

VILLAGE OF FENTON, LOUISIANA

ANNUAL FINANCIAL REPORT

June 30, 2022

VILLAGE OF FENTON, LOUISIANA

For the Year Ended June 30, 2022
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INDEPENDENT AUDITORS' REPORT

To the Honorable Eddie Alfred, Jr. Mayor
and the Village Council
Village of Fenton, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Fenton, Louisiana, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Village of Fenton, Louisiana'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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Fenton, Louisiana, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Fenton, Louisiana, 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Fenton, Louisiana'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.

Auditors' 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 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, 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'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 Fenton, Louisiana'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 Fenton, Louisiana's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to the Mayor, the Schedule of Compensation Paid to the Members of the Board of Aldermen, and the Justice System Funding Schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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. The 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, the Schedule of Compensation, Benefits, and Other Payments to the Mayor, the Schedule of Compensation Paid to the Members of the Board of Aldermen, and the Justice System Funding Schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2023, on our consideration of Village of Fenton, Louisiana'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Village of Fenton, Louisiana's internal control over financial reporting and compliance.

Bruno & Tervalon, LLP

Lake Charles, Louisiana
January 24, 2023

REQUIRED SUPPLEMENTARY INFORMATION (PART I)

VILLAGE OF FENTON, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2022

The Management's Discussion and Analysis (MD&A) for the Village of Fenton is designed to:

1. Assist the reader in focusing on significant financial issues.
2. Provide an overview of the Village's financial activities.
3. Identify changes in the Village's overall financial position and results of operations and assist the user in determining whether financial position has improved or deteriorated as a result of the year's operations.
4. Identify any significant variations from the original, amended, and final budget amounts and include any currently known reasons for those variations that are expected to have a significant effect on future services or liquidity; and
5. Identify individual fund issues or concerns.

As management of the Village of Fenton, we offer readers of the Financial Statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended June 30, 2022. The Village began this new reporting model required by the Governmental Accounting Standards Board (GASB) Statement Number 34 for the fiscal year ended June 30, 2004.

The information contained within this MD&A should be considered only as part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and other Required Supplemental Information (RSI) that is provided in addition to this MD&A.

Overview of the Financial Statements

The MD&A requires supplementary information that introduces the reader to the basic financial statements and provides an overview of the Village's financial activities. The Village's basic financial statements consist of the following components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

Other required supplementary information, including the required budgetary comparison schedule(s) are presented immediately following the notes to the financial statements. A general description of the components of the basic financial statements follows below, with a more detailed analysis of the government-wide statements included in a later section entitled "Government-wide Financial Analysis".

1. Government-wide Financial Statements

The Government-wide Financial Statements are designed by GASB Statement No.34 to present the financial operations of the Village as a whole in a format similar to private sector companies. All governmental and business-type activities are consolidated into columns which add to a total for the Primary Government.

VILLAGE OF FENTON, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended June 30, 2022

The focus is on the government-wide (entity-wide) "Statement of Net Position" and "Statement of Activities" to give the reader a broad overview of the Village's financial position and results of operations.

- a. The Statement of Net Position presents information on the Village's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or weakening.
- b. The Statement of Activities presents information showing how the government'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 the related cash flows. The format for the Statement of Activities presents the expenses for each function (general government, public safety, public works and streets) reduced by the Program Revenues (charges for services, operating grants and contributions, and capital grants and contributions) directly related to each respective function, to determine net costs of each function. The net costs of each function are normally covered by general revenues.

2. Fund Financial Statements

The 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Village of Fenton uses two categories of funds to account for financial transactions: governmental funds, and proprietary funds.

Governmental funds are used to account for most of the basic services and projects reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. The Village of Fenton's governmental funds include the following:

- a. General Fund used for accounting for the Village's basic services.
- b. Special Revenue Fund – Sales Tax Fund is used for accounting for the receipts and disbursements of the sales tax monies.
- c. Capital Projects Fund used for accounting for financial transactions under a Louisiana Community Development Block Grant.

VILLAGE OF FENTON, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended June 30, 2022

The Proprietary Fund accounts for water and sewer services for the Village of Fenton. Enterprise funds are used to account for the same functions as business-type activities presented in the government-wide financial statements, but the fund presentation provides more detail.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statement's insight on the long-term impact of the Village's more immediate decisions on the current use of financial resources. Whereas the total column on the Enterprise Fund Financial Statements is the same as the Business-Type column of the Government-wide Financial Statements, the governmental funds columns of the Fund Financial Statements require and include a reconciliation following the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances

3. Notes to the Financial Statements

The Notes to the Financial Statements provide information essential to a full understanding of the government-wide and fund financial statements. When reviewing this MD&A, the reader should also refer to and review the Notes to the Basic Financial Statements, as well as the Government-Wide and Fund Financial Statements.

4. Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain other required supplemental information concerning the Village's budget presentations. Budgetary comparison statements are included as "Required Supplementary Information (Part II)" for the general fund. These schedules demonstrate compliance with the Village's adopted and final revised budget.

Government-wide Financial Analysis

As noted earlier, net position may, over time, serve as a useful indicator of a government's financial condition. At the close of the most recent fiscal year, the Village's assets exceeded its liabilities by \$3,546,219 (net position); this represents a decrease of \$121,714 from the last fiscal year.

The Village's net positions are comprised of \$2,607,017 from governmental activities and \$939,202 from business-type activities.

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VILLAGE OF FENTON, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended June 30, 2022

The following is a condensed statement of the Village's net position as of June 30, 2022:

<u>Activities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Percentage</u>
Assets				
Current assets	\$ 2,033,991	\$ 448,854	\$ 2,482,845	60%
Capital assets	<u>941,401</u>	<u>722,147</u>	<u>1,663,548</u>	<u>40%</u>
Total Assets	2,975,392	1,171,001	4,146,393	100%
Liabilities				
Current liabilities	352,861	231,799	584,660	97%
Noncurrent Liabilities	<u>15,514</u>	<u>-</u>	<u>15,514</u>	<u>3%</u>
Total Liabilities	368,375	231,799	600,174	100%
Net Position				
Net investment in capital assets	941,401	722,147	1,663,548	47%
Unrestricted	<u>1,665,616</u>	<u>217,055</u>	<u>1,882,671</u>	<u>53%</u>
Total Net Position	<u>\$ 2,607,017</u>	<u>\$ 939,202</u>	<u>\$ 3,546,219</u>	<u>100%</u>

