

**Housing Authority of the
VILLAGE OF FENTON**
Fenton, Louisiana

**Annual Financial Report
As of and for the Year Ended December 31, 2019**

HOUSING AUTHORITY OF THE VILLAGE OF FENTON

Fenton, Louisiana

Basic Financial Statements

As of and for the Year Ended December 31, 2019

With Supplemental Information Schedules

CONTENTS

	Exhibit	Page
Independent Auditor's Report		3
Required Supplementary Information		
Management's Discussion and Analysis		6
Basic Financial Statements:		
Statement of Net Position	A	13
Statement of Revenues, Expenses and Changes in Net Position	B	15
Statement of Cash Flows	C	16
Notes to the Financial Statements		17
Supplemental Information		
Financial Data Schedule		24
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer		29
Schedule of Compensation Paid Board Members		30
Other Reports		
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 <i>Government Auditing Standards</i>		31
Schedule of Audit Findings		33
Schedule of Prior Audit Findings		34
Corrective Action Plan		35

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the Village of Fenton
Fenton, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the Housing Authority of the Village of Fenton (the authority) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which comprise the Authority'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.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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, I 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.

HOUSING AUTHORITY OF THE VILLAGE OF FENTON

Fenton, Louisiana
Independent Auditor's Report, 2019
Page Two

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the Housing Authority of the Village of Fenton as of December 31, 2019, and the respective changes in financial position and 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* as listed in the table of contents 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the authority's basic financial statements. The Financial Data Schedule and the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Financial Data Schedule and the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer 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 my opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

HOUSING AUTHORITY OF THE VILLAGE OF FENTON

Fenton, Louisiana
Independent Auditor's Report, 2019
Page Three

The Schedule of Compensation of Board Members has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated July 2, 2020 on my consideration of the authority's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the authority's internal control over financial reporting and compliance.

William Daniel McCaskill

William Daniel McCaskill, CPA
A Professional Accounting Corporation

July 2, 2020

Fenton Housing Authority Management's Discussion and Analysis For the Year Ended December 31, 2019

Introduction

This Management's Discussion and Analysis (MD&A) of the Fenton Housing Authority (Authority) provides an introduction and overview to the financial statements of the Fenton Housing Authority for the fiscal year ended December 31, 2019. The Fenton Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended December 31, 2019, to assist the reader in focusing on significant financial issues.

The primary focus of the Authority's financial statements is on the statements of its single enterprise fund encompassing all programs administered by the Fenton Housing Authority. This information contained herein this MD&A should be considered in conjunction with the Authority's financial statements and related notes to the financial statements.

The Authority has two individual programs. They include the Low Rent Public Housing Program and the Capital Fund Program.

The Low Rent Program consists of 25 dwelling units. Funding is provided based on dwelling rents paid by the tenants and operating fund payments received by the Department of Housing & Urban Development based on a formula.

The Capital Fund Program is also a formula based program from HUD. The purpose of this program is to provide funding for the modernization and improvement of the Low Rent Public Housing Program. These resources allow the Housing Authority to provide capital improvements for the current dwelling structures and assist in their operations.

The Housing Authority is managed by the Welsh Housing Authority.

Overview of the Financial Statements

This overview of the financial statement is intended to inform and introduce the reader to the Authority's financial statements. The financial statements are comprised of three individual statements. These statements include:

- The Statement of Net Position
- The Statement of Revenues, Expense, and Changes in Net Position

Management's Discussion and Analysis (continued)

- The Statement of Cash Flows

The Statement of Net Position presents information on the assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the differences between them being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial situation of the Authority is improving or deteriorating. Net position is comprised of three individual components:

- *Investment in Capital Assets* consists of capital asset balances net of accumulated depreciation less any outstanding balances of related debt associated with these assets.
- *Restricted* component of net position consists of resources that are restricted by limitations placed on these resources by an external source or imposed by law through constitutional provisions.
- *Unrestricted* component of net position represents the remaining resources available that do not meet the definition of the above categories. The unrestricted component of net position is basically the amount of resources available for future year appropriations.

The Statement of Revenues, Expenses, and Changes in Net Position reports the operating revenues, operating expenses, non-operating revenues, and non-operating expenses of the Authority for the fiscal year ended December 31, 2019 to determine the change in net position for the fiscal year.

The Statement of Cash Flows reports cash activities for the fiscal year resulting from operating activities, investing activities, non-capital financing activities, and capital and related financing activities. The net result of these activities represents the increase or decrease of the cash equivalent account balance for the year ended December 31, 2019.

Financial Highlights

- The Fenton Housing Authority's total net position decreased from \$427,233 in 2018 to \$398,085 in 2019, for a decrease of \$29,148. The total assets decreased by \$25,701 or 6% from the previous year.
- The unrestricted component of net position's balance is \$21,493 at December 31, 2019. This represents an increase of \$6,018, or 39% from the previous year.
- Total revenues decreased from \$158,446 in 2018 to \$156,953 in 2019, representing a decrease of \$1,493 or 1%.

Management's Discussion and Analysis (continued)

- Total expenses decreased by \$4,151 from \$190,252 to \$186,101 for the current year.

Housing Authority Activities & Highlights

The Housing Authority's overall financial position and operations for the past two years are summarized below based on the information in the current and prior financial statements. The table below lists the asset and liability comparisons for the year ended December 31, 2019 and December 31, 2018.

