,394</u>

The accompanying notes are an integral part of this statement

VILLAGE OF NORWOOD, LOUISIANA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2023

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Total
<b>OPERATING REVENUES</b>			
Charges for services	\$ 76,318	\$ 36,708	\$ 113,026
Grant revenue	130,423	-	130,423
<b>Total Operating Revenue</b>	<b>206,741</b>	<b>36,708</b>	<b>243,449</b>
<b>OPERATING EXPENSES</b>			
Administrative	1,750		1,750
Depreciation	46,969	34,060	81,029
Employee and related expenses	18,325	1,800	20,125
Occupancy	21,013	12,398	33,411
Personal services	72,220	10,891	83,111
<b>Total Operating Expenses</b>	<b>160,277</b>	<b>59,149</b>	<b>219,426</b>
<b>Operating Surplus (deficit)</b>	<b>46,464</b>	<b>(22,441)</b>	<b>24,023</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest earned	12	4	16
Other revenue / (cost)	6,528	1,512	8,040
<b>Total Non-Operating Revenues (Expenses)</b>	<b>6,540</b>	<b>1,516</b>	<b>8,056</b>
Income before transfers	53,004	(20,925)	32,079
Transfers in (out)	-		-
Change in Net Position	53,004	(20,925)	32,079
Net Position, beginning	1,361,227	277,088	1,638,315
<b>Net Position, ending</b>	<b>\$ 1,414,231</b>	<b>\$ 256,163</b>	<b>\$ 1,670,394</b>

The accompanying notes are an integral part of this statement

VILLAGE OF NORWOOD, LOUISIANA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2023

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers/grantors	\$ 199,151	\$ 36,764	\$ 235,915
Cash paid to suppliers for goods/services	(59,402)	(21,937)	(81,339)
Cash paid to employees for services	(18,325)	(1,800)	(20,125)
Net Cash Provided/(Used) by Operating Activities	<u>121,424</u>	<u>13,027</u>	<u>134,451</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
None			
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Due to or from other funds	1	(2)	(1)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>1</u>	<u>(2)</u>	<u>(1)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	(130,188)	-	(130,188)
Other revenues	6,528	1,512	8,040
Interest received from savings/certificates of deposit	12	4	16
Net Cash Provided/(used) by Investing Activities	<u>(123,648)</u>	<u>1,516</u>	<u>(122,132)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(2,223)	14,541	12,318
Cash and Cash Equivalents, beginning of year	<u>31,105</u>	<u>2,554</u>	<u>33,659</u>
Cash and Cash Equivalents, end of year	<u><u>28,882</u></u>	<u><u>17,095</u></u>	<u><u>45,977</u></u>
<u>Cash Presentation on Statement of Net Assets:</u>			
Current Assets: Cash and cash equivalents	12,527	9,549	22,076
Restricted Assets: Cash and cash equivalents	<u>16,355</u>	<u>7,546</u>	<u>23,901</u>
Cash and Cash Equivalents, end of year	<u><u>\$ 28,882</u></u>	<u><u>\$ 17,095</u></u>	<u><u>\$ 45,977</u></u>

The accompanying notes are an integral part of this statement

VILLAGE OF NORWOOD, LOUISIANA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2023

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Total
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating income/(loss)	\$ 46,464	\$ (22,441)	\$ 24,023
Adjustments to Reconcile Operating Loss to Net Cash Provided/(Used) by Operating Activities:			
Depreciation	46,969	34,060	81,029
(Increase) decrease in assets:			
Accounts receivable	(7,590)	56	(7,534)
Other receivables	35,265		35,265
Increase (decrease) in liabilities:			
Accounts payable	(5,991)	(1,792)	(7,783)
Other liabilities	6,307	3,144	9,451
Net Cash Provided/(Used) by Operating Activities	\$ 121,424	\$ 13,027	\$ 134,451

The accompanying notes are an integral part of this statement

## **NOTES TO FINANCIAL STATEMENTS**

VILLAGE OF NORWOOD, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

## 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 189 water and 97 sewer customers, and employs 11 persons.

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

#### Eliminating Internal Activity

Interfund receivables and payables are eliminated in the statement of net position except for the net residual amounts due between governmental and business-type activities. These are presented as

VILLAGE OF NORWOOD, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

internal balances. The allocation of overhead expenses from one function to another or within the 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

VILLAGE OF NORWOOD, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds of the Village include:

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

VILLAGE OF NORWOOD, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

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.