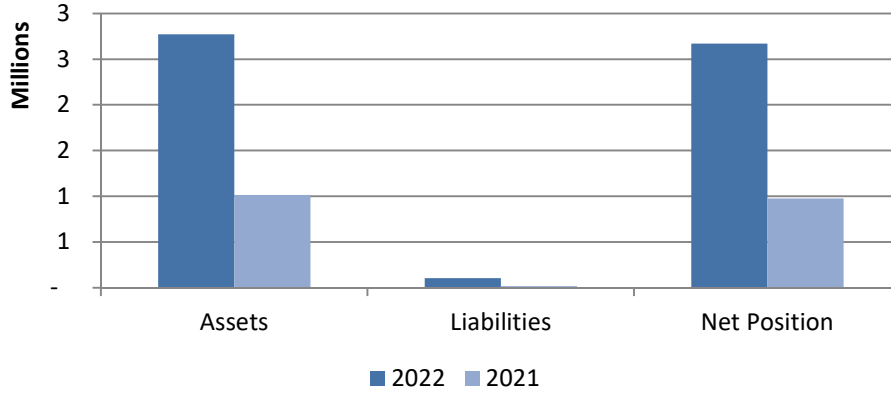
The Village's net position at June 30, 2021, was \$3,667,933. The following is a condensed statement of the Village's net position as of June 30, 2021:

<u>Activities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Percentage</u>
Assets				
Current assets	\$ 1,733,111	\$ 246,160	\$ 1,979,271	52%
Capital assets	<u>1,038,889</u>	<u>769,295</u>	<u>1,808,184</u>	<u>48%</u>
Total Assets	2,772,000	1,015,455	3,787,455	100%
Liabilities				
Current liabilities	84,341	7,853	92,194	77%
Noncurrent Liabilities	<u>18,270</u>	<u>9,058</u>	<u>27,328</u>	<u>23%</u>
Total Liabilities	102,611	16,911	119,522	100%
Net Position				
Net investment in capital assets	1,038,889	769,295	1,808,184	49%
Unrestricted	<u>1,630,500</u>	<u>229,249</u>	<u>1,859,749</u>	<u>51%</u>
Total Net Position	<u>\$ 2,669,389</u>	<u>\$ 998,544</u>	<u>\$ 3,667,933</u>	<u>100%</u>

VILLAGE OF FENTON, LOUISIANA

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2022

**Comparison of Net Position Fiscal
Years 2022 & 2021**



The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The Village’s current ratio as of June 30, 2022 is 5.76 to 1 for governmental activities and 1.94 to 1 for business-type activities. The current ratio as of June 30, 2021 is 20.55 to 1 for governmental activities and 31.35 to 1 for business-type activities. The Village’s overall current ratio is 4.25 to 1 as of June 30, 2022, and 21.47 to 1 as of June 30, 2021. These ratios indicate a good current financial position.

The Village reported positive balances in net position for both governmental and business-type activities for the years ended June 30, 2022 and 2021. Net position decreased in governmental activities by \$62,372 and decreased in business-type activities by \$59,342.

The largest category of net position is “Net Investment in Capital Assets” and comprises 50% of net position. This category reflects the total invested in capital assets (land, buildings, equipment, infrastructure, utility system improvements, etc.). These capital assets are used to provide services to citizens and do not represent resources available for future spending.

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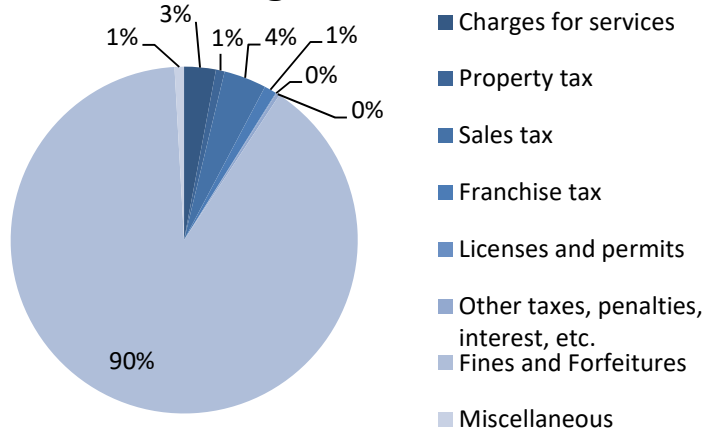
VILLAGE OF FENTON, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2022

The following is a condensed statement of the Village's activities for the year ended June 30, 2022:

<u>Revenues:</u>	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>	<u>Percentage</u>
Program:	Activities	Activities		
Charges for services	\$ 800	\$ 43,751	\$ 44,551	3%
General:				
Property tax	12,580	-	12,580	1%
Sales tax	60,055	-	60,055	4%
Franchise tax	17,549	-	17,549	1%
Licenses and permits	975	-	975	0%
Other taxes, penalties, interest, etc.	5,031	-	5,031	0%
Fines and Forfeitures	1,366,325	-	1,366,325	90%
Miscellaneous	13,584	-	13,584	1%
Total Revenues	<u>1,476,899</u>	<u>43,751</u>	<u>1,520,650</u>	<u>100%</u>
<u>Program Expenses:</u>				
General government	1,163,909	-	1,163,909	71%
Public safety	375,362	-	375,362	23%
Water and Sewer	-	103,093	103,093	6%
Total Program Expenses	<u>1,539,271</u>	<u>103,093</u>	<u>1,642,364</u>	<u>100%</u>
Excess (Deficiency)	(62,372)	(59,342)	(121,714)	
Transfers In (Out)	-	-	-	
Change in Net Position	(62,372)	(59,342)	(121,714)	
Beginning Net Position	2,669,389	998,544	3,667,933	
Ending Net Position	<u>\$ 2,607,017</u>	<u>\$ 939,202</u>	<u>\$ 3,546,219</u>	

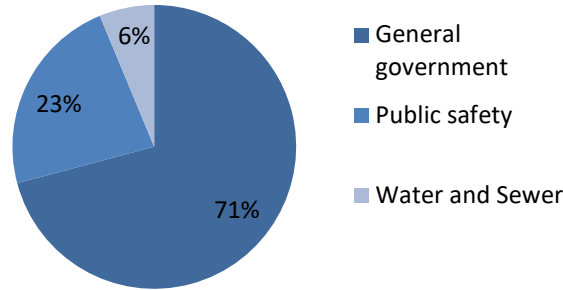
2022 Program Revenues



VILLAGE OF FENTON, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2022

2022 Program Expenses



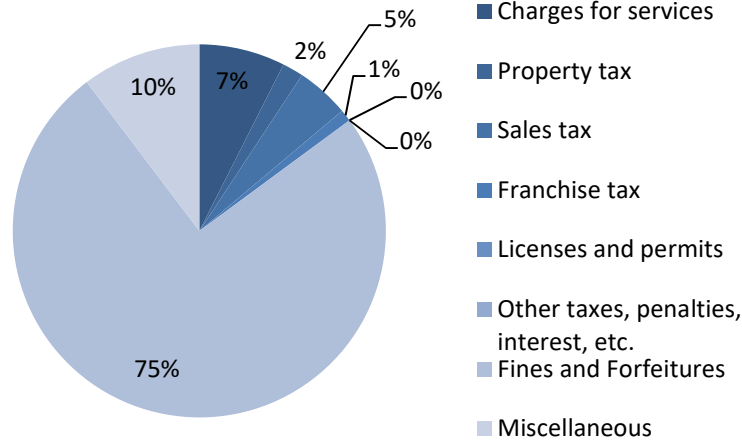
The following is a condensed statement of the Village's activities for the year ended June 30, 2021:

	Governmental Activities	Business-type Activities	Total	Percentage
<u>Revenues:</u>				
Program:				
Charges for services	\$ 1,500	\$ 83,189	\$ 84,689	7%
General:				
Property tax	20,634	-	20,634	2%
Sales tax	52,013	-	52,013	5%
Franchise tax	11,365	-	11,365	1%
Licenses and permits	535	-	535	0%
Other taxes, penalties, interest, etc.	125	-	125	0%
Fines and Forfeitures	848,320	-	848,320	75%
Investment earnings	399	-	399	0%
Miscellaneous	116,984	-	116,984	10%
Total Revenues	<u>1,051,875</u>	<u>83,189</u>	<u>1,135,064</u>	<u>100%</u>
<u>Program Expenses:</u>				
General government	812,766	-	812,766	61%
Public safety	277,598	-	277,598	21%
Water and Sewer	-	241,002	241,002	18%
Total Program Expenses	<u>1,090,364</u>	<u>241,002</u>	<u>1,331,366</u>	<u>100%</u>
Excess (Deficiency)	(38,489)	(157,813)	(196,302)	
Transfers In (Out)	<u>(133,684)</u>	<u>133,684</u>	-	
Change in Net Position	(172,173)	(24,129)	(196,302)	
Beginning Net Position	<u>2,841,562</u>	<u>1,022,673</u>	<u>3,864,235</u>	
Ending Net Position	<u>\$ 2,669,389</u>	<u>\$ 998,544</u>	<u>\$ 3,667,933</u>	

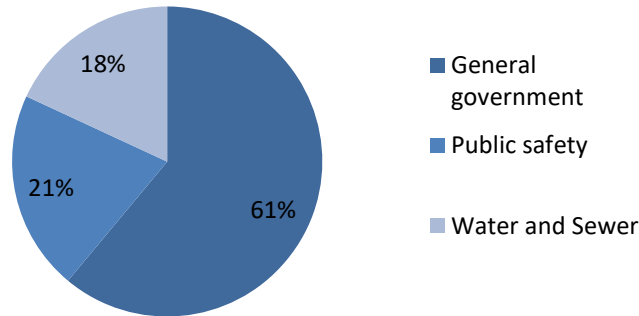
VILLAGE OF FENTON, LOUISIANA

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2022

2021 Program Revenue



2021 Program Expense



The Condensed Statement of Activities presents revenues, expenses, and changes in net position separately for governmental activities and business-type activities. The condensed format allows for presentation of Program Revenues (Charges for Services, Operating Grants and Contributions, and Capital Grants and Contributions) followed by a listing of General Revenues to support the Village’s overall governmental or business-type activities. Expenses are presented on a functional basis.

As noted above, there are two categories of revenues on the Statement of Activities – “Program Revenues” and “General Revenues”. “Program Revenues” derive directly from the program itself or from parties outside the Village’s taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government’s “General Revenues”. “Program Revenues” are further divided into Charges for Services, Operating Grants and Contributions, and Capital Grants and Contributions. The major revenues in governmental activities for the Village’s sub-category are \$1,366,325 from Fines and Forfeiture for the fiscal year ended June 30, 2022, and \$848,320 from police and court fines for the fiscal year ended June 30, 2021. Revenues in the Capital Grants and Contributions sub-category consists of \$0 for the fiscal years ended June 30, 2022 and 2021, respectively. "Revenues" include all revenues not

VILLAGE OF FENTON, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended June 30, 2022

required to be reported as "Program Revenues". All taxes are to be reported by type. The major tax revenues for the Village of Fenton are franchise tax revenues of \$17,549, sales tax revenues of \$60,055, and property taxes of \$12,580, for the year ended June 30, 2022. The major tax revenues for the year ended June 30, 2021, are franchise tax revenues of \$11,365, sales tax revenues of \$52,013, and property taxes of \$20,634. Other "General Revenues" reported for the year ended June 30, 2022 includes \$975 in license and permits, \$5,031 in other taxes, penalties, interest, \$0 in investment earnings, and \$13,584 in miscellaneous revenues.

"Program Expenses" for the governmental funds are presented in the above Condensed Statement of Activities by function and total \$1,539,271 and \$1,051,875 for the fiscal years ended June 30, 2022 and 2021, respectively.

Business-Type Activities provided by the Village of Fenton consists of water and sewer utilities. All revenues are in the category of "Program Revenues", with the exceptions of interest income and miscellaneous income reported as "General Revenue". "Program Revenues" in the Charges for Services sub-category consists of billings of \$43,751 for water and sewer for the year ended June 30, 2022, and \$83,189 for the fiscal year ended June 30, 2021.

The Village reports the total amount of expenses for operation of the utility system as \$103,093 and \$241,002 for the years ended June 30, 2022 and 2021, respectively. The "Change in Net Position" (revenues less expenses) for the utility system was \$(59,342) and \$(24,129) for the fiscal years ended June 30, 2022 and 2021, respectively.

Capital Assets

The Village's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2022 was \$941,401 and \$722,147 respectively, and \$1,038,889 and \$771,570 respectively, as of June 30, 2021. For the year ended June 30, 2022, net investment for governmental type activities decreased by approximately 9% while net investment for business-type activities decreased by 3%.

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VILLAGE OF FENTON, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended June 30, 2022

The following tables provide a summary of capital asset activities for 2022:

	Balance 7/1/2021	Increases	Decreases	Balance 6/30/2022
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 45,065	\$ -	\$ -	\$ 45,065
Other capital assets:				
Buildings	1,650,101	-	-	1,650,101
Machinery	716,437	300	-	716,737
Furniture	35,948	-	-	35,948
Totals	<u>2,402,486</u>	<u>300</u>	<u>-</u>	<u>2,402,786</u>
Less accumulated depreciation:				
Buildings	(756,549)	(70,509)	-	(827,058)
Machinery	(618,833)	(26,985)	-	(645,818)
Furniture	(33,280)	(294)	-	(33,574)
Total accumulated depreciation	<u>(1,408,662)</u>	<u>(97,788)</u>	<u>-</u>	<u>(1,506,450)</u>
Governmental activities:				
Capital assets, net	<u>\$ 1,038,889</u>	<u>\$ (97,488)</u>	<u>\$ -</u>	<u>\$ 941,401</u>
	Balance 7/1/2021	Increases	Decreases	Balance 6/30/2022
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 14,790	\$ -	\$ -	\$ 14,790
Other capital assets:				
Buildings	1,589,035	-	-	1,589,035
Furniture	249	-	-	249
Transportation	28,630	-	-	28,630
Totals	<u>1,617,914</u>	<u>-</u>	<u>-</u>	<u>1,617,914</u>
Less accumulated depreciation:				
Buildings	(787,382)	(2,588)	-	(789,970)
Furniture	(28,630)	(1,563)	-	(30,193)
Transportation	(47,397)	(42,997)	-	(90,394)
Total accumulated depreciation	<u>(863,409)</u>	<u>(47,148)</u>	<u>-</u>	<u>(910,557)</u>
Business activities:				
Capital assets, net	<u>\$ 769,295</u>	<u>\$ (47,148)</u>	<u>\$ -</u>	<u>\$ 722,147</u>