Summary Statement of Net Position
Years Ended December 31, 2019 and 2018

Category	12/31/2019	12/31/2018	Change \$	Change %
Current Assets	\$ 38,661	\$ 29,196	\$ 9,465	32%
Fixed Assets (Net of Depreciation)	\$ 376,592	\$ 411,758	\$ (35,166)	-9%
Total Assets	\$ 415,253	\$ 440,954	\$ (25,701)	-6%
Current Liabilities	\$ 17,168	\$ 13,721	\$ 3,447	25%
Total Liabilities	\$ 17,168	\$ 13,721	\$ 3,447	25%
Unrestricted	\$ 21,493	\$ 15,475	\$ 6,018	39%
Net Investment in Capital Assets	\$ 376,592	\$ 411,758	\$ (35,166)	-9%
Total Net Position	\$ 398,085	\$ 427,233	\$ (29,148)	-7%

Current Assets

Current assets increased by \$9,465, from \$29,196 in 2018 to \$38,661 in 2019. Accounts receivable HUD other projects – Operating Subsidy increased by \$5,307 primarily because the entire subsidy was not advanced in the current year.

Fixed Assets

Fixed assets decreased by \$35,166 from \$411,758 in 2018 to \$376,592 in 2019. The primary reason for the decrease is due to charging of depreciation expense.

Current Liabilities

The Authority's current liabilities increased from \$13,721 to \$17,168, a change of \$3,447 or 25% for the current year. Accounts payable – other government increased by \$5,301, from \$6,140 in 2018 to \$11,441 in 2019.

Net Position

The Authority's total net position decreased by \$29,148 or 7% from the previous year.

Management's Discussion and Analysis (continued)

The Authority's unrestricted component of net position increased from \$15,475 to \$21,493, an increase of \$6,018, or 39% for the current year due to an excess of operating income over operating expenses including the amounts drawn from CFP operations. The unrestricted component of net position is the amount available for future appropriations. This balance is subject to program specific guidelines.

Summary Statement of Revenues & Expenses and Changes in Net Position Years Ended December 31, 2019 and 2018

<u>Category</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>Change \$</u>	<u>Change %</u>
Program Revenues:				
Tenant Revenue	\$ 63,202	\$ 66,318	\$ (3,116)	-5%
Government Operating Grants	\$ 79,408	\$ 75,323	\$ 4,085	5%
Capital Grants	\$ 11,610	\$ 12,600	\$ (990)	-8%
Other Revenue	\$ 2,733	\$ 4,205	\$ (1,472)	-35%
Total Revenue	\$ 156,953	\$ 158,446	\$ (1,493)	-1%
Expenses:				
Administration	\$ 60,452	\$ 79,917	\$ (19,465)	-24%
Utilities	\$ 3,529	\$ 3,006	\$ 523	17%
Ordinary Maintenance	\$ 49,427	\$ 33,967	\$ 15,460	46%
Protective Services	\$ 300	\$ -	\$ 300	100%
General/Insurance Expense	\$ 25,521	\$ 25,788	\$ (267)	-1%
Depreciation	\$ 46,872	\$ 47,574	\$ (702)	-1%
Total Expenses	\$ 186,101	\$ 190,252	\$ (4,151)	-2%
Excess (Deficiency) Before Special Items	\$ (29,148)	\$ (31,806)	\$ 2,658	-8%
Change in Net Position	\$ (29,148)	\$ (31,806)	\$ 2,658	-8%
Net Position, Beginning of Year	\$ 427,233	\$ 459,039	\$ (31,806)	-7%
Net Position, End of Year	\$ 398,085	\$ 427,233	\$ (29,148)	-7%

Results of Operations

Revenues of the Authority are generated principally from dwelling rents and HUD grants (including Operating and Capital Funds). The Authority's revenue decreased by \$6,746 during the current fiscal year. Significant changes in revenues are as follows:

- Tenant revenue decreased by \$3,116 or 5%. The average rent charged to the tenant decreased from a previous year average of \$226, to a current year average of \$217.
- HUD Operating Grants increased by \$4,085, or 5%, from the previous fiscal year total of \$75,323 to the December 31, 2019 total of \$79,408.

Management's Discussion and Analysis (continued)

Low Rent Program operating subsidy increased by \$6,046, while the CFP operating grants decreased by \$2,951 from the prior year.

