

**VILLAGE OF FENTON, LOUISIANA**

**ANNUAL FINANCIAL REPORT**

**June 30, 2023**

# VILLAGE OF FENTON, LOUISIANA

Year Ended June 30, 2023

## Table of Contents

	<u>Page(s)</u>
Independent Auditors' Report	1-4
<b>Required Supplementary Information I</b>	
Management's Discussion and Analysis	5-18
<b>Basic Financial Statements</b>	
Government-Wide Financial Statements	
Statement of Net Position	19
Statement of Activities	20
Fund Financial Statements	
Governmental Funds:	
Balance Sheet	21
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	22
Statement of Revenues, Expenditures, and Changes in Fund Balances	23
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	24
Proprietary Funds:	
Statement of Net Position	25
Statement of Revenues, Expenses, and Changes in Fund Net Position	26
Statement of Cash Flows	27
Notes to the Basic Financial Statements	28-42
<b>Required Supplementary Information II</b>	
Budgetary comparison Schedules:	
General Fund	43

# VILLAGE OF FENTON, LOUISIANA

Year Ended June 30, 2023

## Table of Contents

	<u>Page(s)</u>
<b>Supplementary Information</b>	
Schedule of Compensation, Benefits and Other Payments to the Agency Head	44
Justice System Funding Schedule	45
<b>Other information</b>	
Schedule of Compensation Paid to the Board of Aldermen	46
Schedule of Insurance in Force	47
<b>Internal Control, Compliance, and Other Matters</b>	
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	48-49
Summary of Auditor's Results	50
Schedule of Current Year Findings	51-57
Schedule of Prior Year Findings	58

## 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, each major fund, and the aggregate remaining fund information of the Village of Fenton, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village'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, each major fund, and the aggregate remaining fund information of the Village of Fenton, Louisiana, as of June 30, 2023, 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.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Town of Richwood, Louisiana'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 Town of '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 schedule, 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 Agency Head, 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 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 Agency Head, 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 schedule of compensation paid to the members of the board of aldermen and the schedule of insurance in force are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 December 22, 2023, on our consideration of the 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 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* and should in considering Village of Fenton, Louisiana's internal control over financial reporting and compliance.

*Bruno & Tervalon LLP*

Lake Charles, Louisiana

December 22, 2023

**REQUIRED SUPPLEMENTARY INFORMATION (PART I)**

# VILLAGE OF FENTON, LOUISIANA

## MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2023

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, 2023. 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".

# VILLAGE OF FENTON, LOUISIANA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED) Year Ended June 30, 2023

### 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.

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

## VILLAGE OF FENTON, LOUISIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED) Year Ended June 30, 2023

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.

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.

**VILLAGE OF FENTON, LOUISIANA**

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)  
Year Ended June 30, 2023

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 \$2,795,207 (net position); this represents a decrease of \$1,047,049 from the last fiscal year.

The Village's net positions are comprised of \$2,059,925 from governmental activities and \$735,282 from business-type activities.

The following is a condensed statement of the Village’s net position as of June 30, 2023.

<u>Activities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Percentage</u>
<b>Assets</b>				
Current assets	\$ 1,820,711	\$ (58,342)	\$ 1,762,369	54%
Capital assets	<u>869,164</u>	<u>660,208</u>	<u>1,529,372</u>	<u>46%</u>
Total Assets	2,689,875	601,866	3,291,741	100%
<b>Liabilities</b>				
Current liabilities	614,436	16,496	630,932	98%
Noncurrent Liabilities	<u>15,514</u>	<u>-</u>	<u>15,514</u>	<u>2%</u>
Total Liabilities	629,950	16,496	646,446	100%
<b>Net Position</b>				
Net investment in capital assets	869,164	674,998	1,544,162	55%
Unrestricted	<u>1,190,761</u>	<u>60,284</u>	<u>1,251,045</u>	<u>45%</u>
Total Net Position	<u>\$ 2,059,925</u>	<u>\$ 735,282</u>	<u>\$ 2,795,207</u>	<u>100%</u>

*(The remainder of this page is intentionally left blank)*

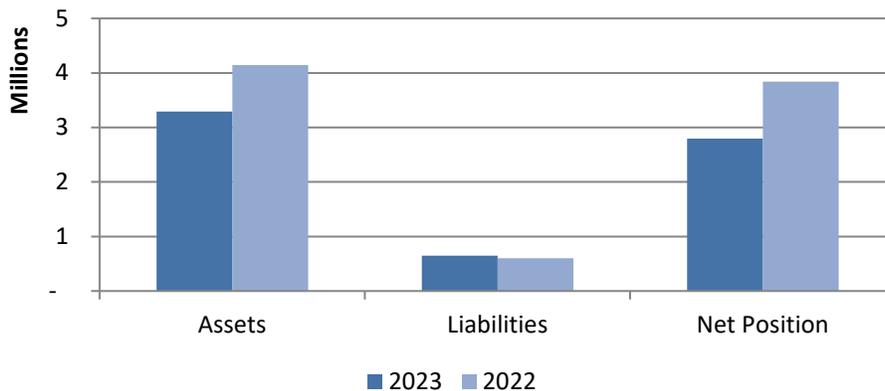
## VILLAGE OF FENTON, LOUISIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED) Year Ended June 30, 2023

The Village's net position at June 30, 2022, was \$3,842,256. 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>
<b>Assets</b>				
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%
<b>Liabilities</b>				
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%
<b>Net Position</b>				
Net investment in capital assets	941,401	722,147	1,663,548	43%
Unrestricted	<u>1,961,653</u>	<u>217,055</u>	<u>2,178,708</u>	<u>57%</u>
Total Net Position	<u>\$ 2,903,054</u>	<u>\$ 939,202</u>	<u>\$ 3,842,256</u>	<u>100%</u>

### Comparison of Net Position Fiscal Years 2023 & 2022



## VILLAGE OF FENTON, LOUISIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED) Year Ended June 30, 2023

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, 2023 is 2.96 to 1 for governmental activities and -3.54 to 1 for business-type activities. The current ratio as of June 30, 2022 is 2.79 to 1 for governmental activities and 1.94 to 1 for business-type activities. The Village's overall current ratio is 3.02 to 1 as of June 30, 2023, and 4.25 to 1 as of June 30, 2022. 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, 2023 and 2022. Net position decreased in governmental activities by \$843,129 and decreased in business-type activities by \$203,920.

The largest category of net position is "Net Investment in Capital Assets" and comprises 55% 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.

*(The remainder of this page is intentionally left blank)*

**VILLAGE OF FENTON, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
Year Ended June 30, 2023

The following is a condensed statement of the Village's activities for the year ended June 30, 2023.

