

**VILLAGE OF FENTON, LOUISIANA**

**ANNUAL FINANCIAL REPORT**

**June 30, 2020**

# VILLAGE OF FENTON, LOUISIANA

For the Year Ended June 30, 2020  
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# VILLAGE OF FENTON, LOUISIANA

For the Year Ended June 30, 2020

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# J. WALKER & COMPANY<sup>APC</sup>

ACCOUNTANTS AND ADVISORS

## INDEPENDENT AUDITORS' REPORT

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

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, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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## Opinions

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, 2020, 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.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

### *Other 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 agency head, schedule of compensation paid to the mayor and members of the board of aldermen, and schedule of insurance in force are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of compensation, benefits and other payments to agency head and schedule of compensation paid to the mayor and members of the board of aldermen are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare 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 agency head and schedule of compensation paid to the mayor and members of the board of aldermen





are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedule of insurance in force has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2020, 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 be considered in assessing the results of our audit.

*J. Walker & Company, APC*  
Lake Charles, Louisiana  
December 18, 2020



**REQUIRED SUPPLEMENTARY INFORMATION (PART I)**

## VILLAGE OF FENTON, LOUISIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2020

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, 2019. The Village began this new reporting model required by the Governmental Accounting Standards Board (GASB) Statement Number 34 for the fiscal year ended June 30, 2004.

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

#### Overview of the Financial Statements

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

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

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

#### 1. Government-wide Financial Statements

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



## VILLAGE OF FENTON, LOUISIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended June 30, 2020

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

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

#### 2. Fund Financial Statements

The fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Village of Fenton uses two categories of funds to account for financial transactions: governmental funds, and proprietary funds.

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

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

## VILLAGE OF FENTON, LOUISIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended June 30, 2020

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

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

#### 3. Notes to the Financial Statements

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

#### 4. Other Information

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

#### Government-wide Financial Analysis

As noted earlier, net position may, over time, serve as a useful indicator of a government's financial condition. At the close of the most recent fiscal year, the Village's assets exceeded its liabilities by \$3,864,235 (net position); this represents a decrease of \$82,875 from the last fiscal year.

The Village's net positions are comprised of \$2,841,562 from governmental activities and \$1,022,673 from business-type activities.

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**VILLAGE OF FENTON, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

For the Year Ended June 30, 2020

The following is a condensed statement of the Village's net position as of June 30, 2020:

<u>Activities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Percentage</u>
<b>Assets:</b>				
Current assets	\$ 1,822,130	\$ 210,772	\$ 2,032,902	52%
Capital assets	<u>1,062,997</u>	<u>823,396</u>	<u>1,886,393</u>	<u>48%</u>
Total Assets	2,885,127	1,034,168	3,919,295	100%
<b>Liabilities:</b>				
Current liabilities	27,788	6,473	34,261	62%
Noncurrent Liabilities	<u>15,777</u>	<u>5,022</u>	<u>20,799</u>	<u>38%</u>
Total Liabilities	43,565	11,495	55,060	100%
<b>Net Position:</b>				
Net investment in capital assets	1,062,997	816,443	1,879,440	49%
Unrestricted	<u>1,778,565</u>	<u>206,230</u>	<u>1,984,795</u>	<u>51%</u>
Total Net Position	<u>\$ 2,841,562</u>	<u>\$ 1,022,673</u>	<u>\$ 3,864,235</u>	<u>100%</u>

The Village's net position at June 30, 2019, was \$3,947,110. The following is a condensed statement of the Village's net position as of June 30, 2019:

<u>Activities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Percentage</u>
<b>Assets:</b>				
Current assets	\$ 1,931,423	\$ 210,877	\$ 2,142,300	54%
Capital assets	<u>1,092,045</u>	<u>758,892</u>	<u>1,850,937</u>	<u>46%</u>
Total Assets	3,023,468	969,769	3,993,237	100%
<b>Liabilities:</b>				
Current liabilities	19,306	6,433	25,739	56%
Noncurrent liabilities	<u>15,514</u>	<u>4,874</u>	<u>20,388</u>	<u>44%</u>
Total Liabilities	34,820	11,307	46,127	100%
<b>Net Position:</b>				
Net investment in capital assets	1,092,045	752,522	1,844,567	47%
Unrestricted	<u>1,896,603</u>	<u>205,940</u>	<u>2,102,543</u>	<u>53%</u>
Total Net Position	<u>\$ 2,988,648</u>	<u>\$ 958,462</u>	<u>\$ 3,947,110</u>	<u>100%</u>

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, 2020 is 65.57 to 1 for governmental

**VILLAGE OF FENTON, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

For the Year Ended June 30, 2020

activities and 32.56 to 1 for business-type activities. The current ratio as of June 30, 2019 is 100 to 1 for governmental activities and 33.77 to 1 for business-type activities. The Village's overall current ratio is 59.34 to 1 as of June 30, 2020, and 83.48 to 1 as of June 30, 2019. 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, 2020 and 2019. Net position decreased in governmental activities by \$147,086 and increased in business-type activities by \$64,211.