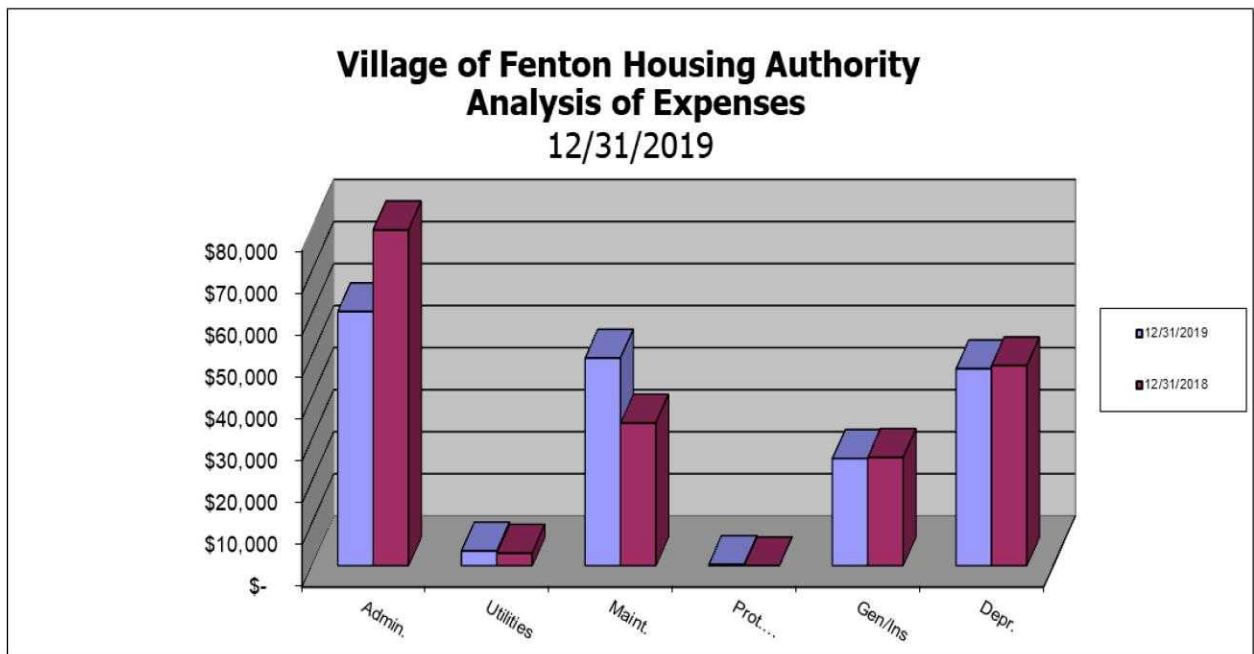
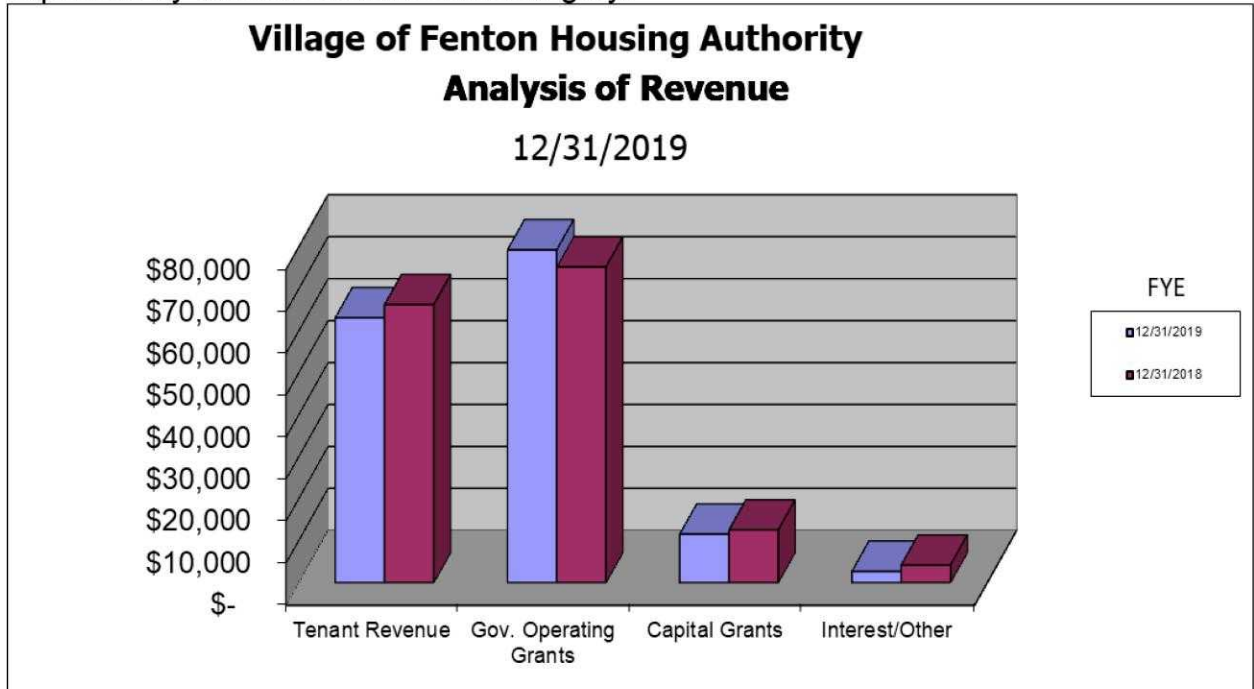
- Capital Grants decreased by \$990 primarily due to decreased utilization of current CFP Programs.
- Other revenue decreased by \$1,472. This is primarily due to a decrease in miscellaneous revenue received.

The Authority's total expenses decreased by \$4,151 from the previous year. Significant changes in expenses are as follows:

- Administrative expenses decreased by \$19,465 or 24% during the current year, due to changes in salaries and benefits in the amount of \$5,872. Management fees decreased in the amount of \$1,125, as well as other administrative expenses in the amount of \$14,812 due to the ending of the contract in November 2019.
- Utility expenses increased \$523 due to an increase in electricity in the amount of \$552. There was also a decrease in water by \$12, and sewer by \$17.
- Maintenance increased by \$15,460 or 46%, during the current year due to increased labor and benefits in the amount of \$7,013. There was also an increase in miscellaneous contracts in the amount of \$9,329.

Management's Discussion and Analysis (continued)

We have provided the following presentations to demonstrate the revenues and expenses by summarized account category:



Capital Assets

As of December 31, 2019, the Fenton Housing Authority's total capital assets were \$376,592. This investment includes land, buildings, and equipment, net of accumulated depreciation.