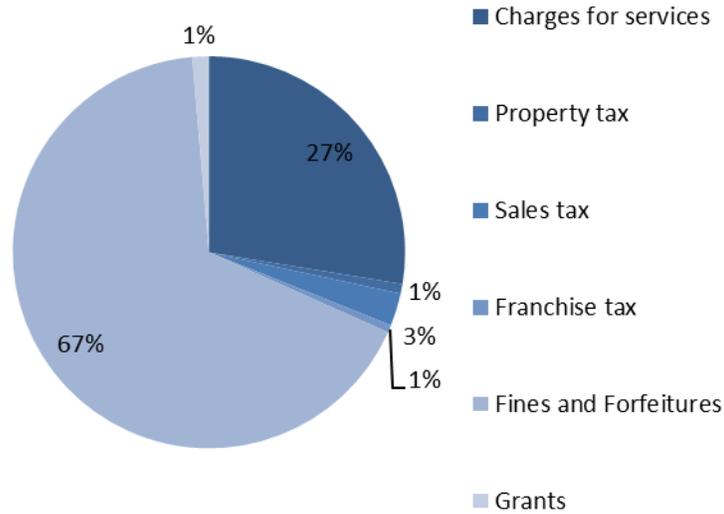
	Governmental Activities	Business-type Activities	Total	Percentage
<u>Revenues:</u>				
Program:				
Charges for services	\$ 1,000	\$ 611,536	\$ 612,536	27%
General:				
Property tax	17,883	-	17,883	1%
Sales tax	59,641	-	59,641	3%
Franchise tax	13,673	-	13,673	1%
Licenses and permits	50	-	50	0%
Other taxes, penalties, interest, etc.	222	-	222	0%
Fines and Forfeitures	1,486,446	-	1,486,446	67%
Grants	30,136	-	30,136	1%
Miscellaneous	8,357	-	8,357	0%
Total Revenues	1,617,408	611,536	2,228,944	100%
 <u>Program Expenses:</u>				
General government	1,768,422	-	1,768,422	59%
Public safety	396,078	-	396,078	13%
Water and Sewer	-	815,456	815,456	27%
Total Program Expenses	2,164,500	815,456	2,979,956	100%
Excess (Deficiency)	(547,092)	(203,920)	(751,012)	
Transfers In (Out)	-	-	-	
Change in Net Position	(547,092)	(203,920)	(751,012)	
Beginning Net Position	2,607,017	939,202	3,546,219	
Ending Net Position	\$ 2,059,925	\$ 735,282	\$ 2,795,207	

*(The remainder of this page is intentionally left blank)*

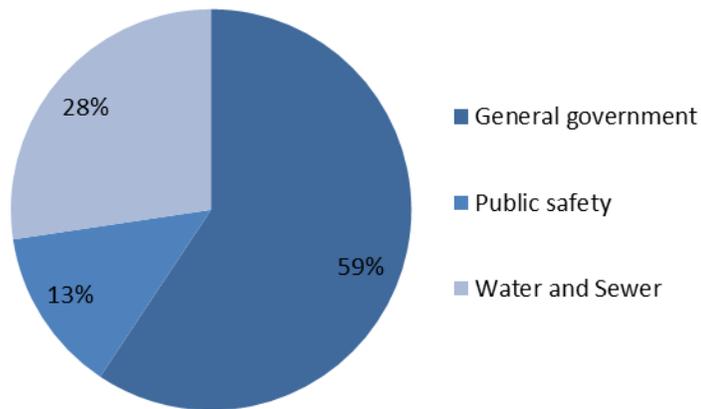
**VILLAGE OF FENTON, LOUISIANA**

**MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)**  
Year Ended June 30, 2023

**2023 Program Revenues**



**2023 Program Expenses**



*(The remainder of this page is intentionally left blank)*

**VILLAGE OF FENTON, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
Year Ended June 30, 2023

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

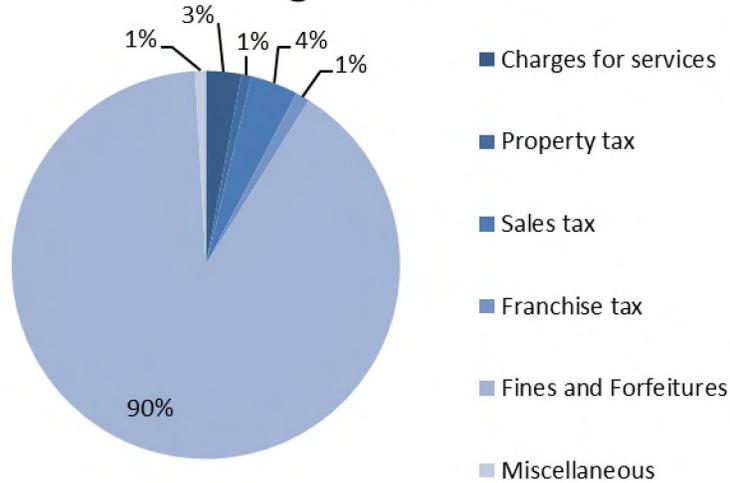
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Percentage</u>
<u>Revenues:</u>				
<u>Program:</u>				
Charges for services	\$ 800	\$ 43,751	\$ 44,551	3%
<u>General:</u>				
Property tax	12,580	-	12,580	1%
Sales tax	60,055	-	60,055	4%
Franchise tax	17,549	-	17,549	1%
Licenses 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	<u>13,584</u>	<u>-</u>	<u>13,584</u>	<u>1%</u>
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	<u>-</u>	<u>103,093</u>	<u>103,093</u>	<u>6%</u>
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)	<u>-</u>	<u>-</u>	<u>-</u>	
Change in Net Position	(62,372)	(59,342)	(121,714)	
Beginning Net Position	<u>2,965,426</u>	<u>998,544</u>	<u>3,963,970</u>	
Ending Net Position	<u>\$ 2,903,054</u>	<u>\$ 939,202</u>	<u>\$ 3,842,256</u>	

*(The remainder of this page is intentionally left blank)*

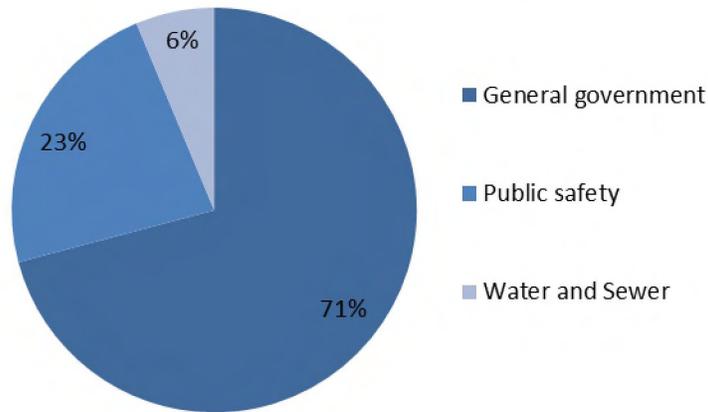
**VILLAGE OF FENTON, LOUISIANA**

**MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)**  
Year Ended June 30, 2023

**2022 Program Revenues**



**2022 Program Expenses**



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

## VILLAGE OF FENTON, LOUISIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED) Year Ended June 30, 2023

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 \$1,486,446 from fines and forfeitures for the fiscal year ended June 30, 2023, and \$1,366,325 from fines and forfeitures for the fiscal year ended June 30, 2022. Revenues in the Capital Grants and Contributions sub-category consists of \$30,136 for the fiscal year ended June 30, 2023 and \$0 for the fiscal year ended 2022, respectively. "Revenues” include all revenues not 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 \$13,673, sales tax revenues of \$59,641, and property taxes of \$17,883, for the year ended June 30, 2023. The major tax revenues for the year ended June 30, 2022, are franchise tax revenues of \$17,549, sales tax revenues of \$60,055, and property taxes of \$12,580. Other “General Revenues” reported for the year ended June 30, 2023 includes \$50 in license and permits, \$222 in other taxes, penalties, interest, and \$8,357 in miscellaneous revenues.