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

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

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

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

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

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

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

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

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

VILLAGE OF NORWOOD, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**Compensated Absences:** The Village does not provide compensated absences.

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

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

**Net Investment in Capital Assets**

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

**Restricted Net Position**

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

**Unrestricted Net Position**

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

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

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

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

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

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

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

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

VILLAGE OF NORWOOD, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**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.

**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, 2023.

A summary of cash and cash equivalents (book balances) at June 30, 2023, of which \$157,333 is restricted, is as follows:

	Governmental Activities	Business- type Activities
Petty Cash	100	0
Demand deposits	142,918	0
Interest-bearing demand deposits	51,626	15,563
Savings accounts	71,147	30,414
Total	265,791	45,977

**NOTE 3 -CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2023, 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

VILLAGE OF NORWOOD, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

Buildings and Improvements	319,350	235,000	554,350
Equipment	318,126	7,771	325,897
Vehicles	184,848		184,848
Furniture and Fixtures	19,091		19,091
Infrastructure	127,201	64,932	192,133
Total Capital Assets, being depreciated	968,616	307,703	1,276,319
Capital Assets, total	978,616	307,703	1,286,319

Business-type Activities

Capital Assets, being depreciated			
Furniture and Equipment	695		695
Sewer System	1,364,531		1,364,531
Water System	1,917,426	130,188	2,047,614
Capital Assets, total	3,282,652	130,188	3,412,840

Accumulated depreciation totaled \$2,487,376 for all funds for a net capital assets balance of \$2,211,783 for the year ended June 30, 2023.

NOTE 4 -ACCOUNTS AND OTHER PAYABLES

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

	General Fund	Special Revenue Fund	Enterprise Funds	Total
Accounts payable	20	1,355	1,288	2,663
Due to other agencies	1,655			1,655
Payroll / withholdings	2,945			2,945
Customer deposits			16,652	16,652
Due to other funds		16,231	9,229	25,460
Deferred grant revenue				
Total	4,620	17,586	27,169	49,375

NOTE 5 - LONG-TERM OBLIGATIONS

The Village has no long-term obligations.

NOTE 6 -RESTRICTED NET POSITION

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

Governmental	Business - Type
--------------	--------------------

VILLAGE OF NORWOOD, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

	Activities	Activities
Restricted for:		
Customer deposits		\$16,652
Debt retirement		7,546
Assigned grant funds	107,051	
Street maintenance / construction	52,626	
Total Restricted	\$159,677	\$24,198

NOTE 7 - LEASES

No capital or financing leases existed at June 30, 2023.

NOTE 8 - RETIREMENT SYSTEM

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

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS

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

NOTE 10 - PROPRIETARY FUND SEGMENT INFORMATION

The Village maintains one enterprise fund which provides water and sewer services. Segment information for the year ended June 30, 2023, is as follows:

**Condensed Statement of Net Position**

Current Assets		\$ 80,383
Restricted assets		23,901
Capital Assets, net		1,593,279
Total Assets		1,649,055
Current liabilities		10,517
Long-term liabilities		16,652
Total Liabilities		27,169
Investment in capital assets		1,593,279
Restricted		24,198
Unrestricted		52,198
Total Net Position		\$1,670,394

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

Operating Revenues:		
Charges for services & grants		\$243,449
Operating expenses		138,397
Depreciation		81,029

VILLAGE OF NORWOOD, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

Total Operating Expenses	219,426
Operating Surplus	24,023
Non-operating revenue (expenses)	8,056
Change in Net Position	\$32,079

**Condensed Statement of Cash Flows**

Net cash provided by (used for):	
Operating activities	134,451
Non-capital financing activities	0
Capital and related financing activities	(1)
Investing activities	(122,132)
Net increase/(decrease) in cash and cash equivalents	12,318
Cash and cash equivalents, beginning of year	33,659
Cash and cash equivalents end of year	45,977

NOTE 11 -RELATED PARTY TRANSACTIONS

There were no related party transactions that require disclosure.