The largest category of net position is "Net Investment in Capital Assets" and comprises 49% 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 following is a condensed statement of the Village's activities for the year ended June 30, 2020:

<u>Revenues:</u>	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>	<u>Percentage</u>
Program:	Activities	Activities		
Charges for services	\$ 860	\$ 93,653	\$ 94,513	7%
General:				
Property tax	14,070	-	14,070	1%
Sales tax	30,425	-	30,425	2%
Franchise tax	9,132	-	9,132	1%
Licenses and permits	350	-	350	0%
Other taxes, penalties, interest, etc.	419	-	419	0%
Fines and Forfeitures	1,152,467	-	1,152,467	88%
Investment earnings	101	-	101	0%
Miscellaneous	8,406	-	8,406	1%
Total Revenues	<u>1,216,230</u>	<u>93,653</u>	<u>1,309,883</u>	<u>100%</u>
<u>Program Expenses:</u>				
General government	986,498	-	986,498	71%
Public safety	279,461	-	279,461	20%
Water and Sewer	-	126,799	126,799	9%
Total Program Expenses	<u>1,265,959</u>	<u>126,799</u>	<u>1,392,758</u>	<u>100%</u>
Excess (Deficiency)	(49,729)	(33,146)	(82,875)	
Transfers In (Out)	<u>(97,357)</u>	<u>97,357</u>	-	
Change in Net Position	(147,086)	64,211	(82,875)	
Beginning Net Position	<u>2,988,648</u>	<u>958,462</u>	<u>3,947,110</u>	
Ending Net Position	<u>\$ 2,841,562</u>	<u>\$ 1,022,673</u>	<u>\$ 3,864,235</u>	

**VILLAGE OF FENTON, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

For the Year Ended June 30, 2020

The following is a condensed statement of the Village's activities for the year ended June 30, 2019:

<u>Revenues:</u>	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>	<u>Percentage</u>
Program:	Activities	Activities		
Charges for services	\$ 200	\$ 94,877	\$ 95,077	6%
General:				
Property tax	8,805	-	8,805	1%
Sales tax	25,835	-	25,835	2%
Franchise tax	83,009	-	83,009	5%
Licenses and permits	1,250	-	1,250	0%
Other taxes, penalties, interest, etc.	7,872	-	7,872	0%
Intergovernmental	2,258	-	2,258	0%
Fines and Forfeitures	1,343,157	-	1,343,157	85%
Investment earnings	228	6	234	0%
Miscellaneous	13,435	2,009	15,444	<u>1%</u>
Total Revenues	<u>1,486,049</u>	<u>96,892</u>	<u>1,582,941</u>	<u>100%</u>
<u>Program Expenses:</u>				
General government	830,139	-	830,139	65%
Public safety	317,413	-	317,413	25%
Water and Sewer	-	127,884	127,884	<u>10%</u>
Total Program Expenses	<u>1,147,552</u>	<u>127,884</u>	<u>1,275,436</u>	<u>100%</u>
Excess (Deficiency)	338,497	(30,992)	307,505	
Transfers In (Out)	<u>(289,560)</u>	<u>289,560</u>	-	
Change in Net Position	48,937	258,568	307,505	
Beginning Net Position	<u>2,939,711</u>	<u>699,894</u>	<u>3,639,605</u>	
Ending Net Position	<u>\$ 2,988,648</u>	<u>\$ 958,462</u>	<u>\$ 3,947,110</u>	

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

As noted above, there are two categories of revenues on the Statement of Activities – “Program Revenues” and “General Revenues”. “Program Revenues” derive directly from the program itself or from parties outside the Village’s taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government’s “General Revenues”. “Program Revenues” are further divided into Charges for Services, Operating Grants and Contributions, and Capital Grants and Contributions. The major revenues in governmental activities for the Village’s sub-category are \$1,152,467 from Fines and Forfeiture for the fiscal year ended June 30, 2020, and \$1,343,157 from police and court fines for the fiscal year ended June 30, 2019. Revenues in the Capital Grants and Contributions sub-category consists of \$0 for the fiscal years ended June 30, 2020 and 2019, respectively. “Revenues” include all revenues not required to be reported as “Program Revenues”. All taxes are to be reported by type. The major tax

## VILLAGE OF FENTON, LOUISIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended June 30, 2020

revenues for the Village of Fenton are franchise tax revenues of \$9,132, sales tax revenues of \$30,425, and property taxes of \$14,070, for the year ended June 30, 2019. The major tax revenues for the year ended June 30, 2019, are franchise tax revenues of \$83,009, sales tax revenues of \$25,835, and property taxes of \$8,805. Other "General Revenues" reported for the year ended June 30, 2020 includes \$350 in license and permits, \$419 in other taxes, penalties, interest, \$101 in investment earnings, and \$8,406 in miscellaneous revenues.