“Program Expenses” for the governmental funds are presented in the above Condensed Statement of Activities by function and total \$2,164,500 and \$1,539,271 for the fiscal years ended June 30, 2023 and 2022, 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 \$611,536 for water and sewer for the year ended June 30, 2023, and \$43,751 for the fiscal year ended June 30, 2022.

The Village reports the total amount of expenses for operation of the utility system as \$815,456 and \$103,093 for the years ended June 30, 2023 and 2022, respectively. The “Change in Net Position” (revenues less expenses) for the utility system was \$(203,920) and \$(59,342) for the fiscal years ended June 30, 2023 and 2022, respectively.

#### Capital Assets

The Village’s investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2023 was \$869,164 and \$674,998 respectively, and \$941,401 and \$722,147 respectively, as of June 30, 2022. For the year ended June 30, 2023, net investment for governmental type activities decreased by approximately 8% while net investment for business-type activities decreased by 7%.

*(The remainder of this page is intentionally left blank)*

**VILLAGE OF FENTON, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**Year Ended June 30, 2023**

The following tables provide a summary of capital asset activities for 2023.

	Balance 7/1/2022	Increases	Decreases	Balance 6/30/2023
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	(789,970)	(138,856)	-	(928,826)
Furniture	(30,193)	-	29,944	(249)
Transportation	(90,394)	-	61,764	(28,630)
Total accumulated depreciation	<u>(910,557)</u>	<u>(138,856)</u>	<u>91,708</u>	<u>(957,705)</u>
Governmental activities:				
Capital assets, net	<u>\$ 722,147</u>	<u>\$ (138,856)</u>	<u>\$ 91,708</u>	<u>\$ 674,999</u>

	Balance 7/1/2022	Increases	Decreases	Balance 6/30/2023
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 45,065	\$ -	\$ -	\$ 45,065
Other capital assets:				
Buildings	1,650,101	-	-	1,650,101
Machinery	716,737	38,900	(11,500)	744,137
Furniture	35,948	-	-	35,948
Totals	<u>2,402,786</u>	<u>38,900</u>	<u>(11,500)</u>	<u>2,430,186</u>
Less accumulated depreciation:				
Buildings	(827,058)	(64,463)	-	(891,521)
Machinery	(645,818)	(34,880)	-	(680,698)
Furniture	(33,574)	(294)	-	(33,868)
Total accumulated depreciation	<u>(1,506,450)</u>	<u>(99,637)</u>	<u>-</u>	<u>(1,606,087)</u>
Governmental activities:				
Capital assets, net	<u>\$ 941,401</u>	<u>\$ (60,737)</u>	<u>\$ (11,500)</u>	<u>\$ 869,164</u>

**VILLAGE OF FENTON, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
Year Ended June 30, 2023

The following tables provide a summary of capital asset activity 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	25,990	-	742,427
Furniture	35,948	-	-	35,948
Totals	<u>2,402,486</u>	<u>25,990</u>	<u>-</u>	<u>2,428,476</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>\$ (71,798)</u>	<u>\$ -</u>	<u>\$ 967,091</u>
	Balance			Balance
	7/1/2021	Increases	Decreases	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) Year Ended June 30, 2023

#### 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, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,076,961	\$ 473,477	\$ 1,550,438
Accounts receivable, net	13,628	-	95,109
Fines and forfeitures receivable, net	95,109	139,517	153,145
Prepaid items	29,272	1,306	30,578
Internal balance	<u>539,352</u>	<u>(539,352)</u>	<u>-</u>
Total current assets	1,754,322	74,948	1,829,270
Noncurrent assets:			
Restricted cash	66,389	7,533	73,922
Land	45,065	14,790	59,855
Buildings and improvements, net	758,580	-	758,580
Machinery, equipment, and vehicles, net	65,519	-	65,519
Sewer and water system, net	<u>-</u>	<u>660,208</u>	<u>660,208</u>
Total noncurrent assets	<u>935,553</u>	<u>682,531</u>	<u>1,618,084</u>
Total assets	<u><u>\$ 2,689,875</u></u>	<u><u>\$ 757,479</u></u>	<u><u>\$ 3,447,354</u></u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 134,783	\$ 11,100	\$ 145,883
Accrued liabilities	479,653	-	479,653
Customer deposits	<u>-</u>	<u>5,396</u>	<u>5,396</u>
Total current liabilities	<u>614,436</u>	<u>16,496</u>	<u>630,932</u>
Noncurrent liabilities:			
Compensated absences payable	<u>15,514</u>	<u>5,701</u>	<u>21,215</u>
Total noncurrent liabilities	<u>15,514</u>	<u>5,701</u>	<u>21,215</u>
Total liabilities	629,950	22,197	652,147
<b>NET POSITION</b>			
Net investment in capital assets	869,164	674,998	1,544,162
Unrestricted	<u>1,190,761</u>	<u>60,284</u>	<u>1,251,045</u>
Total net position	<u>2,059,925</u>	<u>735,282</u>	<u>2,795,207</u>
Total liabilities and net position	<u><u>\$ 2,689,875</u></u>	<u><u>\$ 757,479</u></u>	<u><u>\$ 3,447,354</u></u>

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

**VILLAGE OF FENTON, LOUISIANA**

**STATEMENT OF ACTIVITIES**

Year Ended June 30, 2023

	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
Functions/Programs							
Governmental activities:							
General government	\$ 1,768,422	\$ 1,000	\$ -	\$ 30,136	\$ (1,737,286)	\$ -	\$ (1,737,286)
Public safety	396,078	-	-	-	(396,078)	-	(396,078)
Total governmental activities	2,164,500	1,000	-	30,136	(2,133,364)	-	(2,133,364)
Business-type activities:							
Water and sewer	815,456	611,536	-	-	-	(203,920)	(203,920)
Total business-type activities	815,456	611,536	-	-	-	(203,920)	(203,920)
Total primary government	<u>\$ 2,979,956</u>	<u>\$ 612,536</u>	<u>\$ -</u>	<u>\$ 30,136</u>	<u>(2,133,364)</u>	<u>(203,920)</u>	<u>(2,337,284)</u>
General revenues:							
Taxes:							
Property taxes					17,883	-	17,883
Sales taxes					59,641	-	59,641
Franchise taxes					13,673	-	13,673
Other taxes, penalties, interest, etc.					222	-	222
Licenses and permits					50	-	50
Fines and forfeitures					1,486,446	-	1,486,446
Miscellaneous					8,357	-	8,357
Total general revenues and transfers					1,586,272	-	1,586,272
Change in net position					(547,092)	(203,920)	(751,012)
Net position - beginning					2,607,017	939,202	3,546,219
Net position - ending					<u>\$ 2,059,925</u>	<u>\$ 735,282</u>	<u>\$ 2,795,207</u>