NOTE 12 - LITIGATION

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

NOTE 13 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 26, 2024, the date on which the financial statements were available to be issued. There were no subsequent events that required disclosure.

**REQUIRED SUPPLEMENTAL INFORMATION**

**PART 2 OF 2**

VILLAGE OF NORWOOD, LOUISIANA  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Franchise	\$ 18,200	\$ 20,100	\$ 19,520	\$ (580)
Sales tax	0	0	39,114	39,114
Beer	750	500	437	(63)
Licenses and permits	17,600	26,150	23,786	(2,364)
Fines	50,000	78,000	82,784	4,784
Grants proceeds/donations/gains	60,000	282,800	361,372	78,572
Interest earned	34	27	56	29
Other revenues	1,100	4,310	4,635	325
<b>Total Revenues</b>	147,684	411,887	531,704	119,817
<b>EXPENDITURES</b>				
General Government:				
Dues and subscriptions	400	200	200	0
Insurance	400	350	374	(24)
Mileage	400	650	906	(256)
Miscellaneous expense	500	3,500	9,350	(5,850)
Office expense	4,500	5,200	6,647	(1,447)
Postage	250	400	426	(26)
Professional fees	3,000	11,000	11,690	(690)
Public notices	1,000	300	924	(624)
Repairs / maintenance	1,000	300	381	(81)
Salaries and payroll taxes	26,500	29,100	29,462	(362)
Capital outlay	50,000	300,000	307,703	(7,703)
Telephone	1,500	1,500	1,730	(230)
<b>Total General Government</b>	89,450	352,500	369,793	(17,293)
Public Safety:				
Fire:				
Gas & Oil	0	0	0	0
Miscellaneous expense	0	100	878	(778)
Repairs / maintenance	0	50	47	3
Telephone	0	2,500	2,686	(186)
Training	0	0	0	0
Grant Expense	10,000	7,700	0	7,700
Utilities	600	1,300	1,310	(10)
<b>Total Fire</b>	\$ 10,600	\$ 11,650	\$ 4,921	\$ 6,729

See Independent Auditor's Report

VILLAGE OF NORWOOD, LOUISIANA  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2023

CONTINUED

Police:				
Sheriff / dispatch fees	\$ 1,320	\$ 1,320	\$ 1,320	\$ -
Dues and Subscriptions	100	100	0	100
Gas and oil	2,000	4,300	4,200	100
Insurance	11,000	10,000	7,666	2,334
Miscellaneous expense	100	100	50	50
Office expense	800	2,300	2,258	42
Repairs / maintenance	2,000	2,000	1,620	380
Salaries and payroll taxes	27,000	30,000	30,578	(578)
Supply Purchase	3,000	3,000	3,057	(57)
Telephone	0	0	0	0
Christmas fund	0	0	0	0
Training	200	200	278	(78)
Utilities	700	1,000	1,017	(17)
Total Police	<u>48,220</u>	<u>54,320</u>	<u>52,044</u>	<u>2,276</u>
Total Public Safety	<u>58,820</u>	<u>65,970</u>	<u>56,965</u>	<u>9,005</u>
Public works	0	0	0	0
Total Expenditures	<u>148,270</u>	<u>418,470</u>	<u>426,758</u>	<u>(8,288)</u>
Change in Fund Balances	<u>(586)</u>	<u>(6,583)</u>	<u>104,946</u>	<u>0</u>
Fund Balances, beginning	<u>305,285</u>	<u>(31,627)</u>	<u>154,772</u>	<u>0</u>
Fund Balances, ending	<u>\$ 304,699</u>	<u>\$ (38,210)</u>	<u>\$ 259,718</u>	<u>\$ -</u>