"Program Expenses" for the governmental funds are presented in the above Condensed Statement of Activities by function and total \$1,265,959 and \$1,142,552 for the fiscal years ended June 30, 2020 and 2019, 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 \$93,653 for water and sewer for the year ended June 30, 2020, and \$94,877 for the fiscal year ended June 30, 2019.

The Village reports the total amount of expenses for operation of the utility system as \$126,799 and \$127,884 for the years ended June 30, 2020 and 2019, respectively. The "Change in Net Position" (revenues less expenses) for the utility system was \$64,211 and \$258,568 for the fiscal years ended June 30, 2020 and 2019, respectively.

#### Capital Assets

The Village's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2020 was \$1,062,996 and \$816,443 respectively, and \$ 1,092,045 and \$752,522 respectively, as of June 30, 2019. For the year ended June 30, 2020, net investment for governmental type activities decreased by approximately 3% while net investment for business-type activities increased by 8%.

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**VILLAGE OF FENTON, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
For the Year Ended June 30, 2020

The following tables provide a summary of capital asset activities for 2020:

	Balance 7/1/2019	Increases	Decreases	Balance 6/30/2020
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 35,066	\$ -	\$ -	\$ 35,066
Other capital assets:				
Buildings	1,589,407	-	-	1,589,407
Machinery	628,606	80,958	-	709,564
Furniture	33,011	-	-	33,011
Totals	<u>2,251,024</u>	<u>80,958</u>	<u>-</u>	<u>2,331,982</u>
Less accumulated depreciation:				
Buildings	619,571	67,637	-	687,208
Machinery	541,596	42,236	-	583,832
Furniture	32,877	134	-	33,011
Total accumulated depreciation	<u>1,194,044</u>	<u>110,007</u>	<u>-</u>	<u>1,304,051</u>
Governmental activities:				
Capital assets, net	<u>\$ 1,092,046</u>	<u>\$ (29,049)</u>	<u>\$ -</u>	<u>\$ 1,062,997</u>
	Balance 7/1/2019	Increases	Decreases	Balance 6/30/2020
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 14,790	\$ -	\$ -	\$ 14,790
Other capital assets:				
Buildings	1,483,802	102,958	-	1,586,760
Furniture	249	2,275	-	2,524
Transportation	28,630	-	-	28,630
Totals	<u>1,512,681</u>	<u>105,233</u>	<u>-</u>	<u>1,617,914</u>
Less accumulated depreciation:				
Buildings	746,071	41,311	-	787,382
Furniture	249	-	-	249
Transportation	28,630	-	-	28,630
Total accumulated depreciation	<u>774,949</u>	<u>41,311</u>	<u>-</u>	<u>816,261</u>
Business activities:				
Capital assets, net	<u>\$ 752,522</u>	<u>\$ 63,922</u>	<u>\$ -</u>	<u>\$ 816,443</u>

**VILLAGE OF FENTON, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
For the Year Ended June 30, 2020

The following tables provide a summary of capital asset activity for 2019:

	Balance 7/1/2018	Increases	Decreases	Balance 6/30/2019
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 35,066	\$ -	\$ -	\$ 35,066
Other capital assets:				
Buildings	1,589,407	-	-	1,589,407
Machinery	598,000	30,606	-	628,606
Furniture	33,011	-	-	33,011
Totals	<u>2,220,418</u>	<u>30,606</u>	<u>-</u>	<u>2,251,024</u>
Less accumulated depreciation:				
Buildings	551,830	67,741	-	619,571
Machinery	499,400	42,196	-	541,596
Furniture	32,070	807	-	32,877
Total accumulated depreciation	<u>1,083,300</u>	<u>110,744</u>	<u>-</u>	<u>1,194,044</u>
Governmental activities:				
Capital assets, net	<u>\$ 1,172,184</u>	<u>\$ (80,138)</u>	<u>\$ -</u>	<u>\$ 1,092,046</u>
	Balance 7/1/2018	Increases	Decreases	Balance 6/30/2019
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 14,790	\$ -	\$ -	\$ 14,790
Other capital assets:				
Buildings	1,399,552	84,250	-	1,483,802
Furniture	249	-	-	249
Transportation	28,630	-	-	28,630
Totals	<u>1,428,431</u>	<u>84,250</u>	<u>-</u>	<u>1,512,681</u>
Less accumulated depreciation:				
Buildings	714,031	32,039	-	746,070
Furniture	249	-	-	249
Transportation	28,630	-	-	28,630
Total accumulated depreciation	<u>742,910</u>	<u>32,039</u>	<u>-</u>	<u>774,949</u>
Business activities:				
Capital assets, net	<u>\$ 700,311</u>	<u>\$ 52,211</u>	<u>\$ -</u>	<u>\$ 752,522</u>