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

**VILLAGE OF FENTON, LOUISIANA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2023**

	General	Special Revenue	Capital Project	American Rescue Plan	Total Governmental
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,045,962	\$ 3,713	\$ 27,286	\$ 66,389	\$ 1,143,350
Receivables:					
Accounts receivable, net	13,628	-	-	-	13,628
Fines and forfeitures receivable, net	95,109	-	-	-	95,109
Prepaid items	29,272	-	-	-	29,272
Due from other funds	<u>539,352</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>539,352</u>
Total assets	<u>\$ 1,723,323</u>	<u>\$ 3,713</u>	<u>\$ 27,286</u>	<u>\$ 66,389</u>	<u>\$ 1,820,711</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 134,697	\$ 86	\$ -	\$ -	\$ 134,783
Accrued liabilities	<u>479,653</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>479,653</u>
Total liabilities	614,350	86	-	-	614,436
<b>FUND BALANCES</b>					
Restricted	-	3,627	-	66,389	70,016
Unassigned	<u>1,108,973</u>	<u>-</u>	<u>27,286</u>	<u>-</u>	<u>1,136,259</u>
Total fund balances	<u>1,108,973</u>	<u>3,627</u>	<u>27,286</u>	<u>66,389</u>	<u>1,206,275</u>
Total liabilities and fund balances	<u>\$ 1,723,323</u>	<u>\$ 3,713</u>	<u>\$ 27,286</u>	<u>\$ 66,389</u>	<u>\$ 1,820,711</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, 2023

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

Total fund balances - governmental funds \$ 1,206,275

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 \$891,521	758,580	
Machinery, equipment, and vehicles, net of accumulated depreciation \$714,556	<u>65,519</u>	869,164

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>
------------------------------	-----------------

Net position of governmental activities \$ 2,059,925

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, 2023**

	General	Special Revenue	Capital Project	American Rescue Plan	Total Governmental
<b>REVENUES</b>					
Taxes:					
Ad valorem	\$ 17,883	\$ -	\$ -	\$ -	\$ 17,883
Sales and use	59,641	-	-	-	59,641
Franchise taxes	13,673	-	-	-	13,673
Other taxes	222	-	-	-	222
Grants	30,136	-	-	-	30,136
Licenses and permits	50	-	-	-	50
Charges for services	1,000	-	-	-	1,000
Fines and forfeitures	1,486,446	-	-	-	1,486,446
Miscellaneous	8,357	-	-	-	8,357
Total revenues	1,617,408	-	-	-	1,617,408
<b>EXPENDITURES</b>					
General government	1,654,271	-	-	-	1,654,271
Public safety	396,078	-	-	-	396,078
Capital outlay:					
General government	201,604	-	-	-	201,604
Public safety	(35,997)	-	-	-	(35,997)
Total expenditures	2,215,956	-	-	-	2,215,956
Excess (deficiency) of revenues over (under) expenditures	(598,548)	-	-	-	(598,548)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	(598,548)	-	-	-	(598,548)
Fund balances - beginning (restated)	2,006,768	3,627	27,286	66,389	2,104,070
Fund balances - ending	\$ 1,408,220	\$ 3,627	\$ 27,286	\$ 66,389	\$ 1,505,522

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, 2023

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

Net changes in fund balances - total governmental funds \$ (598,548)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets are 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.

166,607  
(99,637) 66,970

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.

(15,514)

Change in net position of governmental activities \$ (547,092)

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, 2023

	<u>Enterprise Fund Sewer and Water System</u>
<b>ASSETS</b>	
Current Assets:	
Cash and cash equivalents	\$ 473,477
Accounts receivable, net	139,517
Prepaid insurance	1,306
Internal balance	<u>(539,352)</u>
Total current assets	<u>74,948</u>
Noncurrent Assets:	
Restricted cash	7,533
Land	14,790
Sewer and water system, net of accumulated depreciation of \$957,706	<u>660,208</u>
Total noncurrent assets	<u>682,531</u>
Total assets	<u>\$ 757,479</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	\$ 11,100
Customer deposits	<u>5,396</u>
Total liabilities	<u>16,496</u>
Noncurrent Liabilities:	
Compensated absences payable	<u>5,701</u>
Total noncurrent liabilities	<u>5,701</u>
Total liabilities	<u>22,197</u>
<b>NET POSITION</b>	
Net investment in capital assets	674,998
Unrestricted	<u>60,284</u>
Total net position	<u>735,282</u>
Total liabilities and net position	<u>\$ 757,479</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, 2023

	<u>Enterprise Fund Sewer and Water System</u>
Operating Revenues	
Charges for services	\$ 611,536
Total operating revenues	<u>611,536</u>
Operating Expenses	
Personnel services	39,580
Bad debt expense	430,840
Materials and supplies	32,344
Contractual services	265,544
Depreciation	<u>47,148</u>
Total operating expenses	<u>815,456</u>
Operating income (loss)	<u>(203,920)</u>
Income (loss) after transfers	<u>(203,920)</u>
Change in net position	(203,920)
Net position - beginning	<u>939,202</u>
Net position - ending	<u><u>\$ 735,282</u></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, 2023

	<u>Enterprise Fund Sewer and Water System</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 508,468
Payments to suppliers and services	(297,888)
Payments to employees	(33,878)
Other operating payments	<u>(475,954)</u>
Net cash provided by (used in) operating activities	<u>(299,252)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Due to other funds	<u>323,157</u>
Net cash provided by (used in) noncapital financing activities	<u>323,157</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchases of capital assets	-
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	71,053
<b>CASH AND CASH EQUIVALENTS INCLUDING RESTRICTED CASH</b>	
Beginning of the year	<u>409,957</u>
End of the year	<u><u>\$ 481,010</u></u>
 <b>Reconciliation of operating income (loss) to cash provided by (used in) operating activities</b>	
Operating income	\$ (203,920)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities	
Depreciation	-
Decrease (increase) in operating assets:	
Accounts receivable, net	(103,068)
Increase (decrease) in operating liabilities:	
Accounts payable	2,120
Accrued liabilities	(35)
Compensated absences	5,701
Customer deposits	<u>(50)</u>
Total adjustments	<u>(95,332)</u>
Net cash provided by (used in) operating activities	<u><u>\$ (299,252)</u></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, 2023

#### **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

## VILLAGE OF FENTON, LOUISIANA

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

#### 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

## VILLAGE OF FENTON, LOUISIANA

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

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:

- 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.

## VILLAGE OF FENTON, LOUISIANA

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year Ended June 30, 2023

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.

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

## VILLAGE OF FENTON, LOUISIANA

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

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 Aldermen. 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.

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.

## VILLAGE OF FENTON, LOUISIANA

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year Ended June 30, 2023

#### Restricted Cash

Restricted cash on the Statement of Net Position represents the funds held for the American Rescue Plan fund in the governmental fund and customer deposits in the proprietary fund. The balance of restricted cash at June 30, 2023 was \$66,389 and \$7,533 respectively.

#### 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

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.

VILLAGE OF FENTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
Year Ended June 30, 2023

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 reported 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

## VILLAGE OF FENTON, LOUISIANA

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year Ended June 30, 2023

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 \$5,701. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, *Accounting for Compensated 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, 2023 the Village’s total liability for compensated absences was \$26,089.