Management's Discussion and Analysis (continued)

<u>Category</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>Change \$</u>	<u>Change %</u>
Land	\$ 29,049	\$ 29,049	\$ -	0%
Buildings	\$ 1,831,787	\$ 1,820,082	\$ 11,705	1%
Equipment	\$ 40,312	\$ 40,312	\$ -	0%
Accumulated Depreciation	\$ (1,524,556)	\$ (1,477,685)	\$ (46,871)	3%
Total Net Fixed Assets	\$ 376,592	\$ 411,758	\$ (35,166)	-9%

Additions to buildings are due to the replacement of three HVAC units funded with the 2016 and 2017 Capital Fund Programs, as well as the Low Rent Program.

Debt Administration

The Authority had no debt obligations as of December 31, 2019.

Subsequent Event

Due to the 2020 Congressional Appropriations, the Authority's operating subsidy provided by HUD for the Low Rent Housing Program is 96.54% for the calendar year 2020.

Additional funding from the Cares Act legislation has been provided to the Low Rent Housing Program to aid in the preventing, preparing and responding to the COVID-19 virus. The supplemental funding for the Low Rent Program must be spent by December 31, 2020.

Request for Information

This financial report is designed to provide a general overview of the Authority's accountability for all those interested.

If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Fenton Housing Authority
Danielle Vegoren, Executive Director
P.O. Box 299
Fenton, LA 70640-0299

Housing Authority of the City of Fenton
Fenton, Louisiana
 Statement of Net Position
 As of December 31, 2019

ASSETS

Current assets

Cash and cash equivalents	\$ 10,544
Receivables:	
HUD	10,224
Tenant rents, net of allowance	6,443
Prepaid expenses	5,120
Inventory, net of allowance	603
Restricted assets - cash and cash equivalents	<u>5,727</u>
 Total current assets	 <u>38,661</u>

Noncurrent assets

Capital assets:

Nondepreciable capital assets:

Land	<u>29,049</u>
Total nondepreciable capital assets	<u>29,049</u>

Depreciable capital assets:

Buildings and improvements	1,831,787
Furniture and equipment	40,312
Less accumulated depreciation	<u>(1,524,556)</u>
Total depreciable capital assets, net of accumulated depreciation	<u>347,543</u>

Total capital assets, net of accumulated depreciation	<u>376,592</u>
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Total assets	<u>415,253</u>
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TOTAL ASSETS	<u><u>415,253</u></u>
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(continued)

Housing Authority of the City of Fenton
Fenton, Louisiana
 Statement of Net Position
 As of December 31, 2019

LIABILITIES AND NET POSITION

Current Liabilities

Payable to other governments	11,441
Security deposit liability	<u>5,727</u>

Total current liabilities	<u>17,168</u>
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TOTAL LIABILITIES	<u><u>17,168</u></u>
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NET POSITION

Net Investments in Capital Assets	376,592
Unrestricted	<u>21,493</u>

TOTAL NET POSITION	<u><u>\$ 398,085</u></u>
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The accompanying notes are an integral part of these financial statements.

Housing Authority of the City of Fenton
 Fenton, Louisiana
 Statement of Revenues, Expenses, and Changes In Net Position
 For the Year ended December 31, 2019

Operating Revenues	
HUD Operating Grants	\$ 79,408
Dwelling Rental	61,797
Other Operating	1,405
Total operating revenues	<u>142,610</u>
Operating Expenses	
General and administrative	92,986
Repairs and maintenance	42,414
Utilities	3,529
Protection services	300
Depreciation and amortization	46,872
Total operating expenses	<u>186,101</u>
Operating income (loss)	(43,491)
Nonoperating Revenues (Expenses):	
Miscellaneous revenues	2,733
Total nonoperating revenues (expenses)	<u>2,733</u>
Income (loss) before other revenues, expenses, gains, losses and transfers	(40,758)
Capital contributions (grants)	11,610
Increase (decrease) in net position	(29,148)
Net position, beginning of year	<u>427,233</u>
Net position, end of year	<u><u>\$ 398,085</u></u>

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

**Housing Authority of the City of Fenton
Statement of Cash Flows
For the Year ended December 31, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from federal subsidies	\$ 74,101
Receipts from tenants	59,888
Payments to suppliers	(141,876)
Payments to employees	<u>5,301</u>
Net cash provided by operating activities	<u>(2,586)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Miscellaneous revenues	<u>2,733</u>
Net cash provided by noncapital financing activities	<u>2,733</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from capital grants	11,610
Purchase and construction of capital assets	<u>(11,706)</u>
Net cash (used in) capital and related financing activities	<u>(96)</u>
Net increase (decrease) in cash and cash equivalents	<u>51</u>
Cash and cash equivalents - beginning of year	<u>16,220</u>
Cash and Cash equivalents - unrestricted	10,544
Cash and Cash equivalents - restricted	5,727
Total Cash and Cash Equivalents - end of year	<u>\$ 16,271</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating (loss)	\$ (43,491)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Depreciation and amortization	46,872
Changes in assets and liabilities:	
HUD receivable	(5,307)
Tenant rents, net of allowance	(4,191)
Prepaid insurance	84
Accounts payable	(561)
PILOT Payable	5,301
Unearned revenue	(77)
Other liability	(2,170)
Security deposit liability	<u>954</u>
Net cash provided by operating activities	<u>\$ (2,586)</u>

The accompanying notes are an integral part of the financial statements

HOUSING AUTHORITY OF THE VILLAGE OF FENTON

Fenton, Louisiana
Notes to the Basic Financial Statements
December 31, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

(1) Reporting Entity

The Housing Authority of The Village of Fenton (the authority) was chartered as a public corporation under the laws of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of the Village of Fenton, Louisiana. This formation was contingent upon the approval of the village.

The authority is governed by a Board of Commissioners (Board), which is composed of five members appointed by the village and serve five-year staggered terms. The Board of the authority exercises all powers granted to the authority.