## VILLAGE OF FENTON, LOUISIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended June 30, 2020

#### 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

June 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,689,597	\$ 283,195	\$ 1,972,792
Intergovernmental receivable	41,170	-	41,170
Accounts receivable, net	3,831	10,804	14,635
Internal account	83,227	(83,227)	-
Prepaid items	4,305	-	4,305
Total current assets	1,822,130	210,772	2,032,902
Noncurrent assets:			
Restricted cash	-	6,953	6,953
Land	35,066	14,790	49,856
Buildings and improvements, net	902,199	-	902,199
Machinery, equipment, and vehicles, net	125,732	-	125,732
Sewer and water system, net	-	801,653	801,653
Total noncurrent assets	1,062,997	823,396	1,886,393
Total assets	\$ 2,885,127	\$ 1,034,168	\$ 3,919,295
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 4,378	\$ -	\$ 4,378
Accrued liabilities	23,410	303	23,713
Customer deposits	-	6,170	6,170
Total current liabilities	27,788	6,473	34,261
Noncurrent liabilities:			
Compensated absences payable	15,777	5,022	20,799
Total noncurrent liabilities	15,777	5,022	20,799
Total liabilities	43,565	11,495	55,060
<b>NET POSITION</b>			
Net investment in capital assets	1,062,997	816,443	1,879,440
Unrestricted	1,778,565	206,230	1,984,795
Total net position	2,841,562	1,022,673	3,864,235
Total liabilities and net position	\$ 2,885,127	\$ 1,034,168	\$ 3,919,295

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

**VILLAGE OF FENTON, LOUISIANA**

**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2020

	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
<b>Functions/Programs</b>							
<b>Governmental activities:</b>							
General government	\$ 986,498	\$ 860	\$ -	\$ -	\$ (985,638)	\$ -	\$ (985,638)
Public safety	279,461	-	-	-	(279,461)	-	(279,461)
Total governmental activities	1,265,959	860	-	-	(1,265,099)	-	(1,265,099)
<b>Business-type activities:</b>							
Water and sewer	126,799	93,653	-	-	-	(33,146)	(33,146)
Total business-type activities	126,799	93,653	-	-	-	(33,146)	(33,146)
Total primary government	\$ 1,392,758	\$ 94,513	\$ -	\$ -	(1,265,099)	(33,146)	(1,298,245)
<b>General revenues:</b>							
<b>Taxes:</b>							
Property taxes					14,070	-	14,070
Sales taxes					30,425	-	30,425
Franchise taxes					9,132	-	9,132
Other taxes, penalties, interest, etc.					419	-	419
Licenses and permits					350	-	350
Fines and forfeitures					1,152,467	-	1,152,467
Investment earnings					101	-	101
Miscellaneous					8,406	-	8,406
Transfers					(97,357)	97,357	-
Total general revenues and transfers					1,118,013	97,357	1,215,370
Change in net position					(147,086)	64,211	(82,875)
Net position - beginning					2,988,648	958,462	3,947,110
Net position - ending					\$ 2,841,562	\$ 1,022,673	\$ 3,864,235

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



**VILLAGE OF FENTON, LOUISIANA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,645,811	\$ 16,470	\$ 27,316	\$ 1,689,597
Receivables:				
Accounts receivable	3,831			3,831
Intergovernmental receivable	41,170	-	-	41,170
Due from other funds	83,227			83,227
Prepaid items	2,773	1,532	-	4,305
Total assets	<u>\$ 1,776,812</u>	<u>\$ 18,002</u>	<u>\$ 27,316</u>	<u>\$ 1,822,130</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 2,760	\$ 1,618	\$ -	\$ 4,378
Accrued liabilities	22,085	-	-	22,085
Other liabilities	1,325	-	-	1,325
Total liabilities	<u>26,170</u>	<u>1,618</u>	<u>-</u>	<u>27,788</u>
<b>FUND BALANCES</b>				
Unassigned	<u>1,750,642</u>	<u>16,384</u>	<u>27,316</u>	<u>1,794,342</u>
Total fund balances	<u>1,750,642</u>	<u>16,384</u>	<u>27,316</u>	<u>1,794,342</u>
 Total liabilities and fund balances	 <u>\$ 1,776,812</u>	 <u>\$ 18,002</u>	 <u>\$ 27,316</u>	 <u>\$ 1,822,130</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**  
June 30, 2020

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

Total fund balances - governmental funds		\$ 1,794,342
--	--	--------------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Land	35,066	
Buildings and improvements, net of accumulated depreciation of \$687,208	902,199	
Machinery, equipment, and vehicles, net of accumulated depreciation \$616,843	<u>125,732</u>	1,062,997

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>(15,777)</u>
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Net position of governmental activities		<u>\$ 2,841,562</u>
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The accompanying notes are an integral part of these financial statements.