#### Leases

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 – Leases (GASB 87). GASB 87’s objectives are to better meet the information needs of financial statement users by improving how governments report leases, enhancing the relevance, reliability and consistency of information about governments’ leasing activities. GASB 87 is effective for governments with a June 30 year-end for the year ending June 30, 2022. The Village of Fenton, Louisiana has not assessed the potential impact of this guidance on its financial statements.

#### 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)

## VILLAGE OF FENTON, LOUISIANA

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year Ended June 30, 2023

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.
- *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*

VILLAGE OF FENTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
Year Ended June 30, 2023

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.

**Note 2 – Cash and Cash Equivalents**

At June 30, 2023, the Village had \$1,616,313 in deposits (book balances), of which \$250,000 is secured from risk by federal deposit insurance, and the balance of \$1,366,313 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:

	<u>Millage</u>	<u>Assessed Valuations</u>
General Ad Valorem Tax	8.00	\$1,471,243

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 15<sup>th</sup> of the current year; and become delinquent after December 31<sup>st</sup>. Property taxes not paid by February 28<sup>th</sup> are subject to property lien.

**VILLAGE OF FENTON, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
Year Ended June 30, 2023

**Note 4 – Receivables**

Receivables at June 30, 2023 consisted of the following:

Class of Receivables	General Fund	Enterprise Fund	Total
Customer accounts	\$ -	\$ 574,448	\$ 574,448
Franchise taxes receivable	2,104	-	2,104
Fines and forfeitures receivable	370,823	-	370,823
Property taxes receivable	6,026	-	6,026
Sales taxes receivable	7,601	-	7,601
Less: Allowance for bad debts	<u>(277,817)</u>	<u>(434,931)</u>	<u>(712,748)</u>
Total	<u>\$ 108,737</u>	<u>\$ 139,517</u>	<u>\$ 248,254</u>

**Note 5 – Prepaid Items**

Prepaid items for the year ended June 30, 2023 was as follows:

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

**Note 6 – Accrued liabilities**

The accrued liabilities of \$479,653 at June 30, 2023 were as follows:

	Governmental Activities	Business-type Activities	Totals
Accrued payroll and related liabilities	\$ 479,538	\$ -	\$ 479,538
Other accrued liabilities	115	-	115
Total	<u>\$ 479,653</u>	<u>\$ -</u>	<u>\$ 479,653</u>



**VILLAGE OF FENTON, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
Year Ended June 30, 2023

Depreciation expense was charged to governmental activities as follow:

Depreciation expense	\$ 99,637
Total	<u>\$ 99,637</u>

**Note 8 – Due to/ from Other Funds**

The composition of due to/from other funds for the year ended June 30, 2023 is as follows:

	Interfund	
	Receivable	Payable
Governmental Funds:		
General fund	539,352	-
Proprietary Funds:		
Enterprise fund	-	539,352
Total primary government	\$ 539,352	\$ 539,352

**Note 9 – 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 10 – Schedule of Rates and Number of Customers**

At June 30, 2023, the number of customers was as follows:

Residential	– 149
Commercial	– 1

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

Sewer:

Residential:	
In-Town	\$12.50, first 2,000 gallons

**VILLAGE OF FENTON, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
Year Ended June 30, 2023

	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
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 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 – Related Party Transactions**

The Village awarded various construction projects to a family member of the mayor for the fiscal year ended June 30, 2023.

**Note 13 – 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

**VILLAGE OF FENTON, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
Year Ended June 30, 2023

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.

**Note 14 – Restatement of Beginning Fund Balance**

The beginning fund balance for the year ended June 30, 2023, were restated to properly reflect revenue and receivable amounts for fines and forfeitures.

Changes to fund balance as a result of the above corrections are shown below.

	<u>Governmental Funds</u>
Originally stated at July 1, 2022	\$ 1,639,150
Fines and forfeitures receivable	<u>367,618</u>
As restated at July 1, 2022	<u>\$ 2,006,768</u>

**REQUIRED SUPPLEMENTARY INFORMATION (PART II)**

**VILLAGE OF FENTON, LOUISIANA**

GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive/ (Negative)
<b>REVENUES</b>				
Beer Tax	\$ 800	\$ 800	\$ 222	\$ (578)
Fines & Forfeits	725,000	1,425,000	1,486,446	61,446
Franchise Tax	24,000	24,000	13,673	(10,327)
INS. Premium Tax La-Mats	5,500	5,500	-	(5,500)
Grass Cutting	300	2,500	1,000	(1,500)
License & Permits	1,000	1,000	50	(950)
Miscellaneous	1,000	1,000	8,357	7,357
In Lieu of Taxes	6,800	6,800	-	(6,800)
Parish Sales Taxes	15,000	75,000	59,641	(15,359)
Property Tax	-	6,800	17,883	11,083
State Revenue Sharing	1,900	1,900	-	(1,900)
Interest Revenue	-	1,000	-	(1,000)
Grants	-	-	30,136	30,136
Animal Control	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total Revenues</b>	<u>781,300</u>	<u>1,551,300</u>	<u>1,617,408</u>	<u>66,108</u>
<b>EXPENDITURES</b>				
Current Function:				
General Government	526,425	1,387,300	1,654,271	(266,971)
Public Safety	383,000	473,169	396,078	77,091
Capital Outlay	<u>70,000</u>	<u>400,000</u>	<u>165,607</u>	<u>234,393</u>
<b>Total Expenditures</b>	<u>979,425</u>	<u>2,260,469</u>	<u>2,215,956</u>	<u>44,513</u>
Excess (deficiency) of revenues over expenditures	<u>(198,125)</u>	<u>(709,169)</u>	<u>(598,548)</u>	<u>(110,621)</u>
<b>Other Financing Sources (USES):</b>				
Transfer In	-	-	-	-
Transfer Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Changes in Fund Balance</b>	<u>\$ (198,125)</u>	<u>\$ (709,169)</u>	<u>(598,548)</u>	<u>\$ 110,621</u>
Fund Balances, Beginning (restated)			<u>2,006,768</u>	
<b>Fund Balances, Ending</b>			<u>\$ 1,408,220</u>	

## **SUPPLEMENTARY INFORMATION**

VILLAGE OF FENTON, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO THE AGENCY HEAD  
Year Ended June 30, 2023

**Agency Head Name: Eddie Alfred, Jr., Mayor**

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

See Independent Auditors' Report on Supplemental Schedule

VILLAGE OF FENTON, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY  
Year Ended June 30, 2023

Cash Basis Presentation	<u>First Six Month Period Ended 12/31/2022</u>	<u>Second Six Month Period Ended 06/30/2023</u>
<b>Beginning Balance of Amounts Collected (i.e. cash on hand)</b>	\$ -	\$ 537,776
<b>Add: Collections</b>		
Criminal Fines - Other	537,776	682,126
<b>Subtotal Collections</b>	<u>537,776</u>	<u>682,126</u>
<b>Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies</b>	-	-
Restitution Payments to Individuals (additional detail is not required)	-	-
<b>Subtotal Disbursements/Retainage</b>	<u>-</u>	<u>-</u>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)</b>	<u>\$ 537,776</u>	<u>\$ 1,219,902</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 COMPENSATION PAID TO THE MEMBERS OF THE BOARD OF ALDERMEN  
Year Ended June 30, 2023