VILLAGE OF FENTON, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended June 30, 2022

The following tables provide a summary of capital asset activity for 2021:

	Balance 7/1/2020	Increases	Decreases	Balance 6/30/2021
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 35,065	\$ 10,000	\$ -	\$ 45,065
Other capital assets:				
Buildings	1,589,407	60,694	-	1,650,101
Machinery	709,564	6,873	-	716,437
Furniture	<u>33,011</u>	<u>2,937</u>	<u>-</u>	<u>35,948</u>
Totals	<u>2,331,982</u>	<u>70,504</u>	<u>-</u>	<u>2,402,486</u>
Less accumulated depreciation:				
Buildings	(687,208)	(69,342)	-	(756,550)
Machinery	(583,832)	(35,000)	-	(618,832)
Furniture	<u>(33,011)</u>	<u>(269)</u>	<u>-</u>	<u>(33,280)</u>
Total accumulated depreciation	<u>(1,304,051)</u>	<u>(104,611)</u>	<u>-</u>	<u>(1,408,662)</u>
Governmental activities:				
Capital assets, net	<u>\$ 1,062,996</u>	<u>\$ (34,107)</u>	<u>\$ -</u>	<u>\$ 1,038,889</u>
	Balance 7/1/2020	Increases	Decreases	Balance 6/30/2021
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 14,790	\$ -	\$ -	\$ 14,790
Other capital assets:				
Buildings	1,586,760	-	-	1,586,760
Furniture	2,524	-	-	2,524
Transportation	<u>28,630</u>	<u>-</u>	<u>-</u>	<u>28,630</u>
Totals	<u>1,617,914</u>	<u>-</u>	<u>-</u>	<u>1,617,914</u>
Less accumulated depreciation:				
Buildings	(787,382)	(47,148)	-	(834,530)
Furniture	(249)	-	-	(249)
Transportation	<u>(28,630)</u>	<u>-</u>	<u>-</u>	<u>(28,630)</u>
Total accumulated depreciation	<u>(816,261)</u>	<u>(47,148)</u>	<u>-</u>	<u>(863,409)</u>
Business activities:				
Capital assets, net	<u>\$ 816,443</u>	<u>\$ (47,148)</u>	<u>\$ -</u>	<u>\$ 769,295</u>

VILLAGE OF FENTON, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended June 30, 2022

Required Supplementary Information

In addition to this MD&A and the basic financial statements, this report also presents certain Required Supplementary Information. This Required Supplementary Information for the Village of Fenton includes the Budgetary Comparison Schedule for the general fund, and enterprise fund. The presentation under the GASB 34 standard requires disclosure of both the original and the final budget. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized.

Contacting the Village's Financial Management

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. If you have questions about this report or would like to request additional information, contact the Village's clerk at Village of Fenton, Louisiana.

Mayor, Village of Fenton, Louisiana
(337) 756-2321

BASIC FINANCIAL STATEMENTS

VILLAGE OF FENTON, LOUISIANA

STATEMENT OF NET POSITION

Year Ended June 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,784,177	\$ 402,851	\$ 2,187,028
Intergovernmental receivable	3,205	-	3,205
Accounts receivable, net	-	36,449	36,449
Prepaid items	29,272	1,306	30,578
Due from other funds	217,337	1,142	218,479
Total current assets	<u>2,033,991</u>	<u>441,748</u>	<u>2,257,260</u>
Noncurrent assets:			
Restricted cash	-	7,106	7,106
Land	45,065	14,790	59,855
Buildings and improvements, net	823,043	-	823,043
Machinery, equipment, and vehicles, net	73,293	-	73,293
Sewer and water system, net	-	707,357	707,357
Total noncurrent assets	<u>941,401</u>	<u>729,253</u>	<u>1,670,654</u>
Total assets	<u>\$ 2,975,392</u>	<u>\$ 1,171,001</u>	<u>\$ 4,146,393</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 21,258	\$ 8,981	\$ 30,239
Accrued liabilities	248,511	35	248,546
Customer deposits	-	5,446	5,446
Due to general funds	1,142	217,337	218,479
Other liabilities	81,950	-	81,950
Total current liabilities	<u>352,861</u>	<u>231,799</u>	<u>584,660</u>
Noncurrent liabilities:			
Compensated absences payable	15,514	-	15,514
Total noncurrent liabilities	<u>15,514</u>	<u>-</u>	<u>15,514</u>
Total liabilities	368,375	231,799	600,174
NET POSITION			
Net investment in capital assets	941,401	722,147	1,663,548
Unrestricted	<u>1,665,616</u>	<u>217,055</u>	<u>1,882,671</u>
Total net position	<u>2,607,017</u>	<u>939,202</u>	<u>3,546,219</u>
Total liabilities and net position	<u>\$ 2,975,392</u>	<u>\$ 1,171,001</u>	<u>\$ 4,146,393</u>

The accompanying notes are an integral part of these financial statements.

VILLAGE OF FENTON, LOUISIANA

STATEMENT OF NET POSITION
Year Ended June 30, 2022

	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
Functions/Programs							
Governmental activities:							
General government	\$ 1,163,909	\$ 800	\$ -	\$ -	\$ (1,163,109)	\$ -	\$ (1,163,109)
Public safety	375,362	-	-	-	(375,362)	-	(375,362)
Total governmental activities	1,539,271	800	-	-	(1,538,471)	-	(1,538,471)
Business-type activities:							
Water and sewer	103,093	43,751	-	-	-	(59,342)	(59,342)
Total business-type activities	103,093	43,751	-	-	-	(59,342)	(59,342)
Total primary government	\$ 1,642,364	\$ 44,551	\$ -	\$ -	(1,538,471)	(59,342)	(1,597,813)
General revenues:							
Taxes:							
Property taxes					12,580	-	12,580
Sales taxes					60,055	-	60,055
Franchise taxes					17,549	-	17,549
Other taxes, penalties, interest, etc.					5,031	-	5,031
Licenses and permits					975	-	975
Fines and forfeitures					1,366,325	-	1,366,325
Miscellaneous					13,584	-	13,584
Total general revenues and transfers					1,476,099	-	1,476,099
Change in net position					(62,372)	(59,342)	(121,714)
Net position - beginning					2,669,389	998,544	3,667,933
Net position - ending					\$ 2,607,017	\$ 939,202	\$ 3,546,219

The accompanying notes are an integral part of these financial statements.