GASB Statement No. 14, as amended by GASB statement No. 39 and GASB Statement No. 61, establishes criteria for determining the governmental reporting entity. Under provisions of this statement, the authority is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in the GASB statements, fiscally independent means that the authority may, without the approval or consent of another governmental entity, determine or modify its own budget, control collection and disbursements of funds, maintain responsibility for funding deficits and operating deficiencies, and issue bonded debt. The authority has no component units, defined by the GASB statements as other legally separate organizations for which the elected authority members are financially accountable.

HOUSING AUTHORITY OF THE VILLAGE OF FENTON

Fenton, Louisiana

Notes to the Financial Statements, 2019 – Continued

The authority is a related organization of the Village of Fenton, Louisiana since the village appoints a voting majority of the authority's governing board. The village is not financially accountable for the authority as it cannot impose its will on the authority and there is no potential for the authority to provide financial benefit to, or impose financial burdens on, the village. Accordingly, the authority is not a component unit of the financial reporting entity of the village.

(2) Funds

The accounts of the authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of 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.

All funds of the authority are classified as proprietary. The general fund accounts for transactions of all of the authority's programs.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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. The principal operating revenues of the authority's enterprise fund are HUD operating grants and subsidies, and tenant dwelling rents. Operating expenses include General and Administrative expenses, repairs and maintenance expenses, utilities and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The accompanying basic financial statements of the authority have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB statement No. 34, Basic Financial Statements and Managements discussion and Analysis—for State and Local Governments, which was unanimously approved in June 1999 by the GASB.

HOUSING AUTHORITY OF THE VILLAGE OF FENTON

Fenton, Louisiana

Notes to the Financial Statements, 2019 – Continued

(3) Measurement focus and basis of accounting

Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this management focus all assets and all liabilities associated with the operation of these funds are included on the statement of net position.

(4) Assets, liabilities, and net position

(a) Deposits

The authority's 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. HUD regulations, state law and the authority's investment policy allow the housing authority to invest in collateralized certificates of deposit and securities backed by the federal government.

(b) Inventory and prepaid items

All inventories are valued at cost on a first-in first-out (FIFO) basis. Inventories consist of expendable building materials and supplies held for consumption in the course of the authority's operations.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

(c) Restricted Assets

Cash equal to the amount of tenant security deposits is reflected as restricted.

(d) Capital assets

Capital assets of the authority are included in the statement of net position and are recorded at actual cost. The capitalization threshold is \$1,000. Depreciation of all exhaustible fixed assets is charged as an expense against operations.

Property, plant, and equipment of the Authority is depreciated using the straight line method over the following estimated useful lives:

HOUSING AUTHORITY OF THE VILLAGE OF FENTON

Fenton, Louisiana

Notes to the Financial Statements, 2019 – Continued

Buildings	33 years
Modernization and improvements	15 years
Furniture and equipment	5 years

(e) Due from/to other governments or agencies

Amounts due from/to the authority to/by other governments or agencies are generally for grants or programs under which the services have been provided by the authority. The authority also records an amount due to the various taxing districts within the region for payments in lieu of taxes.

(f) Allowance for doubtful accounts

The authority provides an allowance for doubtful accounts, as needed, for accounts deemed not collectible. At December 31, 2019, the management of the authority established an allowance for doubtful accounts of approximately \$1,786.

(g) Restricted net position

Restricted net positions are reported as restricted when constraints placed on net positions use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

(h) Use of estimates

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

HOUSING AUTHORITY OF THE VILLAGE OF FENTON

Fenton, Louisiana

Notes to the Financial Statements, 2019 – Continued

NOTE B – DEPOSITS

Deposits are stated at cost, which approximates fair value. Under state law and/or federal regulation, these deposits, or the resulting bank balances, must be in Federal Securities, secured by federal deposit insurance or the pledge of federal securities. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

As of December 31, 2019, the authority's carrying amount of deposits was \$16,271, which includes the following:

Cash and cash equivalents-unrestricted	\$10,544
Cash and cash equivalents- restricted	5,727
Total	\$16,271

Interest Rate Risk—The authority's policy does not address interest rate risk.

Credit Rate Risk—Since all of the authority's deposits are federally insured and/or backed by federal securities, the authority does not have credit rate risk.

Custodial Credit Risk—This is the risk that in the event of a bank failure, the authority's deposits may not be returned to it. The authority does not have a policy for custodial credit risk. \$16,462 of the authority's total deposits were covered by federal depository insurance, and do not have custodial credit risk. The bank balances at December 31, 2019 totaled \$16,462.

HOUSING AUTHORITY OF THE VILLAGE OF FENTON

Fenton, Louisiana
Notes to the Financial Statements, 2019 – Continued

NOTE C - CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2019 was as follows:

	<u>12/31/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2019</u>
Nondepreciable Assets:				
Land	\$ 29,049	\$ -	\$ -	\$ 29,049
Depreciable Assets:				
Building and improvements	1,820,082	11,705	-	1,831,787
Furniture and equipment	40,312	-	-	40,312
Total	<u>1,889,443</u>	<u>11,705</u>	<u>-</u>	<u>1,901,148</u>
Less accumulated depreciation				
Building and improvements	1,440,061	45,282	-	1,485,343
Furniture and equipment	37,624	1,589	-	39,213
Total accumulated depreciation	<u>1,477,685</u>	<u>46,871</u>	<u>-</u>	<u>1,524,556</u>
Net Capital Assets	<u>\$ 411,758</u>	<u>\$ (35,166)</u>	<u>\$ -</u>	<u>\$ 376,592</u>

NOTE D – POST EMPLOYMENT RETIREMENT BENEFITS

The authority does not provide any post employment retirement benefits. Therefore the authority does not include any entries for unfunded actuarial accrued liability, net OPEB expense, or annual contribution required.

