

VILLAGE OF FENTON, LOUISIANA
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2019

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DONALD R. FORD

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Independent Auditor's Report

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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of the Village of Fenton, Louisiana (the "Village), as of and for the year ended June 30, 2019, 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.

Auditor's Responsibility

My responsibility is to express an opinion 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 audit 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, 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.

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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 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, 2019, and the respective changes in the 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 management's discussion and analysis, beginning on page 7, and budgetary comparison information on page 43 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 of the financial statements that collectively comprise the Village of Fenton, Louisiana's basic financial statements. The accompanying schedules listed as Other Information in the table of contents are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying schedules listed as Other Information in the table of contents 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 accompanying schedules listed as Other Information in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The schedule of utility customers have not been subject 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated March 31, 2020, on my consideration of the Village of Fenton, Louisiana's internal control over financial reporting and 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* in considering Village of Fenton, Louisiana's internal control over financial reporting and compliance.

Donald Ford

Zachary, Louisiana
March 31, 2020

REQUIRED SUPPLEMENTAL INFORMATION (Part I)

MANAGEMENT DISCUSSION AND ANALYSIS

VILLAGE OF FENTON, LOUISIANA
Management's Discussion and Analysis
For the Year Ended June 30, 2019

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
For the Year Ended June 30, 2019

Overview of the Financial Statements (continued)

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
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- d. Debt Service Fund used for accounting for the transfers and payments of monies used to retire debt of the Village.

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 statements 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 and fund. These schedules demonstrate compliance with the Village's adopted and final revised budget. This information can be found on pages 42-43 of this report.

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 \$3,947,110 (net position); this represents an increase of \$375,204 from last fiscal year.

The Village's net positions are comprised of \$2,988,648 from governmental activities and \$958,462 from business-type activities.

VILLAGE OF FENTON, LOUISIANA
Management's Discussion and Analysis
For the Year Ended June 30, 2019

Government-wide Financial Analysis (continued)

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>
Assets:				
Current assets	\$ 1,931,423	\$ 217,247	\$ 2,148,670	54%
Capital assets	<u>1,092,045</u>	<u>752,522</u>	<u>1,844,567</u>	<u>46%</u>
Total Assets	3,023,468	969,769	3,993,237	<u>100%</u>
Liabilities:				
Current liabilities	19,306	6,433	25,739	
Non-current liabilities	<u>15,514</u>	<u>4,874</u>	<u>20,388</u>	44%
Total Liabilities	15,514	4,874	46,127	100%
Net Position:				
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 Village's net position at June 30, 2018, was \$3,571,906. The following is a condensed statement of the Village's net position as of June 30, 2018:

<u>Activities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Percentage</u>
Assets:				
Current assets	\$ 1,798,922	\$ 5,668	\$ 1,804,590	49%
Capital assets	<u>1,172,183</u>	<u>700,311</u>	<u>1,872,494</u>	<u>51%</u>
Total Assets	2,971,105	705,979	3,677,084	<u>100%</u>
Liabilities:				
Current liabilities	<u>99,093</u>	<u>6,085</u>	<u>105,178</u>	100%
Total Liabilities	99,093	6,085	105,178	100%
Net Position:				
Net investment in capital assets	1,172,183	700,311	1,872,494	52%
Unrestricted	<u>1,699,829</u>	<u>(417)</u>	<u>1,699,412</u>	<u>48%</u>
Total Net Position	<u>\$ 2,872,012</u>	<u>\$ 699,894</u>	<u>\$ 3,571,906</u>	<u>100%</u>

VILLAGE OF FENTON, LOUISIANA
Management's Discussion and Analysis
For the Year Ended June 30, 2019

Government-wide Financial Analysis (continued)

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, 2019 is 100 to 1 for governmental activities and 33.77 to 1 for business-type activities. The current ratio as of June 30, 2018 is 18.15 to 1 for governmental activities and .93 to 1 for business-type activities. The Village's overall current ratio is 83.48 to 1 as of June 30, 2019, and 17.16 to 1 as of June 30, 2018. 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, 2019 and 2018. Net position increased in governmental activities by \$116,636 and increased in business-type activities by \$258,568.