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

**INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS**

VILLAGE OF FENTON, LOUISIANA

SCHEDULE OF INSURANCE IN FORCE

Year Ended June 30, 2023

(Without Audit)

<b>Issuer</b>	<b>Type of Insurance</b>	<b>Property Covered and Location</b>	<b>Insurance</b>	<b>Expiration Date</b>
LA Municipal Risk Management Agent	Automobile	Automobile	\$ 500,000	March 19, 2024
	Commercial general liability	Premises operations, general	500,000	March 19, 2024
		Products and completed operations	500,000	March 19, 2024
		Medical payments	10,000/per accident	March 19, 2024
		Fire legal liability	50,000/per occurrence	March 19, 2024
Workers compensation	Eligible employees	Statutory	September 24, 2024	
Rod Prejean & Associates, Inc.	Automobile	Automobile	6,656	December 4, 2024

See Independent Auditor's Report on Other Matters

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

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 of America, the financial statements of the governmental activities, 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, 2023, and the related notes to the financial statements, which collectively comprise the Village’s basic financial statements and have issued our report thereon dated December 22, 2023.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village’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’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village’s internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

*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 Village of Fenton’s financial statements will not be prevented, or detected and corrected, by the Village on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as item 2023-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2023-003, 2023-005, 2023-006, 2023-007 to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2023-002, 2023-003, 2023-004, 2023-005, 2023-006, and 2023-007.

### **The Village’s Response to Findings**

The Village’s response to the findings identified in our audit is described in the accompanying schedule of findings. The Village’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this 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 effectiveness of the Village’s internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village’s internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bruno & Tervalon LLP*

Lake Charles, Louisiana  
December 22, 2023

**VILLAGE OF FENTON, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES**  
Year Ended June 30, 2023

**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 was one material weakness and four 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 are six instances 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. A management letter was issued in connection with the audit for the year ended June 30, 2023.

**VILLAGE OF FENTON, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES**  
**Year Ended June 30, 2023**

**II. Findings – Financial Statement Audit**

**Internal Control and Compliance Findings**

**2023-01 Material Financial Statements Adjustments**

Fiscal Year Finding Originated: 2023

Condition:

Misstatements in the financial statements were not prevented, nor detected and corrected by the Village's internal control resulting in proposed audit adjustments material to the financial statements.

Criteria:

Internal control over financial reporting is a process enacted by those charged with governance, and management designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, compliance with applicable laws and regulations for the Village. The Village's internal control over financial reporting include policies and procedures that pertain to the Village's ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial reporting of the Village.

Cause:

Auditor had to propose several adjusting entries that were material to the financial statements. Failure to correct these misstatements could have resulted in the financial statements presented as material.

The Village does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the Village's financial transactions or preparing their financial statements, including the related notes.

Effect:

Without the material audit adjustments to correct misstatements, the financial statements would be incorrect

Recommendation:

We recommend the Village design and implement policies and procedures or follow implemented policies and procedures which provide assurance to the fair presentation of the financial statements.

**VILLAGE OF FENTON, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES**  
**Year Ended June 30, 2023**

Management's Response:

See management's response letter.

**2023-02 Public Bid Law**

Fiscal Year Finding Originated: 2023

Condition:

The Village failed to adhere to LA Public Bid Law.

Criteria:

LA R.S. 38:2212.1 states in part, A.(1)(a) All purchases of any material or supplies exceeding the sum of thirty thousand dollars (\$30,000) and public work projects exceeding one hundred and fifty thousand (\$150,000) to be paid out of public funds shall be advertised and let by contract to the lowest responsible bidder who has bid according to the specifications as advertised, and no such purchase shall be made except as provided in this Part.

Cause:

The Village posted in local newspaper request for sealed bids. Notification required that bidders submit a guarantee bond or a cashier check equal to 5% of the bidders bid. Village received three bids. Two bidders submitted no bond or cashier's check with their bids. The mayor awarded the contract to one of the contractors who didn't submit required bond.

Effect:

Management did not comply with requirements of R.S. 38:2212.1 A.(1)(a).

Recommendation:

The Village should adhere to LA Public Bid Laws when engaging in public works that exceeds the sum of thirty thousand dollars or public work projects exceeding one hundred and fifty thousand.

Management's Response:

See management's response letter.

**VILLAGE OF FENTON, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES**  
**Year Ended June 30, 2023**

**2023-03 Failure to Obtain Board Approval to Enter into Contract Agreement**

Fiscal Year Finding Originated: 2023

Condition:

Mayor failed to obtain authorization from board of alderpersons to execute a contract to expend public funds.

Criteria:

Although state law [LA R.S. 33:404(A) 4] gives the mayor power to sign all contracts on behalf of the Village, LA Attorney General opinion No. 12-0074 provides that the mayor cannot execute a contract that expends public funds in the absence of an ordinance or resolution by board of aldermen authorizing the mayor to do so.

Cause:

The Village was unable to provide documentation to demonstrate that the board of alderpersons had provided authorization to the mayor to enter into contracts with contractors. The mayor entered into various contract agreements with construction contractors without a proper ordinance or resolution by the board of alderpersons authorizing him to do so. The mayor awarded work on several projects to his uncle. For several of the projects, the mayor provided proposals from other contractors and for each project where there were multiple bids, the mayor's uncle was the lowest bidder. For one project, the mayor's uncle was the sole provider of a quote/bid.

Effect:

Failure to obtain authorization could be a potential violation of state law. Failure to establish proper controls for ensuring that proper use of Village funds is occurring.

Recommendation:

The Village should establish policies and procedures to ensure adherence to state law for the authorizing of the mayor to enter into an agreement. Mayor should ensure that authorization is obtained from the board of aldermen before executing contracts; and all contracts/agreements are evidenced in writing setting forth the specific terms and conditions; and all contracts are reviewed by legal counsel and formally approved by the board of alderpersons.

Management's Response:

See management's response letter.

**VILLAGE OF FENTON, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES**  
**Year Ended June 30, 2023**

**2023-04 Failure to Publish Minutes of Public Meetings in Timely Manner**

Fiscal Year Finding Originated: 2023

Condition:

The Village failed to publish minutes for its public meetings in the Village's official register in a timely manner.

Criteria:

LA R.S. 42:20, part A states, "All public bodies shall keep written minutes of all of their open meetings. The minutes to be kept by the legislative body shall be governed by the provisions of R.S. 42:21. The minutes of the public body shall include but need not be limited to: (1) The date, time, and place of the meeting. (2) The members of the public body recorded as either present or absent. (3) The substance of all matters decided, and, at the request of any member, a record, by individual member, of any votes taken. (4) Any other information that the public body requests be included or reflected in the minutes." State law requires that the minutes be (presented) in the body's official register. If the entity has a website, the minutes for the last three minutes should be made available on the site.

Cause:

The minutes of the regular meetings from January 2021 to May 2023 was posted to the official register all on the same day. The Village failed to post the minutes of public meetings or the agenda for minutes to their website.