**VILLAGE OF FENTON, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
For the Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Capital Project Fund	Total Governmental Funds
<b>REVENUES</b>				
Taxes:				
Ad valorem	\$ 14,070	\$ -	\$ -	\$ 14,070
Sales and use	30,425	-	-	30,425
Franchise taxes	9,132	-	-	9,132
Other taxes	419	-	-	419
Licenses and permits	350	-	-	350
Charges for services	860	-	-	860
Fines and forfeitures	1,152,467	-	-	1,152,467
Investment earnings	101	-	-	101
Miscellaneous	8,406	-	-	8,406
Total revenues	<u>1,216,230</u>	-	-	<u>1,216,230</u>
<b>EXPENDITURES</b>				
General government	864,821	11,407	-	876,228
Public safety	279,461	-	-	279,461
Capital outlay:				
General government	13,876	-	-	13,876
Public safety	67,082	-	-	67,082
Total expenditures	<u>1,225,240</u>	<u>11,407</u>	-	<u>1,236,647</u>
Excess (deficiency) of revenues over (under) expenditures	(9,010)	(11,407)	-	(20,417)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(97,357)	-	-	(97,357)
Total other financing sources (uses)	<u>(97,357)</u>	-	-	<u>(97,357)</u>
Net change in fund balance	(106,367)	(11,407)	-	(117,774)
Fund balances - beginning	<u>1,857,009</u>	<u>27,791</u>	<u>27,316</u>	<u>1,912,116</u>
Fund balances - ending	<u>\$ 1,750,642</u>	<u>\$ 16,384</u>	<u>\$ 27,316</u>	<u>\$ 1,794,342</u>

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, 2020

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

Net changes in fund balances - total governmental funds	\$(117,774)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.	80,958
	<u>(110,007)</u> (29,049)

The liability and expense for compensated absences are not reported in governmental funds. Instead, payments for compensated absences are reported as salaries when they occur. Only the payment consumes current financial resources and it would take a current liability catastrophic event for this liability to become a current liability	<u>(263)</u>
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Change in net position of governmental activities	<u>\$(147,086)</u>
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The accompanying notes are an integral part of these financial statements.

**VILLAGE OF FENTON, LOUISIANA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
June 30, 2020

	<u>Enterprise Fund Sewer and Water System</u>
<b>ASSETS</b>	
Current Assets:	
Cash and cash equivalents	\$ 283,195
Accounts receivable, net	<u>10,804</u>
Total current assets	<u>293,999</u>
Noncurrent Assets:	
Restricted cash	6,953
Land	14,790
Sewer and water system, net of accumulated depreciation of \$816,261	<u>801,653</u>
Total noncurrent assets	<u>823,396</u>
Total assets	<u>\$ 1,117,395</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accrued liabilities	\$ 303
Customer deposits	6,170
Due to general funds	<u>83,227</u>
Total current liabilities	<u>89,700</u>
Noncurrent Liabilities:	
Compensated absences payable	<u>5,022</u>
Total noncurrent liabilities	<u>5,022</u>
Total liabilities	<u>94,722</u>
<b>NET POSITION</b>	
Net investment in capital assets	816,443
Unrestricted	<u>206,230</u>
Total net position	<u>1,022,673</u>
Total liabilities and net position	<u>\$ 1,117,395</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**  
For the Year Ended June 30, 2020

	<u>Enterprise Fund Sewer and Water System</u>
Operating Revenues	
Charges for services	\$ 93,653
Total operating revenues	<u>93,653</u>
Operating Expenses	
Personnel services	29,940
Materials and supplies	21,787
Contractual services	33,761
Depreciation	<u>41,311</u>
Total operating expenses	<u>126,799</u>
Operating income (loss)	<u>(33,146)</u>
Capital Contributions	
Transfers in	<u>97,357</u>
	<u>97,357</u>
Income (loss) after transfers	<u>64,211</u>
Change in net position	64,211
Net position - beginning	<u>958,462</u>
Net position - ending	<u>\$ 1,022,673</u>