VILLAGE OF FENTON, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
Year Ended June 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 1,742,111	\$ 14,750	\$ 27,316	\$ 1,784,177
Receivables:				
Accounts receivable	-	-	-	-
Intergovernmental receivable	3,205	-	-	3,205
Prepaid items	29,272	-	-	29,272
Due from other funds	217,337	-	-	217,337
Total assets	<u>\$ 1,991,925</u>	<u>\$ 14,750</u>	<u>\$ 27,316</u>	<u>\$ 2,033,991</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 21,172	\$ 86	\$ -	\$ 21,258
Accrued liabilities	248,511	-	-	248,511
Due to other funds	1,142	-	-	1,142
Other liabilities	81,950	-	-	81,950
Total liabilities	352,775	86	-	352,861
FUND BALANCES				
Unassigned	1,639,150	14,664	27,316	1,681,130
Total fund balances	<u>1,639,150</u>	<u>14,664</u>	<u>27,316</u>	<u>1,681,130</u>
Total liabilities and fund balances	<u>\$ 1,991,925</u>	<u>\$ 14,750</u>	<u>\$ 27,316</u>	<u>\$ 2,033,991</u>

The accompanying notes are an integral part of these financial statements.

VILLAGE OF FENTON, LOUISIANA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
Year Ended June 30, 2022

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds		\$ 1,681,130
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Land	45,065	
Buildings and improvements, net of accumulated depreciation of \$827,058	823,043	
Machinery, equipment, and vehicles, net of accumulated depreciation \$679,392	<u>73,293</u>	941,401

Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period and, therefore, are not reported in governmental funds.

Compensated absences payable		<u>(15,514)</u>
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Net position of governmental activities		<u><u>\$ 2,607,017</u></u>
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The accompanying notes are an integral part of these financial statements.

VILLAGE OF FENTON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Capital Project Fund	Total Governmental Funds
REVENUES				
Taxes:				
Ad valorem	\$ 12,580	\$ -	\$ -	\$ 12,580
Sales and use	60,055	-	-	60,055
Franchise taxes	17,549	-	-	17,549
Other taxes	5,031	-	-	5,031
Licenses and permits	975	-	-	975
Charges for services	800	-	-	800
Fines and forfeitures	1,366,325	-	-	1,366,325
Miscellaneous	13,584	-	-	13,584
Total revenues	1,476,899	-	-	1,476,899
EXPENDITURES				
General government	989,144	-	-	989,144
Public safety	375,362	-	-	375,362
Capital outlay:				
General government	80,033	-	-	80,033
Public safety	-	-	-	-
Total expenditures	1,444,539	-	-	1,444,539
Excess (deficiency) of revenues over (under) expenditures	32,360	-	-	32,360
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	32,360	-	-	32,360
Fund balances - beginning	1,606,790	14,664	27,316	1,648,770
Fund balances - ending	\$ 1,639,150	\$ 14,664	\$ 27,316	\$ 1,681,130

The accompanying notes are an integral part of these financial statements.

VILLAGE OF FENTON, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds		\$ 32,360
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.	80,033 <u>(97,788)</u>	(17,755)
The liability and expense for compensated absences are not reported in governmental funds. Instead, payments for compensated absences are reported as salaries when they occur. Only the payment consumes current financial resources and it would take a current liability catastrophic event for this liability to become a current liability		<u>(76,977)</u>
Change in net position of governmental activities		<u>\$ (62,372)</u>

The accompanying notes are an integral part of these financial statements.

VILLAGE OF FENTON, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2022

	<u>Enterprise Fund Sewer and Water System</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 402,851
Accounts receivable, net	36,449
Prepaid insurance	1,306
Due from other funds	<u>1,142</u>
Total current assets	<u>441,748</u>
Noncurrent Assets:	
Restricted cash	7,106
Land	14,790
Sewer and water system, net of accumulated depreciation of \$910,557	<u>707,357</u>
Total noncurrent assets	<u>729,253</u>
Total assets	<u>\$ 1,171,001</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	\$ 8,981
Accrued liabilities	35
Customer deposits	5,446
Due to general funds	<u>217,337</u>
Total current liabilities	<u>231,799</u>
Noncurrent Liabilities:	
Compensated absences payable	<u>-</u>
Total noncurrent liabilities	<u>-</u>
Total liabilities	<u>231,799</u>
NET POSITION	
Net investment in capital assets	722,147
Unrestricted	<u>217,055</u>
Total net position	<u>939,202</u>
Total liabilities and net position	<u>\$ 1,171,001</u>

The accompanying notes are an integral part of these financial statements.

VILLAGE OF FENTON, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2022

	<u>Enterprise Fund Sewer and Water System</u>
Operating Revenues	
Charges for services	\$ 43,751
Total operating revenues	<u>43,751</u>
Operating Expenses	
Personnel services	17,876
Materials and supplies	12,215
Contractual services	25,854
Depreciation	<u>47,148</u>
Total operating expenses	<u>103,093</u>
Operating income (loss)	<u>(59,342)</u>
Income (loss) after transfers	<u>(59,342)</u>
Change in net position	(59,342)
Net position - beginning	<u>998,544</u>
Net position - ending	<u>\$ 939,202</u>

The accompanying notes are an integral part of these financial statements.

VILLAGE OF FENTON, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2022

	<u>Enterprise Fund Sewer and Water System</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 25,436
Payments from other funds	(1,142)
Other operating receipts	(1,306)
Payments to employees	(26,934)
Payments to other funds	110,272
Other operating payments	<u>(78,608)</u>
Net cash provided by (used in) operating activities	<u>27,718</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Due to other funds	<u>-</u>
Net cash provided by (used in) noncapital financing activities	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Other capital payments	<u>47,148</u>
Net cash provided by (used in) capital and related financing activities	<u>47,148</u>
Net increase (decrease) In cash and cash equivalents	74,866
CASH AND CASH EQUIVALENTS INCLUDING RESTRICTED CASH	
Beginning of the year	<u>335,091</u>
End of the year	<u>\$ 409,957</u>
Reconciliation of operating income (loss) to cash provided by (used in) operating activities	
Operating loss	\$ (59,342)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities	
Depreciation	47,148
Decrease (increase) in operating assets:	
Accounts receivable, net	(18,315)
Due from other funds	(1,142)
Increase (decrease) in operating liabilities:	
Accounts payable	8,981
Accrued liabilities	(542)
Due to other funds	<u>110,272</u>
Total adjustments	<u>87,060</u>
Net cash provided by (used in) operating activities	<u>\$ 27,718</u>

The accompanying notes are an integral part of these financial statements.