Effect:

It appears that the Village did not comply with state law. The Village failed to record to the Village's official register minutes of the board of alderperson's meetings. Failure to make written minutes available as public records in a timely manner after the open meeting is a violation of R.S. 42:20 and 43:144.

Recommendation:

The Village should establish policies and procedures to ensure the timely publishing of the board of alderperson's meetings to the Village's official register as well as to the Village's website.

Management's Response:

See management's response letter.

**VILLAGE OF FENTON, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES**  
**Year Ended June 30, 2023**

**2023-05 Failure to Properly Dispose of Surplus Assets**

Fiscal Year Finding Originated: 2023

Condition:

The Village improperly disposed of Village surplus asset.

Criteria:

LA law requires that surplus assets be sold through a seal bid process.

Cause:

The Village used the surplus asset as a “trade-in” for the acquisition of a new assets. This transaction potentially could have been in violation of state law as the Village failed to ensure that the Village received the best possible value for the asset being disposed.

Effect:

The Village may not have received a favorable value for the surplus asset being disposed.

Recommendation:

The Village should establish proper policies and procedures for the disposition of assets in the future.

Management’s Response:

See management’s response letter.

**2023-06 LA Budget Act**

Fiscal Year Finding Originated: 2023

Condition:

The Village failed to adhere to Local Government Budget Act (LGBA).

**VILLAGE OF FENTON, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES**  
**Year Ended June 30, 2023**

Criteria:

The Village's management did not comply with the Local Government Budget Act (LGBA), which directs political subdivisions of the state as to the manner in which budgets shall be adopted, implemented, and amended. LGBA directs political subdivisions to allow for public participation prior to the adoption of a budget.

Cause:

The budget adopted by the Village for the fiscal year ending June 30, 2023, did not include a budget message as required by law. LA R.S. 39:1305(C)(1) requires a budget message for the general fund and each special revenue fund signed by the budget preparer that provides a summary description of the proposed financial plan, policies, objectives, assumptions, budgetary basis, and a discussion of the most important features. The Village management was unable to provide documentation that a notice regarding public comment was posted in the Village's official register. The Village failed to adopt the budget by ordinance as required by the LGBA and state law. Budget lacked additional information as required by LA R.S. 39:1305. The Village budget did not include such information such as year-to-date actual and estimated fund balances at end of year and a percentage change for all funds.

Effect:

The Village's management failed to comply with the provisions of the LGBA and state law which may place the compliance.

Recommendation:

We recommend that management comply with all provisions of the LGBA. The Village's annual budget should be adopted by ordinance before the beginning of each fiscal year (July 1), and the budget should contain all required information.

Management's Response:

See management's response letter.

**2023-07 Failure to Follow Guidelines Relating to Acquisition of a Motor Vehicle**

Fiscal Year Finding Originated: 2023

Condition:

Village failed to follow state law relating to the acquisition of a motor vehicle.

## VILLAGE OF FENTON, LOUISIANA

### SCHEDULE OF FINDINGS AND RESPONSES Year Ended June 30, 2023

#### Criteria:

LA R.S. 38:2212.1 states in part, A.(1)(a) All purchases of any materials, equipment or supplies exceeding the sum of thirty thousand dollars (\$30,000) to be paid out of public funds shall be advertised and let by contract to the lowest responsible bidder who has bid according to the specifications as advertised, and no such purchase shall be made except as provided in this Part. To assist government agencies with defraying the cost of advertising and negotiating contracts and ensuring purchasing activities are conducted legally, fairly and efficiently, the State has established a system for purchasing materials, goods and services through a state procurement system.

#### Cause:

Village obtained a motor vehicle without going through a public bid process nor did the Village attempt to acquire a similar type motor vehicle through the State's procurement (state contract) system.

#### Effect:

Failure to acquire materials or supplies through a bid process could subject the entity to paying for materials or supplies at a premium or higher than use cost.

#### Recommendation:

We recommend the Village adhere to state law in regards to engaging in purchases in excess of \$30,000.

#### Management's Response:

See management's response letter.

**VILLAGE OF FENTON, LOUISIANA**

**SUMMARY OF THE PRIOR YEAR FINDINGS**  
**Year Ended June 30, 2023**

**III. Summary of Prior Year Findings**

**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, 2022 was not completed within the six month deadline as per R.S. 24:513 A(5)(a)(i).

Criteria:

LA 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 31<sup>st</sup> 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 31<sup>st</sup> 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

VILLAGEOFENTON.COM

Eddie Alfred Jr., Mayor  
Jessie Boese, Alderman  
Manuel Alfred, Alderman  
Alicia Scott, Alderman  
Luther Alfred, Chief

December 28, 2023

Mr. Michael Waguespack, CPA  
Louisiana Legislative Auditors  
1600 N. 3<sup>rd</sup> Street  
Baton Rouge, La 70802

Mr. Jonald J. Walker, III CPA  
Bruno & Tervalon, LLP  
2704 Rue de Jardin, Ste. 100  
Lake Charles, LA 70605

Thank you for rendering your service to the Village of Fenton (Village) by conducting our audit for the year ended June 30, 2023. Below is the Village's corrective action plan relating to your recommendations for our financial practices.

## **I. 2023-001 Material Financial Statement Adjustments**

**Response and Corrective Action Plan:** The Village will design and implement policies and procedures over financial reporting and for the recording of transactions to Village's accounting records. Village has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP and determined that it is in the best interest of the Village to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

## **II. 2023-002 Public Bid Law**

**Response and Corrective Action Plan:** Management and all personnel responsible for complying with the Public Bid Law will be informed of its requirements. The Village's management will ensure that purchases comply with the Louisiana Public Bid Law in future years. Management will ensure that a public hearing is held prior to adoption of the 2024 budget to allow the public an opportunity to participate in adopting the budget.

## **III. 2023-003 Failure to Obtain Board Approval to Enter into Contract Agreement**

**Response and Corrective Action Plan:** Management will in the future and prior to entering a contract or renewing a contract, management will perform a needs assessment that includes, identifying the entity's goals and objectives, exploring possible alternatives to contracting to meet

the identified goals and objectives; and comparing costs and benefits associated with alternatives to contracting against the costs and benefits of contracting. Prior to execution, the Village's legal advisor will review all contracts and change orders for compliance with applicable laws and entity policies. Contract documents will be reviewed, signed, and dated by the chief executive and other appropriate parties, including the governing board if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

**IV. 2023-004 Failure to Publish Minutes of Public Meetings in Timely Manner**

**Response and Corrective Action Plan:** In the future, management will keep written minutes of all their open meetings. The minutes will include the date, time, and place of the meeting and will be published via the website and/or the local journal in a timely manner per State law requirements.

**V. 2023-005 Failure to Properly Dispose of Surplus Assets**

**Response and Corrective Action Plan:** In the future the Village of Fenton will adhere to the policy to dispose of surplus assets as outlined in State Law.

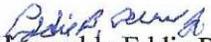
**VI. 2023-006 LA Budget Act**

**Response and Corrective Action Plan:** In the future The Village will adhere to Local Government Budget Act (LGBA) i.e. will notify the governing authority when revenues and expenditures, including other sources and other uses, of the General Fund and special revenue funds are estimated to exceed the 5% thresholds established by the LGBA. We will ensure that there is a mayor's summary included with the proposed budget. Budget will be adopted by ordinance.