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



**VILLAGE OF FENTON, LOUISIANA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2020

	<u>Enterprise Fund Sewer and Water System</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 93,653
Payments to employees	(29,940)
Payments to suppliers and services	(55,547)
Other operating revenues	<u>3,910</u>
Net cash provided by (used in) operating activities	<u>12,076</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Due to other funds	83,227
Transfers in	<u>97,357</u>
Net cash provided by (used in) noncapital financing activities	<u>180,584</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of capital assets	<u>(105,233)</u>
Net cash provided by (used in) capital and related financing activities	<u>(105,233)</u>
Net increase (decrease) In cash and cash equivalents	87,427
<b>CASH AND CASH EQUIVALENTS INCLUDING RESTRICTED CASH</b>	
Beginning of the year	<u>202,721</u>
End of the year	<u>\$ 290,148</u>
<b>Reconciliation of operating income (loss) to cash provided by (used in) operating activities</b>	
Operating loss	\$ (33,146)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities	
Depreciation	41,311
Decrease (increase) in operating assets:	
Accounts receivable, net	(89)
Prepaid insurance	3,813
Increase (decrease) in operating liabilities:	
Accounts payable	(363)
Customer deposits	100
Accrued liabilities	301
Compensated absences	<u>149</u>
Total adjustments	<u>45,222</u>
Net cash provided by (used in) operating activities	<u>\$ 12,076</u>

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

## VILLAGE OF FENTON, LOUISIANA

### NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

#### Note 1 – Summary of Significant Accounting Policies

##### Financial Reporting Entity

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

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

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

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

##### Basis of Presentation

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

## VILLAGE OF FENTON, LOUISIANA

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2020

#### Government-wide Financial Statements

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

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

#### Balance and Equity Classifications

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

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

#### Fund Financial Statements

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

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

## VILLAGE OF FENTON, LOUISIANA

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2020

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

#### Governmental Funds

The government reports the following major governmental funds:

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

#### Proprietary Fund

The government report the following enterprise funds:

- Enterprise Fund - This fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

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

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

## VILLAGE OF FENTON, LOUISIANA

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2020

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

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

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

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

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

#### *Budgets and Budgetary Accounting*

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

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

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

## VILLAGE OF FENTON, LOUISIANA

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2020

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

#### Cash and Cash Equivalents, and Investments

The governments' cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Under state law, the Village may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

#### Restricted Cash

Restricted cash on the Statement of Net Position represents the funds held for customer deposits. The balance of restricted cash at June 30, 2020 was \$6,953.

#### 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.

## VILLAGE OF FENTON, LOUISIANA

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2020

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.

#### Prepaid Items

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

#### Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

#### Capital Assets

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

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

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

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

#### Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. The amount reported for general fund compensated absences is \$15,777. 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

## VILLAGE OF FENTON, LOUISIANA

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2020

reported for proprietary fund compensated absences is \$5,022. 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, 2020 the Village's total liability for compensated absences was \$20,799.

#### Long-Term Debt

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

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

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

#### Fund Balance and Equity Classifications

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

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



## VILLAGE OF FENTON, LOUISIANA

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2020

Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted nor committed.

- *Unassigned Fund Balance* - This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

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

#### Sales Taxes

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

#### Revenues, Expenditures, and Expenses

##### *Program Revenues*

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

##### *Revenues*

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

##### *Expenditures*

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

##### *Other Financing Sources*

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

**VILLAGE OF FENTON, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended June 30, 2020

**Note 2 – Cash and Cash Equivalents**

At June 30, 2020, the Village had \$1,979,745 in deposits (book balances), of which \$250,000 is secured from risk by federal deposit insurance, and the balance of \$1,729,745 is secured by pledged securities held by the custodial bank in the name of the fiscal agent bank. There are no funds exposed to custodial credit risk.

**Note 3 – Property Taxes**

Taxes were levied on property as follows:

	Millage	Assessed Valuations
General Ad Valorem Tax	8.02	\$1,220,830

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.

**Note 4 – Receivables**

Receivables at June 30, 2020 consisted of the following:

Class of Receivables	General Fund	Enterprise Fund	Total
Customs accounts	\$ -	\$ 24,904	\$ 24,904
Franchise taxes receivable	3,831	-	3,831
Intergovernmental receivables	41,170	-	41,170
Other receivables	24,389	-	24,389
Less: Allowance for bad debts	(24,389)	(14,100)	(38,489)
Total	\$ 45,001	\$ 10,804	\$ 55,805

**Note 5 – Prepaid Items**

Prepaid items for the year ended June 30, 2020 was as follows:

	Governmental Activities	Business-type Activities	Totals
Prepaid insurance	\$ 4,305	\$ -	\$ 4,305
Total	\$ 4,305	\$ -	\$ 4,305

**VILLAGE OF FENTON, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
For the Year Ended June 30, 2020

**Note 6 – Capital Assets**

A summary of changes in capital assets for the year ended June 30, 2020 follows:

	Balance 7/1/2019	Additions	Deletions	Balance 6/30/2020
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 35,066	\$ -	\$ -	\$ 35,066
Other capital assets:				
Buildings	1,589,407	-	-	1,589,407
Machinery	628,606	80,958	-	709,564
Furniture	33,011	-	-	33,011
Totals	2,251,024	80,958	-	2,331,982
Less accumulated depreciation:			-	
Buildings	619,571	67,637	-	687,208
Machinery	541,596	42,236	-	583,832
Furniture	32,877	134	-	33,011
Total accumulated depreciation	1,194,044	110,007	-	1,304,051
Governmental activities:				
Capital assets, net	\$ 1,092,046	\$ (29,049)	\$ -	\$ 1,062,997
	Balance 7/1/2019	Additions	Deletions	Balance 6/30/2020
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 14,790	\$ -	\$ -	\$ 14,790
Other capital assets:				
Buildings	1,483,802	102,958	-	1,586,760
Furniture	249	2,275	-	2,524
Transportation	28,630	-	-	28,630
Totals	1,512,681	105,233	-	1,617,914
Less accumulated depreciation:				
Buildings	746,071	41,311	-	787,382
Furniture	249	-	-	249
Transportation	28,630	-	-	28,630
Total accumulated depreciation	774,950	41,311	-	816,261
Governmental activities:				
Capital assets, net	\$ 752,521	\$ 63,922	\$ -	\$ 816,443

**VILLAGE OF FENTON, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
For the Year Ended June 30, 2020

Depreciation expense was charged to governmental activities as follow:

General and administrative	\$	84,161
Police		25,846
Total		\$ 110,007

**Note 7 – Accrued liabilities**

The accrued liabilities of \$18,806 at June 30, 2020 were as follows:

	Governmental Activities	Business - Type Activities	Total
Accrued payroll and related liabilities	\$ 14,157	\$ -	\$ 14,157
Insurance payable	8,118	-	8,118
Sales tax payable	-	303	303
Other accrued liabilities	1,135	-	1,135
Total	\$ 23,410	\$ 303	\$ 23,713

**Note 8 – Due to/ from Other Funds**

The composition of due to/ from other funds for the year ended June 30, 2020 is as follows:

*Due to/ from other funds:*

	Interfund	
	Receivable	Payable
Governmental Funds:		
General fund	\$ 83,227	\$ -
Proprietary Funds:		
Enterprise fund	-	83,227
Total primary government	\$ 83,227	\$ 83,227

**Note 9 – Interfund Transfers**

The composition of interfund transfers for the year ended June 30, 2020 is as follows:

**VILLAGE OF FENTON, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
For the Year Ended June 30, 2020

	Transfers In	Transfers Out
Governmental Funds:		
General fund	\$ -	\$ 97,357
Proprietary Funds:		
Enterprise fund	97,357	-
Total	\$ 97,357	\$ 97,357

**Note 10 – Risk Management**

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

**Note 11 – Commitments and Contingencies**

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

**Note 12 – Schedule of Rates and Number of Customers**

At June 30, 2020, the number of customers was as follows:

Residential	– 163
Commercial	– 1

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

Sewer:

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

**VILLAGE OF FENTON, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
For the Year Ended June 30, 2020

Residential:	
In-Town	\$12.50 first 2,000 gallons 5.00 per 1,000 gallons thereafter
Out-of-Town	\$15.00 first 2,000 gallons 5.50 per 1,000 gallons thereafter
Commercial:	
In-Town	\$18.00 first 2,000 gallons 6.00 per 1,000 gallons thereafter
Out-of-Town	\$20.00 first 2,000 gallons 6.00 per 1,000 gallons thereafter

**Note 13 – Related Party Transactions**

Procedures, observations, and inquiries did not disclose any material related party transactions for the fiscal year ended June 30, 2020.