VILLAGE OF FENTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies

Financial Reporting Entity

As the municipal governing authority, for reporting purposes, the Village of Fenton, Louisiana is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete, and (d) organizations that are closely related to, or financially integrated with the primary government.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Village of Fenton, Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The basic criteria are as follows:

1. Appointing a voting majority of an organization's governing body, and
 - The ability of the Village to impose its will on that organization, and/or
 - The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Village.
2. Organizations for which the Village does not appoint a voting majority but are fiscally dependent on the Village.
3. Organizations for which the reporting entity financial statements could be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based upon the application of these criteria, there are no component units included in the Village's reporting entity.

Basis of Presentation

The accompanying financial statements of the Village of Fenton ("Village") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

VILLAGE OF FENTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2022

Government-wide Financial Statements

The government-wide financial statements (GWFS i.e., the statement of net position and the statement of activities) display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Village and for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Balance and Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- *Net investment in capital assets* - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted assets* - consists of assets with constraints placed on their use either by (1) external groups such as creditors, grantor, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions of enabling legislation.
- *Unrestricted assets* - all other assets that do not meet the definition of "restricted" or "net investment in capital assets".

Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Town are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

VILLAGE OF FENTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2022

- Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type and
- Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Governmental Funds

The government reports the following major governmental funds:

- General Fund - This fund is the general operating fund of the village. It is used to account for all financial resources except those required to be accounted for in another fund.
- Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (include sales tax funds, other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.
- Capital Projects Funds - These funds are used to account for the financial resources used for the acquisition or construction of major capital facilities.

Proprietary Fund

The government report the following enterprise funds:

- Enterprise Fund - This fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs 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.

The Sewer and Water System fund account for the activities of the Authority. The Authority operates the water distribution and sewer system for residents of the government.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

VILLAGE OF FENTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2022

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due with the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when the liability is incurred, or economic asset used. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues for the Village's proprietary fund consist of charges to customers and users of its water services. Operating expenses for the Village's proprietary fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year end.

Prior to the beginning of each fiscal year, the Mayor submits a budget to the Village Alderman. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The Village Alderman holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated or the revenue estimates must be changes by an affirmative vote of a majority of the government's council.

VILLAGE OF FENTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year Ended June 30, 2022

Expenditures may not legally exceed budgeted appropriations at the activity level.

Cash and Cash Equivalents, and Investments

The governments' cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. 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 and national banks having their principal offices in Louisiana.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The 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 that is mutually acceptable to both parties.

Restricted Cash

Restricted cash on the Statement of Net Position represents the funds held for customer deposits. The balance of restricted cash at June 30, 2022 was \$7,106.

Statement of Cash Flows

For the purpose of the Statement of Cash Flows, for the enterprise fund, the Village considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet.

Accounts Receivable and Bad Debts

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Uncollectible amounts due for receivables are recognized as bad debts directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. In governmental fund types, the uncollectible amount is charged directly to the revenue reported. On the other hand, in proprietary fund types, uncollectible amounts due from utility billings are recognized as bad debts through the use of an allowance account or are directly charged off at the time information becomes available which indicates that the particular receivable is not collectible.

Uncollectible amounts due for ad valorem taxes and other receivables of governmental funds are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible.

There appears to be concentration of credit risk with regard to general accounts receivable and more specifically accounts receivable for water and sewer user fees in the Enterprise Fund. The Village's

VILLAGE OF FENTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year Ended June 30, 2022

ability to collect the amounts due from the users of the Village water and sewer system and others (as reflected on the financial statements) may be affected by significant economic fluctuations, natural disaster, or other calamity in this one concentrated geographic location.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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 the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are report in the applicable governmental business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets’ estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Building and improvements	10-50 years
Furniture and equipment	3 -10 years
Transportation equipment	5-7 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of governmental funds upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. The amount reported for general fund compensated absences is \$15,514. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. The amount reported for proprietary fund compensated absences is \$0. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, *Accounting for Compensated*

VILLAGE OF FENTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2022

Absences, no liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as “terminal leave” prior to retirement. At June 30, 2022 the Village’s total liability for compensated absences was \$15,514.

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financial sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

Fund Balance and Equity Classifications

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds.

- *Non-spendable Fund Balance* - Classification includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact. The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.
- *Restricted Fund Balance* - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance* - These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Town alderman - the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Town aldermen remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

VILLAGE OF FENTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2022

- *Assigned Fund Balance* - This classification reflects the amounts constrained by the Village's "intent" to be used for specific purposes but are neither restricted nor committed. The Village's aldermen and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted nor committed.
- *Unassigned Fund Balance* - This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use externally restricted resources first, then unrestricted resources - committed, assigned and unassigned - in order as needed.

Sales Taxes

Proceeds of 2% sales and use tax levied by the Village of Fenton, Louisiana are dedicated for the maintenance and overlay of streets and capital outlay.

Revenues, Expenditures, and Expenses

Program Revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Village's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Village's general revenues.

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January and February of the fiscal year. Sales taxes are considered as "measurable" when in the hands of sales tax collector and are recognized as revenue at that time. Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

The Village's primary expenditures include salaries and insurance, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Village.

VILLAGE OF FENTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year Ended June 30, 2022

Note 2 – Cash and Cash Equivalents

At June 30, 2022, the Village had \$2,194,134 in deposits (book balances), of which \$250,000 is secured from risk by federal deposit insurance, and the balance of \$1,944,134 is secured by pledged securities held by the custodial bank in the name of the fiscal agent bank. There are no funds exposed to custodial credit risk.

Note 3 – Property Taxes

Taxes were levied on property as follows:

	Millage	Assessed Valuations
General Ad Valorem Tax	8.00	\$1,284,282

Property tax millage rates are adopted in July of the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year; and become delinquent after December 31st. Property taxes not paid by February 28th are subject to property lien.