**VII. 2023-007 Failure to Follow Guidelines Relating to Acquisition of a Motor Vehicle**

**Response and Corrective Action Plan:** In the future the Village will adhere to the State bid law regarding purchases in excess of \$30,000 and will be advertised and let by contract to the lowest responsible bidder who has bid according to the specifications as advertised or utilize the State's procurement system for purchasing goods and services.

Respectfully,

  
Honorable Eddie B. Alfred, Jr., Mayor  
Village of Fenton, LA

## Comments to Management

To the Mayor and Board of Aldermen  
Village of Fenton  
Fenton, Louisiana

Dear Mayor and members of the Board of Aldermen:

In planning and performing our audit of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Fenton, Louisiana (the “Village”), in accordance with auditing standards generally accepted in the United States of America, as of and for the year ended June 30, 2023, which collectively comprise the Village’s basic financial statements, we considered the Village’s internal control to plan our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control.

However, during our audit, we noted certain matters involving internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated December 22, 2023 on the basic financial statements of the Village. We will review the status of these comments during our next audit engagement. Our comments and recommendations, which have been discussed with appropriate members of management, are intended to improve internal control or result in other operating efficiencies. Also included are management’s responses to our current-year management letter items. We have performed no audit work to verify the content of the responses. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

### **ML 2023-01 Prepare and Adopt Policies Relating Sick Leave**

The Village does not have written policies relating to sick leave for both hourly and salaried employees; nor a system to track amount of sick leave an employee has accumulated. Without written policies relating to personnel matters, employees are unclear as to how to handle matters. State law provides guidelines regarding the rate in which sick leaves accumulate and maximum number of hours a full-time employee can accumulate of sick leave.

#### **Recommendation:**

The Village should adopt policies and procedures relating to sick leave for all full-time personnel. Village should review and update policies relating to personnel matters (employee handbook).

## **ML 2023-02 Invest Excess Cash**

LA R.S. 33:2955(A) authorizes and directs municipalities to invest available public funds in any general, special funds and any other funds under the control of municipality which they, in their discretion, determined to be available for investment.

### **Recommendation:**

The Village should establish policies and procedures to invest excess cash. LA law requires that public entities adopt an investment policy that details and clarifies investment objectives and the procedures and constraints necessary to reach those objectives.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and therefore, may not reveal all weaknesses in policies and procedures that may exist. This report is intended solely for the use of the Board of Alderpersons and management and is not intended to be and should not be used by anyone other than these specified parties. 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  
December 22, 2023

# VILLAGE OF FENTON

VILLAGEOFFENTON.COM

Eddie Alfred Jr., Mayor  
Jessie Boese, Alderman  
Manuel Alfred, Alderman  
Alicia Scott, Alderman  
Luther Alfred, Chief

December 28, 2023

Mr. Michael Waguespack, CPA  
Louisiana Legislative Auditors  
1600 N. 3<sup>rd</sup> Street  
Baton Rouge, La 70802

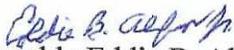
Mr. Jonald J. Walker, III CPA  
Bruno & Tervalon, LLP  
2704 Rue de Jardin, Ste. 100  
Lake Charles, LA 70605

Thank you for rendering your service to the Village of Fenton (Village) by conducting our audit for the year ended June 30, 2023. Below is the Village's corrective action plan relating to the Management Comment Letter.

The Village of Fenton concurs with your recommendations stated. We are currently working on a new policy and procedures manual which includes adoption of policies related to sick leave.

And will also include policies and procedures relating to excess cash with the requirements that the Village of Fenton adopt an investment policy that details and clarifies investment objectives.

Sincerely,



Honorable Eddie B. Alfred, Jr., Mayor  
And Board of Alderman  
Village of Fenton, LA

712 Third Avenue, Fenton, LA 70640 Office (337)756-2321 Fax(337)756-2264

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Governing Board of the Village of Fenton, Louisiana  
and the Louisiana Legislative Auditor:

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

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

The procedures and associated findings are as follows:

### *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).

***We performed the above procedures and noted no exceptions.***

- 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).

*We performed the above procedures and noted no exceptions.*

- 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 the following exceptions.***

***For 8 out of 10 transactions selected, the Village did not provide itemized receipts and documentation indicating the business purpose.***

***Response: See Management Response Letter.***

## 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 the following exceptions.*

*No reimbursement forms/prepaid expense documentation or other supporting documentation was received to observe approved reimbursement rate for the one travel expense that occurred during the fiscal period in which the Chief of Police was reimbursed for attending an annual conference meeting.*

*Response: See Management Response Letter.*

- 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 the following exception.*

*No itemized receipt was received identifying what was purchased.*

*Response: See Management Response Letter.*

- 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 the following exception.*

*No documentation was received for business/public purpose for travel reimbursement.*

*Response: See Management Response Letter.*

- 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 the following exception.*

*No evidence or documentation was provided supporting that the one reimbursement that occurred during the fiscal year was reviewed and approved, in writing.*

*Response: See Management Response Letter.*

## ***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 the following exceptions.*

*3 out of 5 contracts were obtained with board approval.*

***Response: See Management Response Letter.***

- 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 the following exceptions.***

***3 out of 5 contracts were received to view contract terms. The invoices and related payments did agree to the terms and conditions of the contract.***

***Recommendation: Board approval of all contracts/purchase agreements should be documented in the board minutes of council meetings.***

***Response: See Management Response Letter.***

### ***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.

***We performed the procedure above and noted no exceptions.***

- 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;

*10 public servants completed the training requirements which represents 90% of public servants for the Village.*

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

We are required to be independent of Village of Fenton, Louisiana 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  
December 22, 2023

# VILLAGE OF FENTON

VILLAGEOFENTON.COM

Eddie Alfred Jr., Mayor  
Jessie Boese, Alderman  
Manuel Alfred, Alderman  
Alicia Scott, Alderman  
Luther Alfred, Chief

December 28, 2023

Mr. Michael Waguespack, CPA  
Louisiana Legislative Auditors  
1600 N. 3<sup>rd</sup> Street  
Baton Rouge, La 70802

Mr. Jonald J. Walker, III CPA  
Bruno & Tervalon, LLP  
2704 Rue de Jardin, Ste. 100  
Lake Charles, LA 70605

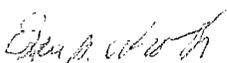
Thank you for rendering your service to the Village of Fenton (Village) by conducting our audit for the year ended June 30, 2023. Below is the Village's corrective action plan relating to your recommendations for the SAUP.

While the Village of Fenton prides itself on being compliant with LLA regulations.

In the future and moving forward, the Village of Fenton will comply with the Statewide SAUP rules regarding contracts. The Village will obtain a written contract with all providers of professional services. The Village will have our attorney review all contracts for goods and services.

Regarding the documentation for travel reimbursement expenses and documentation, the Village will obtain receipts for travel reimbursement from all staff and management of the Village for business travel expenses.

Sincerely,

  
Honorable Eddie B. Alfred, Jr., Mayor  
Village of Fenton, LA