NOTE E – RISK MANAGEMENT

The authority 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 authority's risk management program encompasses obtaining property and liability insurance.

The authority transfers risk of loss by participating in a public entity risk pool and contracting with a commercial insurance carrier for all major categories of exposed risk.

This includes coverage of property, general liability, public liability, and workers compensation. The risk pool and insurance contracted are obligated to meet settlements up to the maximum coverage, after the authority's deductions are met.

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, there have been no significant claims that have exceeded commercial insurance coverages in any of the past three fiscal years.

HOUSING AUTHORITY OF THE VILLAGE OF FENTON

Fenton, Louisiana

Notes to the Financial Statements, 2019 – Continued

NOTE F – FEDERAL COMPLIANCE CONTINGENCIES

The authority is subject to possible examinations by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refund by the entity to federal grantors and/or program beneficiaries. The authority is subject to HUD's consideration of reducing grants in order to have the authority utilize authority Equity to fund expenses.

NOTE G – SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes. Management evaluated the activity of the authority through July 2, 2020 and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

NOTE H – ECONOMIC DEPENDENCE

Financial Accounting Standards Boards Accounting Standards Codification 280-10-50-42 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$91,018 to the authority, which represents approximately 58% of the authority's total revenue for the year.

Village of Fenton Housing Authority (LA261)
Fenton, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2019

	Project Total	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$10,544	\$10,544	\$0	\$10,544
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0
113 Cash - Other Restricted	\$0	\$0	\$0	\$0
114 Cash - Tenant Security Deposits	\$5,727	\$5,727	\$0	\$5,727
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0
100 Total Cash	\$16,271	\$16,271	\$0	\$16,271
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$10,224	\$10,224	\$0	\$10,224
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$0
125 Accounts Receivable - Miscellaneous	\$0	\$0	\$0	\$0
126 Accounts Receivable - Tenants	\$8,229	\$8,229	\$0	\$8,229
126.1 Allowance for Doubtful Accounts -Tenants	-\$1,786	-\$1,786	\$0	-\$1,786
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0	\$0
128 Fraud Recovery	\$0	\$0	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0
129 Accrued Interest Receivable	\$0	\$0	\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$16,667	\$16,667	\$0	\$16,667
131 Investments - Unrestricted	\$0	\$0	\$0	\$0
132 Investments - Restricted	\$0	\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$5,120	\$5,120	\$0	\$5,120
143 Inventories	\$670	\$670	\$0	\$670
143.1 Allowance for Obsolete Inventories	-\$67	-\$67	\$0	-\$67
144 Inter Program Due From	\$0	\$0	\$0	\$0
145 Assets Held for Sale	\$0	\$0	\$0	\$0
150 Total Current Assets	\$38,661	\$38,661	\$0	\$38,661
161 Land	\$29,049	\$29,049	\$0	\$29,049
162 Buildings	\$1,831,787	\$1,831,787	\$0	\$1,831,787
163 Furniture, Equipment & Machinery - Dwellings	\$9,364	\$9,364	\$0	\$9,364
164 Furniture, Equipment & Machinery - Administration	\$30,948	\$30,948	\$0	\$30,948
165 Leasehold Improvements	\$0	\$0	\$0	\$0
166 Accumulated Depreciation	-\$1,524,556	-\$1,524,556	\$0	-\$1,524,556
167 Construction in Progress	\$0	\$0	\$0	\$0
168 Infrastructure	\$0	\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$376,592	\$376,592	\$0	\$376,592
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0	\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0	\$0	\$0
174 Other Assets	\$0	\$0	\$0	\$0
176 Investments in Joint Ventures	\$0	\$0	\$0	\$0
180 Total Non-Current Assets	\$376,592	\$376,592	\$0	\$376,592
200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$415,253	\$415,253	\$0	\$415,253

Village of Fenton Housing Authority (LA261)
Fenton, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2019

	Project Total	Subtotal	ELIM	Total
311 Bank Overdraft	\$0	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$0	\$0	\$0	\$0
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$0	\$0	\$0	\$0
322 Accrued Compensated Absences - Current Portion	\$0	\$0	\$0	\$0
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0
325 Accrued Interest Payable	\$0	\$0	\$0	\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0
333 Accounts Payable - Other Government	\$11,441	\$11,441	\$0	\$11,441
341 Tenant Security Deposits	\$5,727	\$5,727	\$0	\$5,727
342 Unearned Revenue	\$0	\$0	\$0	\$0
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0
345 Other Current Liabilities	\$0	\$0	\$0	\$0
346 Accrued Liabilities - Other	\$0	\$0	\$0	\$0
347 Inter Program - Due To	\$0	\$0	\$0	\$0
348 Loan Liability - Current	\$0	\$0	\$0	\$0
310 Total Current Liabilities	\$17,168	\$17,168	\$0	\$17,168
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0
353 Non-current Liabilities - Other	\$0	\$0	\$0	\$0
354 Accrued Compensated Absences - Non Current	\$0	\$0	\$0	\$0
355 Loan Liability - Non Current	\$0	\$0	\$0	\$0
356 FASB 5 Liabilities	\$0	\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$0
300 Total Liabilities	\$17,168	\$17,168	\$0	\$17,168
400 Deferred Inflow of Resources				
508.4 Net Investment in Capital Assets	\$376,592	\$376,592		\$376,592
511.4 Restricted Net Position	\$0	\$0		\$0
512.4 Unrestricted Net Position	\$21,493	\$21,493		\$21,493
513 Total Equity - Net Assets / Position	\$398,085	\$398,085	\$0	\$398,085
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$415,253	\$415,253	\$0	\$415,253