The largest category of net position is "Net Investment in Capital Assets", and comprises 52% 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, 2019:

VILLAGE OF FENTON, LOUISIANA
Management's Discussion and Analysis
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	Total	Percentage
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 taxes	83,009	-	83,009	5
Other taxes, penalties, interest, etc.	7,872	-	7,872	-
Licenses and permits	1,250	-	1,250	-
Intergovernmental	2,258	-	2,258	-
Fines and forfeitures	1,343,157	-	1,343,157	85
Interest	228	6	234	-
Miscellaneous	13,435	2,009	15,444	1
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:				
Police	317,413	-	317,413	25%
Water and Sewer		<u>127,884</u>	<u>127,884</u>	<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 following is a condensed statement of the Village's activities for the year ended June 30, 2018:

VILLAGE OF FENTON, LOUISIANA
Management's Discussion and Analysis
For the Year Ended June 30, 2019

<u>Revenues:</u>	Governmental	Business-type	Total	Percentage
	Activities	Activities		
<u>Program:</u>				
Charges for services	\$ 403	\$ 86,653	\$ 87,056	5%
Operating grants and contributions	-	-	-	-
<u>General:</u>				
Property tax	2,082	-	2,082	-
Sales tax	26,599	-	26,599	2
Licenses and permits	1,025	-	1,025	-
Other taxes, penalties, interest, etc.	1,444,893	-	1,444,893	91
Interest	164	6	170	-
Miscellaneous	26,249	2,419	28,668	<u>2</u>
Total Revenues	<u>1,501,415</u>	<u>89,078</u>	<u>1,590,493</u>	<u>100%</u>
<u>Program Expenses:</u>				
General government	698,316		698,316	59%
Public safety:				-
Police	301,034		301,034	26
Water and Sewer		<u>179,128</u>	<u>179,128</u>	<u>15</u>
Total Program Expenses	<u>999,350</u>	<u>179,128</u>	<u>1,178,478</u>	<u>100%</u>
Excess (Deficiency)	502,065	(90,050)	412,015	
Transfers In (Out)	<u>(50)</u>	<u>50</u>	<u>-</u>	
Change in Net Position	502,015	(90,000)	412,015	
Beginning Net Position	<u>2,369,997</u>	<u>789,893</u>	<u>3,159,890</u>	
Ending Net Position	<u>\$ 2,872,012</u>	<u>\$ 699,894</u>	<u>\$ 3,571,906</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 \$1,384,457 for police and court fines for the fiscal year ended June 30, 2019, and \$1,444,893 for police and court fines for the fiscal year ended June 30, 2018. Revenues in the Capital Grants and Contributions sub-category consists of \$0 for the fiscal years ended June 30, 2019 and 2018. “Revenues” include all revenues not required to be reported as “Program Revenues”. All taxes are to be reported by type. The major tax revenues for the Village of Fenton are franchise tax revenues of \$83,009, and sales taxes of \$25,835 for the year ended June 30, 2019. The major tax revenues for the year ended June 30, 2018, are sales tax revenues of \$26,599, and property taxes of \$2,082. Other “General Revenues” reported for the year ended June 30, 2019 includes \$228 in interest income, and \$13,435 in miscellaneous revenues.

VILLAGE OF FENTON, LOUISIANA
Management's Discussion and Analysis
For the Year Ended June 30, 2019

Government-wide Financial Analysis (continued)

"Program Expenses" for the governmental funds are presented in the above Condensed Statement of Activities by function and total \$1,147,552 and \$999,350 for the fiscal years ended June 30, 2019 and 2018, 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 \$94,877 for water and sewer for the year ended June 30, 2019, and \$86,653 for the fiscal year ended June 30, 2018.