**Note 14 – Covid-19 Pandemic**

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

**REQUIRED SUPPLEMENTARY INFORMATION (PART II)**

**VILLAGE OF FENTON, LOUISIANA**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive/ (Negative)
<b>REVENUES</b>				
Beer Tax	800	800	419	\$ (381)
Fines & Forfeits	750,000	750,000	1,152,467	402,467
Franchise Tax	24,000	24,000	9,132	(14,868)
Insurance Premium Tax La-Mats	5,500	5,500	2,339	(3,161)
Grass Cutting	300	300	860	560
License & Permits	1,000	1,000	350	(650)
Miscellaneous	1,000	1,000	1,848	848
Festival Revenues	-	-	4,320	4,320
In Lieu of Taxes	6,800	6,800	-	(6,800)
Parish Sales Taxes	-	-	30,425	30,425
Property Tax	15,000	15,000	14,070	(930)
State Revenue Sharing	1,900	1,900	-	(1,900)
<b>Total Revenues</b>	<u>806,300</u>	<u>806,300</u>	<u>1,216,230</u>	<u>409,930</u>
<b>EXPENDITURES</b>				
Current Function:				
General Government	501,425	501,425	864,821	(363,396)
Public Safety	294,950	294,950	279,461	15,489
Capital Outlay	55,000	55,000	80,958	(25,958)
<b>Total Expenditures</b>	<u>851,375</u>	<u>851,375</u>	<u>1,225,240</u>	<u>(373,865)</u>
Excess (deficiency) of revenues over expenditures	<u>(45,075)</u>	<u>(45,075)</u>	<u>(9,010)</u>	<u>(36,065)</u>
<b>Other Financing Sources (USES):</b>				
Transfer In	-	-	-	-
Transfer Out	-	-	(97,357)	(97,357)
<b>Net Changes in Fund Balance</b>	<u>\$ (45,075)</u>	<u>\$ (45,075)</u>	<u>(106,367)</u>	<u>\$ (61,292)</u>
Fund Balances, Beginning			<u>1,857,009</u>	
<b>Fund Balances, Ending</b>			<u>\$ 1,750,642</u>	



VILLAGE OF FENTON, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD  
For the Year Ended June 30, 2020

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

<b><u>Purpose</u></b>	<b><u>Amount</u></b>
Salary	\$ 42,000
Benefits - Insurance	12,535
Benefits - Retirement	-
Car Allowance	-
Per diem	-
Reimbursements	-
Travel	-
Registration Fees	-
Conference Travel	-
<b>Total Compensation, Benefits, and Other Payments to Agency Head</b>	<b><u>\$ 54,535</u></b>

VILLAGE OF FENTON, LOUISIANA

SCHEDULE OF COMPENSATION PAID TO THE MEMBERS OF THE BOARD OF ALDERMEN  
For the Year Ended June 30, 2020

<u>Name:</u>	<u>Amount</u>
Gwen Johnson	\$ 4,800
Mary Jones	4,800
Olle Mae Clophus	<u>4,800</u>
<b>Total Compensation Paid</b>	<b>\$ <u>14,400</u></b>

VILLAGE OF FENTON, LOUISIANA

SCHEDULE OF INSURANCE IN FORCE

For the Year Ended June 30, 2020

(Without Audit)

<u>Issuer</u>	<u>Type of Insurance</u>	<u>Property Covered and Location</u>	<u>Insurance</u>	<u>Expiration Date</u>
LA Municipal Risk Management Agent	Automobile	Automobile	\$ 500,000	March 19, 2021
	Commercial general liability	Premises operations, general	500,000	March 19, 2021
		Products and completed operations	500,000	March 19, 2021
		Medical payments	10,000/per accident	March 19, 2021
		Fire legal liability	50,000/per occurrence	March 19, 2021
Workers compensation	Eligible employees	Statutory	September 24, 2020	
Rod Prejean & Associates, Inc.	Automobile	Automobile	6,656	December 4, 2020

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



# J. WALKER & COMPANY<sup>APC</sup>

ACCOUNTANTS AND ADVISORS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Fenton, Louisiana, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Village of Fenton, Louisiana's basic financial statements, and have issued our report thereon dated December 18, 2020.

### Internal Control over Financial Reporting

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

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

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

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#### MEMBER OF:

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
---  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village of Fenton, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

*J. Walker & Company, APC*

Lake Charles, Louisiana

December 18, 2020



VILLAGE OF FENTON, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2020

**I Summary of Auditors' Results**

a. Financial Statements

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the Village of Fenton, Louisiana.
2. There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements and reported in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. There are no instances of noncompliance that are reported in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.

b. Federal Awards

N/A

c. Management Letter

1. No management letter was issued in connection with the audit for the year ended June 30, 2020.

**VILLAGE OF FENTON, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES**  
For the Year Ended June 30, 2020

**II. Findings – Financial Statement Audit**

There were no current year findings.



VILLAGE OF FENTON, LOUISIANA

SUMMARY OF THE PRIOR YEAR FINDINGS  
For the Year Ended June 30, 2020

III. Summary of Prior Year Findings

INTERNAL CONTROL AND COMPLIANCE FINDINGS

**2019-001 Inadequate Controls Over Purchasing**

Fiscal Year Finding Originated: June 30, 2018 fiscal year-end

Condition:

A purchase order system has not been adequately implemented.

Current Status:

Resolved.

**2019-002 Late Submission of Audit Report to the Legislative Auditor**

Fiscal Year Finding Originated: June 30, 2016 fiscal year-end

Condition:

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

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

Current Status:

Resolved.