Village of Fenton Housing Authority (LA261)
Fenton, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2019

	Project Total	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$61,797	\$61,797	\$0	\$61,797
70400 Tenant Revenue - Other	\$1,405	\$1,405	\$0	\$1,405
70500 Total Tenant Revenue	\$63,202	\$63,202	\$0	\$63,202
70600 HUD PHA Operating Grants	\$79,408	\$79,408	\$0	\$79,408
70610 Capital Grants	\$11,610	\$11,610	\$0	\$11,610
70710 Management Fee		\$0	\$0	\$0
70720 Asset Management Fee		\$0	\$0	\$0
70730 Book Keeping Fee		\$0	\$0	\$0
70740 Front Line Service Fee		\$0	\$0	\$0
70750 Other Fees		\$0	\$0	\$0
70700 Total Fee Revenue		\$0	\$0	\$0
70800 Other Government Grants	\$0	\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$0	\$0	\$0	\$0
71200 Mortgage Interest Income	\$0	\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0	\$0
71400 Fraud Recovery	\$0	\$0	\$0	\$0
71500 Other Revenue	\$2,733	\$2,733	\$0	\$2,733
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0	\$0
72000 Investment Income - Restricted	\$0	\$0	\$0	\$0
70000 Total Revenue	\$156,953	\$156,953	\$0	\$156,953
91100 Administrative Salaries	\$0	\$0	\$0	\$0
91200 Auditing Fees	\$8,185	\$8,185	\$0	\$8,185
91300 Management Fee	\$6,375	\$6,375	\$0	\$6,375
91310 Book-keeping Fee	\$0	\$0	\$0	\$0
91400 Advertising and Marketing	\$0	\$0	\$0	\$0
91500 Employee Benefit contributions - Administrative	\$0	\$0	\$0	\$0
91600 Office Expenses	\$5,845	\$5,845	\$0	\$5,845
91700 Legal Expense	\$0	\$0	\$0	\$0
91800 Travel	\$753	\$753	\$0	\$753
91810 Allocated Overhead	\$0	\$0	\$0	\$0
91900 Other	\$46,307	\$46,307	\$0	\$46,307
91000 Total Operating - Administrative	\$67,465	\$67,465	\$0	\$67,465
92000 Asset Management Fee	\$0	\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0	\$0
92200 Relocation Costs	\$0	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0
92400 Tenant Services - Other	\$0	\$0	\$0	\$0
92500 Total Tenant Services	\$0	\$0	\$0	\$0

Village of Fenton Housing Authority (LA261)
Fenton, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2019

	Project Total	Subtotal	ELIM	Total
93100 Water	\$138	\$138	\$0	\$138
93200 Electricity	\$3,241	\$3,241	\$0	\$3,241
93300 Gas	\$0	\$0	\$0	\$0
93400 Fuel	\$0	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0	\$0
93600 Sewer	\$150	\$150	\$0	\$150
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0
93800 Other Utilities Expense	\$0	\$0	\$0	\$0
93000 Total Utilities	\$3,529	\$3,529	\$0	\$3,529
94100 Ordinary Maintenance and Operations - Labor	\$0	\$0	\$0	\$0
94200 Ordinary Maintenance and Operations - Materials and Other	\$15,958	\$15,958	\$0	\$15,958
94300 Ordinary Maintenance and Operations Contracts	\$26,456	\$26,456	\$0	\$26,456
94500 Employee Benefit Contributions - Ordinary Maintenance	\$0	\$0	\$0	\$0
94000 Total Maintenance	\$42,414	\$42,414	\$0	\$42,414
95100 Protective Services - Labor	\$0	\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$300	\$300	\$0	\$300
95300 Protective Services - Other	\$0	\$0	\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0
95000 Total Protective Services	\$300	\$300	\$0	\$300
96110 Property Insurance	\$13,212	\$13,212	\$0	\$13,212
96120 Liability Insurance	\$1,309	\$1,309	\$0	\$1,309
96130 Workmen's Compensation	\$1,226	\$1,226	\$0	\$1,226
96140 All Other Insurance	\$1,780	\$1,780	\$0	\$1,780
96100 Total insurance Premiums	\$17,527	\$17,527	\$0	\$17,527
96200 Other General Expenses	\$0	\$0	\$0	\$0
96210 Compensated Absences	\$2,692	\$2,692	\$0	\$2,692
96300 Payments in Lieu of Taxes	\$5,302	\$5,302	\$0	\$5,302
96400 Bad debt - Tenant Rents	\$0	\$0	\$0	\$0
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0
96600 Bad debt - Other	\$0	\$0	\$0	\$0
96800 Severance Expense	\$0	\$0	\$0	\$0
96000 Total Other General Expenses	\$7,994	\$7,994	\$0	\$7,994
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$139,229	\$139,229	\$0	\$139,229
97000 Excess of Operating Revenue over Operating Expenses	\$17,724	\$17,724	\$0	\$17,724

Village of Fenton Housing Authority (LA261)
Fenton, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2019