The Village reports the total amount of expenses for operation of the utility system as \$127,884 and \$179,128 for the years ended June 30, 2019 and 2018, respectively. The "Change in Net Position" (revenues less expenses) for the utility system was \$258,568 and (\$90,000) for the fiscal years ended June 30, 2019 and 2018, respectively.

Capital Assets

The Village's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2019 was \$1,092,045 and \$ 752,522 respectively, and \$1,172,183 and \$700,311 respectively, as of June 30, 2018. For the year ended June 30, 2019, net investment for governmental type activities decreased by 6.84%, while net investment for business-type activities increased by 7.46%. There was an overall decrease in capital asset investment for the Village as a whole of 1.49% for the year ended June 30, 2019.

VILLAGE OF FENTON, LOUISIANA
Management's Discussion and Analysis
For the Year Ended June 30, 2019

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

	Balance 7/1/2018	Additions	Deletions	Balance 6/30/2019
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 35,065	\$ -	\$ -	\$ 35,065
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>\$ 1,172,183</u>	<u>\$ (80,138)</u>	<u>\$ -</u>	<u>\$ 1,092,045</u>
	Balance 7/1/2018	Additions	Deletions	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-type 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
For the Year Ended June 30, 2019

The following tables provide a summary of capital asset activity for 2018:

	<u>Balance</u> <u>7/1/2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>6/30/2018</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 35,065	\$ -	\$ -	\$ 35,065
Other capital assets:				
Buildings	1,299,591	289,758	-	1,589,349
Machinery	326,993	2,329	-	329,322
Furniture	301,747	-	-	301,747
Totals	<u>1,928,331</u>	<u>292,087</u>	<u>-</u>	<u>2,220,418</u>
Less accumulated depreciation:				
Buildings	421,740	65,381	-	487,121
Machinery	298,152	56,789	-	354,941
Equipment	240,431	807	-	241,238
Total accumulated depreciation	<u>960,323</u>	<u>122,977</u>	<u>-</u>	<u>1,083,300</u>
Governmental activities:				
Capital assets, net	<u>\$ 1,003,073</u>	<u>\$ 169,110</u>	<u>\$ -</u>	<u>\$ 1,172,183</u>
	<u>Balance</u> <u>7/1/2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>6/30/2018</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 14,790	\$ -	\$ -	\$ 14,790
Other capital assets:				
Buildings	1,399,552	-	-	1,399,552
Furniture	249	-	-	249
Transportation	28,630	-	-	28,630
Totals	<u>1,428,431</u>	<u>-</u>	<u>-</u>	<u>1,428,431</u>
Less accumulated depreciation:				
Buildings	686,201	27,830	-	714,031
Furniture	249	-	-	249
Transportation	28,630	-	-	28,630
Total accumulated depreciation	<u>715,080</u>	<u>27,830</u>	<u>-</u>	<u>742,910</u>
Business-type activities:				
Capital assets, net	<u>\$ 728,141</u>	<u>\$ (27,830)</u>	<u>\$ -</u>	<u>\$ 700,311</u>

Required Supplementary Information

VILLAGE OF FENTON, LOUISIANA
Management's Discussion and Analysis
For the Year Ended June 30, 2019

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
GOVERNMENT-WIDE FINANCIAL STATEMENTS