See Independent Auditor's Report

VILLAGE OF NORWOOD, LOUISIANA  
 BUDGETARY COMPARISON SCHEDULE  
 STREETS AND SIDEWALKS FUND  
 YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental				-
LA DOTD maintenance fees	\$ 3,300	\$ 3,300	\$ 3,300	\$ -
Taxes				-
Sales	50,000	58,000	57,129	(871)
Interest earned	10	10	9	(1)
Grant Income	-	-	-	-
Other revenues	-	-	3,065	3,065
<b>Total Revenues</b>	<b>53,310</b>	<b>61,310</b>	<b>63,503</b>	<b>2,193</b>
<b>EXPENDITURES</b>				
Public Works	-	-	-	-
Gas and oil	3,500	3,500	4,983	(1,483)
Insurance	1,800	1,700	1,982	(282)
Repair / maintenance	10,000	10,600	10,666	(66)
Utilities	9,500	11,000	11,010	(10)
Salaries and payroll taxes	24,700	21,500	21,251	249
Miscellaneous Expense	600	600	777	(177)
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>50,100</b>	<b>48,900</b>	<b>50,669</b>	<b>(1,769)</b>
 Change in Fund Balances	 3,210	 12,410	 12,834	 -
 Fund Balance, beginning	 23,493	 (28,879)	 (12,030)	 -
<b>Fund Balance, ending</b>	<b>\$ 26,703</b>	<b>\$ (16,469)</b>	<b>\$ 804</b>	<b>\$ -</b>

See Independent Auditor's Report

## **SUPPLEMENTAL INFORMATION**

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

	First Six Month Period Ended <u>12/31/2022</u>	Second Six Month Period Ended <u>6/30/2023</u>
Cash Basis Presentation		
Beginning Balance of Amounts Collected	<u>\$ 57,774</u>	<u>\$ 38,346</u>
Add Collections		
Criminal Court Costs/Fees	960	1,170
Criminal Fines - Contempt	2,400	3,900
Criminal Fines - Other	33,006	49,718
Service / Collection Fees	2,567	3,373
Interest Earnings on Collected Balances		
Other	<u>25</u>	<u>113</u>
Total Collections	<u>38,958</u>	<u>58,274</u>
Less: Disbursements to Governments & Nonprofits		
Louisiana Commission on Law Enforcement - LETF/CVRF	404	678
Treasurer, State of Louisiana - CMIS	183	264
East Feliciana Parish Juvenile Justice - JDC	915	1,305
Louisiana Supreme Court - LJCC	92	130
Norwood Fire Department - FDU	438	658
LDH-THSCI Trust Fund - DHH	645	840
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	7	11
Amounts Self-Disbursed Criminal Fines - Other	55,093	54,363
Less: Disbursements to Individuals or Processing Agency		
Payments to 3rd Party Collection / Processing Agency	<u>609</u>	<u>1,433</u>
Total Disbursements / Retainage	<u>58,386</u>	<u>59,682</u>
Ending Balance of Amounts Collected	<u><u>\$ 38,346</u></u>	<u><u>\$ 36,938</u></u>
Other Information:		
Ending Balance of Amounts Assessed but not yet Collected	-	-
Total Waivers During the Fiscal Period	\$ 2,201	\$ 2,729

See independent auditor's report

VILLAGE OF NORWOOD, LOUISIANA  
 SCHEDULE OF COMPENSATION PAID TO GOVERNING MEMBERS  
 YEAR ENDED JUNE 30, 2023

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

Mayor:

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

Alderspersons:

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

Tyler J. Glascock		900
3227 Oak St.		
Norwood, LA 70761		

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

Total		<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black;">\$</td> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">5,700</td> </tr> </table>	\$	5,700
\$	5,700			