	Project Total	Subtotal	ELIM	Total
97100 Extraordinary Maintenance	\$0	\$0	\$0	\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0
97300 Housing Assistance Payments	\$0	\$0	\$0	\$0
97350 HAP Portability-In	\$0	\$0	\$0	\$0
97400 Depreciation Expense	\$46,872	\$46,872	\$0	\$46,872
97500 Fraud Losses	\$0	\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense	\$0	\$0	\$0	\$0
90000 Total Expenses	\$186,101	\$186,101	\$0	\$186,101
10010 Operating Transfer In	\$20,732	\$20,732	-\$20,732	\$0
10020 Operating transfer Out	-\$20,732	-\$20,732	\$20,732	\$0
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0	\$0	\$0	\$0
10092 Inter Project Excess Cash Transfer Out	\$0	\$0	\$0	\$0
10093 Transfers between Program and Project - In	\$0	\$0	\$0	\$0
10094 Transfers between Project and Program - Out	\$0	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$29,148	-\$29,148	\$0	-\$29,148
11020 Required Annual Debt Principal Payments	\$0	\$0		\$0
11030 Beginning Equity	\$427,233	\$427,233	\$0	\$427,233
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$0	\$0
11050 Changes in Compensated Absence Balance				
11060 Changes in Contingent Liability Balance				
11070 Changes in Unrecognized Pension Transition Liability				
11080 Changes in Special Term/Severance Benefits Liability				
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents				
11100 Changes in Allowance for Doubtful Accounts - Other				
11170 Administrative Fee Equity				
11180 Housing Assistance Payments Equity				
11190 Unit Months Available	300	300	0	300
11210 Number of Unit Months Leased	285	285	0	285
11270 Excess Cash	\$4,168	\$4,168		\$4,168
11610 Land Purchases	\$0	\$0		\$0
11620 Building Purchases	\$11,705	\$11,705		\$11,705
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0		\$0
11650 Leasehold Improvements Purchases	\$0	\$0		\$0
11660 Infrastructure Purchases	\$0	\$0		\$0
13510 CFFP Debt Service Payments	\$0	\$0		\$0
13901 Replacement Housing Factor Funds	\$0	\$0		\$0

Housing Authority of the Village of Fenton
Schedule of Compensation, Benefits and Other Payments to Agency Head
or Chief Executive Officer
For the Year Ended December 31, 2019

Mrs. Calena Sanchez Boullard, Executive Director for the Housing Authority of Welsh (WHA) was the acting director for Fenton Housing Authority for 10 months of the fiscal year. Fenton Housing Authority pays a management fee to WHA through a management agreement. There were no salaries paid to Mrs. Boullard.

Purpose	Amount
Salary	\$ 0
Benefits-insurance	0
Benefits-retirement	0
Car allowance	0
Reported value of the use of a vehicle provided by the agency for this FY, this should correspond to IRS reporting.	0
Travel	611
Per diem	0
Registration fees	0
Unvouchered Expenses (such as advances not settled up @ FYE)	0
All other	0

**HOUSING AUTHORITY OF THE
VILLAGE OF FENTON**

Fenton, Louisiana

Schedule of Compensation Paid to Board Members
Fiscal Year Ended December 31, 2019

Board members serve without compensation.

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**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***

Board of Commissioners
Housing Authority of the Village of Fenton
Fenton, Louisiana

I 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 Housing Authority of the Village of Fenton, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the authority's basic financial statements, and have issued my report thereon dated July 2, 2020.

Internal Control Over Financial Reporting

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

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, I identified a certain deficiency in internal control that I consider to be a material weakness.

HOUSING AUTHORITY OF THE VILLAGE OF FENTON

Fenton, Louisiana

Report on Internal Control... *Government*

Auditing Standards, 2019

Page Two

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. I consider the deficiency described in the accompanying schedule of findings to be a material weakness. See Finding 2019-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the authority's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as Finding 2019-001.

The Authority's Response to Finding

The Authority's response to the finding identified in my audit is described in the accompanying schedule of findings. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

William Daniel McCaskill

William Daniel McCaskill, CPA
A Professional Accounting Corporation

July 2, 2020

**HOUSING AUTHORITY OF THE
VILLAGE OF FENTON**

Fenton, Louisiana

Schedule of Findings
Fiscal Year Ended December 31, 2019

Section I—Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? X yes no

SECTION II - FINDINGS - FINANCIAL STATEMENTS AUDIT

FINDING 2019-001 LATE AUDIT

Program: ENTITY WIDE

Condition: This 12/31/2019 audit is being published in September 2020 and therefore it is late per State law. Note that it is timely per federal regulations.

Criteria: In accordance with Louisiana State Law RS 24:513A (5) (a) (i), the authority is required to complete and submit each annual audit within 6 months after fiscal year end. Federal regulations allow 9 months after fiscal year end.

Cause: The authority recently went through a change in management and it did not procure an auditor in a timely manner.

Effect: This audit is late and therefore not in compliance with State Law.

Recommendation: The authority should procure an auditor in a timely manner.

**HOUSING AUTHORITY OF THE
VILLAGE OF FENTON**

Fenton, Louisiana

Schedule of Prior Year Audit Findings
Fiscal Year Ended December 31, 2019

There were no findings in the prior audit.

HOUSING AUTHORITY OF THE VILLAGE OF FENTON

Fenton, Louisiana
Corrective Action Plan for Current Year Findings
For Fiscal Year Ended December 31, 2019

FINDINGS—FINANCIAL STATEMENTS AUDIT

FINDING 2019-001

Action Planned

Anticipated Completion Date – June 5, 2020

Person Responsible – Danielle Vegoren, Executive Director

We take complete responsibility for the late audit. On June 5, 2020 we procured an auditor for 2 years. In the future we will take steps to ensure that we procure an auditor timely.