VILLAGE OF FENTON, LOUISIANA
STATEMENT OF NET POSITION
June 30, 2019

	PRIMARY GOVERNMENT		
	GOVERNMENTAL	BUSINESS-TYPE	TOTAL
	ACTIVITIES	ACTIVITIES	
ASSETS			
Cash and cash equivalents, unrestricted	\$ 1,819,379	\$ 196,351	\$ 2,015,730
Cash and cash equivalents, restricted	-	6,370	6,370
Accounts receivable, net	-	10,714	10,714
Intergovernmental receivable	56,851	-	56,851
Other receivable	24,389	-	24,389
Prepays	30,804	3,812	34,616
Capital assets:			
Land	35,065	14,790	49,855
Capital assets, net	<u>1,056,980</u>	<u>737,732</u>	<u>1,794,712</u>
Total assets	<u>3,023,468</u>	<u>969,769</u>	<u>3,993,237</u>
LIABILITIES			
Accounts and other accrued payables	17,971	363	18,334
Customer deposits	-	6,070	6,070
Other liabilities	1,335	-	1,335
Long-term liabilities:			
Compensated absences	<u>15,514</u>	<u>4,874</u>	<u>20,388</u>
Total liabilities	<u>34,820</u>	<u>11,307</u>	<u>46,127</u>
NET POSITION			
Net investment in capital assets	1,092,045	752,522	1,844,567
Unrestricted	<u>1,896,603</u>	<u>205,940</u>	<u>2,102,543</u>
Total net position	<u>\$ 2,988,648</u>	<u>\$ 958,462</u>	<u>\$ 3,947,110</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF FENTON, LOUISIANA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Governmental activities:							
General and administrative	\$ 830,139	\$ 200	\$ -	\$ -	\$ (829,939)	\$ -	\$ (829,939)
Public Safety	317,413	-	-	-	(317,413)	-	(317,413)
Total Governmental Activities	1,147,552	200	-	-	(1,147,352)	-	(1,147,352)
Business-type activities:							
Water and sewer	127,884	94,877	-	-	-	(33,007)	(33,007)
Total primary government	1,275,436	95,077	-	-	(1,147,352)	(33,007)	(1,180,359)
General revenues:							
Taxes -							
Property taxes					8,805	-	8,805
Sales taxes					25,835	-	25,835
Franchise taxes					83,009	-	83,009
Other taxes, penalties, interest, etc.					7,872	-	7,872
Licenses and permits					1,250	-	1,250
Intergovernmental					2,258	-	2,258
Fines and forfeitures					1,343,157	-	1,343,157
Interest					228	6	234
Miscellaneous					13,435	2,009	15,444
Transfers					(289,560)	289,560	-
Total general revenues and transfers					1,196,289	291,575	1,487,864
Change in net position					48,937	258,568	307,505
Net position - Beginning					2,872,012	699,894	3,571,906
Prior Period Adjustment					67,699	\$ -	67,699
Net position - Ending					\$ 2,988,648	\$ 958,462	\$ 3,947,110

The accompanying notes are an integral part of the basic financial statements.

BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS

VILLAGE OF FENTON, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2019

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTALS</u>
ASSETS				
Cash and cash equivalents	\$ 1,764,187	\$ 27,877	\$ 27,316	\$ 1,819,380
Receivables, net:				
Intergovernmental	56,851	-	-	56,851
Other receivable	24,389	-	-	24,389
Prepaid insurance	29,272	1,532	-	30,804
Total assets	<u>\$ 1,874,699</u>	<u>\$ 29,409</u>	<u>\$ 27,316</u>	<u>\$ 1,931,424</u>
 LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 7,157	\$ 1,618	\$ -	\$ 8,775
Accrued liabilities	9,198	-	-	9,198
Other liabilities	1,335	-	-	1,335
Total liabilities	<u>17,690</u>	<u>1,618</u>	<u>-</u>	<u>19,308</u>
 FUND BALANCES				
Unassigned	<u>1,857,009</u>	<u>27,791</u>	<u>27,316</u>	<u>1,912,116</u>
Total fund balances	<u>1,857,009</u>	<u>27,791</u>	<u>27,316</u>	<u>1,912,116</u>
 TOTAL LIABILITIES AND FUND BALANCES				
	<u>\$ 1,874,699</u>	<u>\$ 29,409</u>	<u>\$ 27,316</u>	<u>\$ 1,931,424</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF FENTON, LOUISIANA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2019