VILLAGE OF NORWOOD, LOUISIANA  
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS  
 TO AGENCY HEAD  
 YEAR ENDED JUNE 30, 2023

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

See Accompanying Independent Auditor's Report

VILLAGE OF NORWOOD, LOUISIANA  
 SCHEDULE OF INSURANCE IN FORCE  
 JUNE 30, 2023

Policy No.	Expiration	Carrier	Coverage	Amount
T200148	1/1/2025	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	3/19/2024	Arch Insurance Company	Business Property Limit Deductible Coinsurance	\$ 118,916 \$ 500 GRC
10002650001280	1/1/2025	La. Municipal Risk Management Agency	Law Enforcement Officer Personal injury / property Bodily injury / property Deductible	\$ 500,000 \$ 500,000 \$ 1,000
5CB8346	10/9/2024	Lloyds of London	Auto Physical Damage Deductible each loss	\$ 500

See independent auditor's report

# MC DUFFIE K. HERROD, LTD.

(A Professional Accounting Corporation)

**McDUFFIE K. HERROD**  
CERTIFIED PUBLIC ACCOUNTANT

Member:

American Institute of CPAs  
Society of Louisiana CPAs

POST OFFICE BOX 8436  
12410 WOODVILLE ST.  
CLINTON, LA 70722  
Telephone (225) 683-3888  
Facsimile (225) 683-6733  
Email [mkherrod@bellsouth.net](mailto:mkherrod@bellsouth.net)

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business type activities, and the major fund of the Village of Norwood, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village of Norwood's basic financial statements, and have issued our report thereon dated February 26, 2024.

### Internal Control over Financial Reporting

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

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

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

### Compliance and Other Matters

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

financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2023-001.

### **Village of Norwood's Response**

The Village of Norwood's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Village of Norwood's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we do not express an opinion on it.

### **Purpose of This Report**

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



McDuffie K. Herrod, Ltd.  
A Professional Accounting Corporation  
February 26, 2024

VILLAGE OF NORWOOD, LOUISIANA  
SCHEDULE OF FINDINGS & COMMUNICATIONS  
FOR THE YEAR ENDED JUNE 30, 2023

A. SUMMARY OF AUDIT RESULTS:

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

B. PRIOR YEAR FINDINGS - FINANCIAL STATEMENT AUDIT

None

C. PRIOR YEAR FINDINGS – INTERNAL CONTROL OVER FINANCIAL REPORTING

None

D. CURRENT YEAR FINDINGS – FINANCIAL STATEMENTS AUDIT

2023-001 Compliance with Audit Law

Criteria: Louisiana Revised Statute 24:513 requires that an annual financial report or other type report be submitted to the Legislative Auditor within six months of the close of the fiscal/calendar year.

Condition: This deadline was not met for the year ended June 30, 2023, although an extension of time for the reporting deadline was applied for.

Cause: The financial statements could not be completed timely due to the engagement being elevated from a review engagement to an audit engagement with SAUP's.

Effect: The Village is not in compliance with applicable laws.

Recommendations: We recommend that management be cognizant of this deadline in the future and make every effort to comply.

Response by Management: We will continue to make every effort to comply with this law.

E. CURRENT YEAR FINDINGS – INTERNAL CONTROL OVER FINANCIAL REPORTING

None

F. MANAGEMENT LETTER ITEMS - A management letter was not issued.

Communications

Results of audit findings were discussed with the Mayor and Town Clerk on February 26, 2024.

## **AGREED-UPON PROCEDURES**

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. The Village of Norwood's management is responsible for those C/C areas identified in the SAUPs.

The Village of Norwood has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### **1) Written Policies and Procedures**

---

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.  
*The Entity's policies and procedures were reviewed with no exceptions noted.*
  - ii. **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the

Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

*We reviewed the policies and procedures with no exceptions noted.*

- iii. **Disbursements**, including processing, reviewing, and approving.