Note 4 – Receivables

Receivables at June 30, 2022 consisted of the following:

	General Fund	Enterprise Fund	Total
Customer accounts	\$ -	\$ 40,540	\$ 40,540
Franchise taxes receivable	2,104	-	2,104
Intergovernmental receivables	3,205	-	3,205
Police chief receivable	-	-	-
Other receivables	-	-	-
Less: Allowance for bad debts	(2,104)	(4,091)	(6,195)
Total	\$ 3,205	\$ 36,449	\$ 39,654

Note 5 – Prepaid Items

Prepaid items for the year ended June 30, 2022 was as follows:

	Governmental Activities	Business-type Activities	Totals
Prepaid Insurance	\$ 29,272	\$ 1,306	\$ 30,578
Total	\$ 29,272	\$ 1,306	\$ 30,578

VILLAGE OF FENTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year Ended June 30, 2022

Note 6 – Capital Assets

A summary of changes in capital assets for the year ended June 30, 2022 follows:

	Balance 7/1/2021	Increases	Decreases	Balance 6/30/2022
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 45,065	\$ -	\$ -	\$ 45,065
Other capital assets:				
Buildings	1,650,101	-	-	1,650,101
Machinery	716,437	300	-	716,737
Furniture	35,948	-	-	35,948
Totals	<u>2,402,486</u>	<u>300</u>	<u>-</u>	<u>2,402,786</u>
Less accumulated depreciation:				
Buildings	(756,549)	(70,509)	-	(827,058)
Machinery	(618,833)	(26,985)	-	(645,818)
Furniture	(33,280)	(294)	-	(33,574)
Total accumulated depreciation	<u>(1,408,662)</u>	<u>(97,788)</u>	<u>-</u>	<u>(1,506,450)</u>
Governmental activities:				
Capital assets, net	<u>\$ 1,038,889</u>	<u>\$ (97,488)</u>	<u>\$ -</u>	<u>\$ 941,401</u>
	Balance	Increases	Decreases	Balance
	7/1/2021			6/30/2022
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 14,790	\$ -	\$ -	\$ 14,790
Other capital assets:				
Buildings	1,589,035	-	-	1,589,035
Furniture	249	-	-	249
Transportation	28,630	-	-	28,630
Totals	<u>1,617,914</u>	<u>-</u>	<u>-</u>	<u>1,617,914</u>
Less accumulated depreciation:				
Buildings	(834,530)	(45,571)	-	(880,101)
Furniture	(249)	(14)	-	(263)
Transportation	(28,630)	(1,563)	-	(30,193)
Total accumulated depreciation	<u>(863,409)</u>	<u>(47,148)</u>	<u>-</u>	<u>(910,557)</u>
Governmental activities:				
Capital assets, net	<u>\$ 769,295</u>	<u>\$ (47,148)</u>	<u>\$ -</u>	<u>\$ 722,147</u>

VILLAGE OF FENTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year Ended June 30, 2022

Depreciation expense was charged to governmental activities as follow:

Depreciation expense	\$ 97,788
Total	\$ 97,788

Note 7 – Accrued liabilities

The accrued liabilities of \$248,546 at June 30, 2022 were as follows:

	Governmental Activities	Business-type Activities	Totals
Accrued payroll and related liabilities	\$ 106,287	\$ -	\$ 106,287
Insurance payable	142,109	-	142,109
Sales tax payable	-	35	35
Other accrued liabilities	115	-	115
Total	\$ 248,511	\$ 35	\$ 248,546

Note 8 – Due to/ from Other Funds

The composition of due to/from other funds for the year ended June 30, 2022 is as follows:

	Interfund	
	Receivable	Payable
Governmental Funds:		
General fund	217,337	1,142
Proprietary Funds:		
Enterprise fund	1,142	217,337
Total primary government	\$ 218,479	\$ 218,479

VILLAGE OF FENTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year Ended June 30, 2022

Note 9 – Interfund Transfers

The composition of interfund transfers for the year ended June 30, 2022 is as follows:

	Transfers In	Transfers Out
Governmental Funds:		
General fund	-	-
Proprietary Funds:		
Enterprise fund	-	-
Total	\$ -	\$ -

Note 10 – Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Note 11 – Commitments and Contingencies

The Village received funding under grants from various federal and state agencies. The agency grants specify the purpose for which the grant monies are to be used. These grants are subject to audit by the granting agency or its representative.

Note 12 – Schedule of Rates and Number of Customers

At June 30, 2022, the number of customers was as follows:

Residential	– 161
Commercial	– 1

The schedule of rates for the proprietary fund is as follows:

Sewer:

Residential:	
In-Town	\$12.50, first 2,000 gallons 2.00 per 1,000 gallons thereafter, up to 10,000 gallons
Out-of-Town	\$15.00, first 2,000 gallons 2.00 per 1,000 gallons thereafter, up to 10,000 gallons

VILLAGE OF FENTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year Ended June 30, 2022

Commercial:	\$15.00, first 2,000 gallons 2.00 per 1,000 gallons thereafter, up to 10,000 gallons 1.00 per 1,000 gallons after 10,000 gallons
Water:	
Residential:	
In-Town	\$12.50 first 2,000 gallons 5.00 per 1,000 gallons thereafter
Out-of-Town	\$15.00 first 2,000 gallons 5.50 per 1,000 gallons thereafter
Commercial:	
In-Town	\$18.00 first 2,000 gallons 6.00 per 1,000 gallons thereafter
Out-of-Town	\$20.00 first 2,000 gallons 6.00 per 1,000 gallons thereafter

Note 13 – Related Party Transactions

Procedures, observations, and inquiries did not disclose any material related party transactions for the fiscal year ended June 30, 2022.

Note 14 – Covid-19 Pandemic

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (“COVID-19”) as a global pandemic, which continues to spread throughout the United States. The COVID-19 pandemic has negatively impacted the global economy and created significant volatility and disruption of financial markets. The extent of impact of the COVID-19 pandemic on the Village’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact on its investments, customers, employees and vendors, all of which are uncertain and cannot be predicted or reasonably estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

VILLAGE OF FENTON, LOUISIANA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive/ (Negative)</u>
REVENUES				
Beer Tax	\$ 800	\$ 800	\$ 266	\$ (534)
Fines & Forfeits	725,000	725,000	1,336,325	611,325
Franchise Tax	24,000	24,000	17,549	(6,451)
INS. Premium Tax La-Mats	5,500	5,500	12,579	7,079
Grass Cutting	300	300	800	500
License & Permits	1,000	1,000	975	(25)
Miscellaneous	1,000	1,000	1,005	5
In Lieu of Taxes	6,800	6,800	5,031	(1,769)
Parish Sales Taxes	-	-	60,055	60,055
Property Tax	15,000	15,000	12,314	(2,686)
State Revenue Sharing	1,900	1,900	30,000	28,100
Interest Revenue	200	200	-	(200)
Festival Revenues	10,000	10,000	-	(10,000)
Animal Control	200	200	-	(200)
Capital Outlay	300,000	300,000	-	(300,000)
Total Revenues	<u>1,091,700</u>	<u>1,091,700</u>	<u>1,476,899</u>	<u>385,199</u>
 EXPENDITURES				
Current Function:				
General Government	524,425	524,425	1,069,177	(544,752)
Public Safety	<u>524,950</u>	<u>524,950</u>	<u>375,362</u>	<u>149,588</u>
Total Expenditures	<u>1,049,375</u>	<u>1,049,375</u>	<u>1,444,539</u>	<u>(395,164)</u>
Excess (deficiency) of revenues over expenditures	<u>42,325</u>	<u>42,325</u>	<u>32,360</u>	<u>9,965</u>
 Other Financing Sources (USES):				
Transfer In	-	-	-	-
Transfer Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance	<u>\$ 42,325</u>	<u>\$ 42,325</u>	32,360	<u>\$ (9,965)</u>
Fund Balances, Beginning			<u>1,606,790</u>	
Fund Balances, Ending			<u>\$ 1,639,150</u>	