*The Entity's policies and procedures were reviewed with no exceptions noted.*

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

*The policies and procedures were reviewed with no exceptions noted.*

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

*No exceptions were noted.*

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

*There were no exceptions noted for this item.*

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

*The policies and procedures were reviewed with no noted exceptions.*

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

*No exceptions were noted.*

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

*No exceptions noted for this procedure.*

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

*The entity's policies and procedures do address this, although the entity does not currently have any outside debt.*

- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes.

*The policies and procedures were reviewed with no exceptions noted.*

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

*The policies and procedures were reviewed with no noted exceptions.*

## **2) Board or Finance Committee**

---

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
  - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.  
*No exceptions noted.*
  - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*  
*No exceptions noted.*
  - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.  
*No exceptions noted.*
  - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

*No exceptions were noted.*

### **3) Bank Reconciliations**

---

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

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

*No exceptions were noted.*

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

*No exceptions were noted.*

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

*No exceptions were noted.*

### **4) Collections (excluding electronic funds transfers)**

---

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

*Management provided a list of collection locations along with representation that the list was complete. The Entity only has one location.*

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

i. Employees responsible for cash collections do not share cash drawers/registers;

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

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;  
*No exceptions noted.*
  - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and  
*No exceptions noted.*
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.  
*No exceptions noted.*
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.  
*All employees that have access to cash are bonded.*
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.  
*No exceptions noted.*
  - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.  
*No exceptions noted.*
  - iii. Trace the deposit slip total to the actual deposit per the bank statement.  
*No exceptions noted.*
  - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).  
*No exceptions noted.*
  - v. Trace the actual deposit per the bank statement to the general ledger.  
*No exceptions noted.*

**5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)**

---

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

*Management provided us with the requested information and indicated it was complete.*

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

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

*No exceptions noted.*

- ii. At least two employees are involved in processing and approving payments to vendors;

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

*No exceptions noted.*

*[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]*

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

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation

indicates that deliverables included on the invoice were received by the entity, and

*No exceptions were noted for this procedure.*

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

*No exceptions were noted.*

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

*No exceptions were noted.*

#### **6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)**

---

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

*We obtained the list from management & management represented the list was complete.*

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

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

*No exceptions noted.*

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

*No exceptions noted to this procedure.*

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

*This procedure noted no exceptions.*

#### **7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

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

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

*Not applicable.*

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

*Not applicable*

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

*Not applicable.*

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

*Not applicable.*

## **8) Contracts**

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- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;  
*No exceptions noted.*
  - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);  
*No exceptions noted.*
  - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and  
*No exceptions noted.*
  - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.  
*No exceptions noted.*

## **9) Payroll and Personnel**

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- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.  
*A complete listing was obtained from management along with the assertion that the list was complete.*
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);  
*No exceptions noted*
  - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

*No exceptions were noted.*

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

*No exceptions noted.*

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

## **10) Ethics**

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

- a. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

*All selected employees complete the required training.*

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

*No exceptions were noted.*

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

*No exceptions were noted.*

### **11) Debt Service**

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- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

*Not applicable, no new debt for the period.*

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

*Not applicable*

### **12) Fraud Notice**

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- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

*According to management, there have been no instances of misappropriation of public funds or assets.*

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

*No exceptions were noted.*

### **13) Information Technology Disaster Recovery/Business Continuity**

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

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

*No office employees were terminated during the period.*

#### **14) Prevention of Sexual Harassment**

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26. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

*All employees selected completed the required training.*

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

*Not applicable.*

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

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

*No exceptions noted.*

- ii. Number of sexual harassment complaints received by the agency;

*No complaints were received according to management.*

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

*No complaints were received according to management.*

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

*Not applicable. None received.*

- v. Amount of time it took to resolve each complaint.

*Not applicable. None received.*

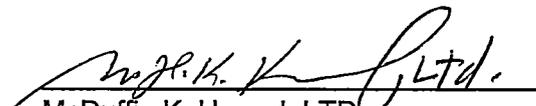
**Management's Response**

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

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

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

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

  
McDuffie K. Herrod, LTD.

Clinton, Louisiana

February 26, 2024