SUPPLEMENTARY INFORMATION

VILLAGE OF FENTON, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO THE MAYOR
Year Ended June 30, 2022

Agency Head Name: Eddie Alfred, Jr., Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 42,000
Benefits - Insurance	-
Benefits - Retirement	-
Car Allowance	-
Per diem	-
Reimbursements	-
Travel	-
Registration Fees	-
Conference Travel	-
Total Compensation, Benefits, and Other Payments to Agency Head	\$ 42,000

VILLAGE OF FENTON, LOUISIANA

SCHEDULE OF COMPENSATION PAID TO THE MEMBERS OF THE BOARD OF ALDERMEN
Year Ended June 30, 2022

<u>Name:</u>	<u>Amount</u>
Jessie Boese Jr.	\$ 4,800
Manuel Alfred	4,800
Alisha Scott	<u>4,800</u>
Total Compensation Paid	<u>\$ 14,400</u>

VILLAGE OF FENTON, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
Year Ended June 30, 2022

Cash Basis Presentation	First Six Month Period Ended 12/31/2021	Second Six Month Period Ended 06/30/2022
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ -	\$ 485,046
Add: Collections		
Criminal Fines - Other	485,046	620,451
Subtotal Collections	<u>485,046</u>	<u>620,451</u>
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies	-	-
Restitution Payments to Individuals (additional detail is not required)	-	-
Subtotal Disbursements/Retainage	<u>-</u>	<u>-</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	<u>\$ 485,046</u>	<u>\$ 1,105,497</u>

Other Information:

Ending Balance of Total Amounts Assessed but not yet Collected (*i.e. receivable balance*)

Total Waivers During the Fiscal Period (*i.e. non-cash reduction of receivable balances, such as time served or
community service*)

VILLAGE OF FENTON, LOUISIANA

SCHEDULE OF INSURANCE IN FORCE

Year Ended June 30, 2022

(Without Audit)

Issuer	Type of Insurance	Property Covered and Location	Insurance	Expiration Date
LA Municipal Risk Management Agent	Automobile	Automobile	\$ 500,000	March 19, 2022
	Commercial general liability	Premises operations, general	500,000	March 19, 2022
		Products and completed operations	500,000	March 19, 2022
		Medical payments	10,000/per accident	March 19, 2022
		Fire legal liability	50,000/per occurrence	March 19, 2022
Workers compensation	Eligible employees	Statutory	September 24, 2021	
Rod Prejean & Associates, Inc.	Automobile	Automobile	6,656	December 4, 2021

INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS

INDEPENDENT AUDITORS' 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*

To the Honorable Eddie Alfred, Jr. Mayor
and the Village Council
Village of Fenton, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Fenton, Louisiana, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Village of Fenton, Louisiana's basic financial statements, and have issued our report thereon dated January 24, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Fenton, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Fenton, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Fenton, Louisiana'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 a 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 Fenton, Louisiana's financial statements are free from 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 as an item 2022-001.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon, LLP

Lake Charles, Louisiana

January 24, 2023

VILLAGE OF FENTON, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES

Year Ended June 30, 2022

I Summary of Auditors' Results

a. Financial Statements

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the Village of Fenton, Louisiana.
2. There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements and reported in the *Independent Auditors' 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*.
3. There is one instance of noncompliance that is reported in the *Independent Auditors' 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*.

b. Federal Awards

N/A

c. Management Letter

1. No management letter was issued in connection with the audit for the year ended June 30, 2022.

VILLAGE OF FENTON, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES

Year Ended June 30, 2022

II. Findings – Financial Statement Audit

2022-001 Late Submission of Audit Report to Legislative Auditor

Fiscal Year Finding Originated: 2022

Condition:

The Village's audit report for the fiscal year ending June 30, 2018 was not completed within the six month deadline as per R.S. 24:513 A(5)(a)(i).

Criteria:

LSA-R.S.24.513 states that, “all engagements must be completed and transmitted to the legislative auditor within six months of the close of the auditee fiscal year.” The Clerk of Court’s audit report should be submitted to the Louisiana Legislative Auditor by December 31st each year.

Cause:

The financial information was not complete at the due date.

Effect:

Management did not comply with requirements of R.S. 24:513 A(5)(a)(i).

Recommendation:

The audit report should be submitted to the Louisiana Legislative Auditor by the December 31st deadline.

Management’s Response:

Clerk will ensure timely delivery of all requested documents for auditor so audit report can be filed timely with LLA.

VILLAGE OF FENTON, LOUISIANA

SUMMARY OF THE PRIOR YEAR FINDINGS
Year Ended June 30, 2022

III. Summary of Prior Year Findings

There were no prior year findings.

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Eddie Alfred, Jr. Mayor
and the Village Council
New Orleans, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Village of Fenton and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021, through June 30, 2022. The Non-Profit's management is responsible for those C/C areas identified in the SAUPs. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

- 1) Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

- a. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

We performed the procedures above and noted no exceptions.

- b. ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

- e. **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

- k. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage 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 systems and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

Board or Finance Committee

- 2) Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- a. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

We performed the procedures above and noted no exceptions.

- b. For those entities reporting on the governmental accounting model, observe whether the minutes reference 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. Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes 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.

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

Bank Reconciliations

- 3) Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- a. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

Collections

- 4) Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5) For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are segregated at each collection location such that:

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

We performed the above procedures and noted no exceptions.

- 7) Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *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:

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

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

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

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

- 11) Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (card) 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 performed the procedure above and noted no exceptions.

- 12) Using the listing prepared by management randomly select 5 cards (or all cards if less than 5 that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a. Observe that 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) was reviewed and approved, in writing by someone other than the authorized card holder. (Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)

We performed the procedure above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

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

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

Contracts

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

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

We performed the procedures above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

- c. 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, was approval documented).

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

Payroll and Personnel

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

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

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

Ethics

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

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

We performed the procedures above and no exceptions noted.

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

We performed the procedures above and no exceptions noted.

Debt Service

- 21) Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

We performed the procedure above and noted no exceptions.

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

We performed the procedure above and noted no exceptions.

Fraud Notice

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

We performed the procedure above and noted no exceptions.

- 24) 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.

We performed the procedure above and noted no exceptions.

Information Technology Disaster Recovery/Business Continuity

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

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

We performed the procedures above and noted no exceptions.

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

We performed the above procedures and noted no exceptions.

- 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.

We performed the procedure above and noted no exceptions.

Sexual Harassment

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

None

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

None

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

None

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

None

We were engaged by Orleans Public Defender 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 Orleans Public Defender 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.

Bruno & Tervalon, LLP

Lake Charles, Louisiana

January 24, 2023