Total fund balance for governmental fund at June 30, 2019:		\$ 1,912,116
Total net position reported for governmental activities in the statements of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 35,065	
Capital assets, net of \$1,194,044 accumulated depreciation	<u>1,056,980</u>	1,092,046
Long-term liabilities at June 30, 2018:		
Compensated absences payable		<u>(15,514)</u>
Total net position of governmental activities at June 30, 2019		<u>\$ 2,988,648</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF FENTON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
Year Ended June 30, 2019

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES				
Taxes	\$ 125,289	\$ 232	\$ -	\$ 125,521
Licenses and permits	1,250	-	-	1,250
Intergovernmental	2,258	-	-	2,258
Fines and forfeitures	1,343,157	-	-	1,343,157
Interest	200	28	-	228
Miscellaneous	12,413	1,222	-	13,635
TOTAL REVENUES	<u>1,484,567</u>	<u>1,482</u>	<u>-</u>	<u>1,486,049</u>
EXPENDITURES				
Current				
General and administrative	678,981	46,241	-	725,222
Police	296,072	-	-	296,072
Capital outlay				
General and administrative	8,220	-	-	8,220
Police	22,386	-	-	22,386
TOTAL EXPENDITURES	<u>1,005,659</u>	<u>46,241</u>	<u>-</u>	<u>1,051,900</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	478,908	(44,759)	-	434,149
OTHER FINANCING SOURCES (USES)				
Proceeds from borrowings				-
Operating transfers in	40,565	20,984	209,912	271,461
Operating transfers out	(559,045)	(968)	(1,008)	(561,021)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(518,480)</u>	<u>20,016</u>	<u>208,904</u>	<u>(289,560)</u>
NET CHANGES IN FUND BALANCES	(39,572)	(24,743)	208,904	144,589
FUND BALANCES, BEGINNING	1,822,408	59,008	(181,588)	1,699,828
Prior Period Adjustment	74,173	(6,474)	-	67,699
FUND BALANCES, ENDING	<u>\$1,857,009</u>	<u>\$ 27,791</u>	<u>\$ 27,316</u>	<u>\$ 1,912,116</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF FENTON, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

Total net changes in fund balances at June 30, 2019 per		
Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 144,589
The change in net assets reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay, which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances	30,606	
Depreciation expense for the period ended June 30, 2019	<u>(110,744)</u>	<u>(80,138)</u>
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 catastrophic event for this liability to become a current liability.		
		(15,514)
Total changes in net assets at June 30, 2019 per Statement of Activities		<u>\$ 48,937</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF FENTON, LOUISIANA
STATEMENT OF NET POSITION - PROPRIETARY FUND
June 30, 2019

	Enterprise Fund Sewer and Water System
ASSETS	
Current assets	
Cash and cash equivalents	\$ 196,351
Accounts receivables, net	10,714
Prepaid insurance	3,812
Total current assets	210,877
Non-current assets	
Cash and cash equivalents, restricted	6,370
Fixed assets, net of accumulated depreciation	752,522
Total non-current assets	758,892
TOTAL ASSETS	\$ 969,769
LIABILITIES	
Current liabilities	
Accounts and other accrued payables	363
Customer Deposits	6,070
Total current liabilities	6,433
Long-Term Liabilities:	
Compensated absences	4,874
Total Long-Term Liabilities	4,874
TOTAL LIABILITIES	11,307
NET POSITION	
Investment in capital assets, net of related debt	752,522
Unrestricted	205,940
Total net position	958,462
TOTAL LIABILITIES AND NET POSITION	\$ 969,769

The accompanying notes are an integral part of the basic financial statements.

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - PROPRIETARY FUND
Year Ended June 30, 2019**

	<u>Enterprise Fund Sewer and Water System</u>
OPERATING REVENUES	
Charges for services	94,877
Miscellaneous	<u>2,009</u>
Total Operating Revenues	96,886
OPERATING EXPENSES	
Salaries, wages and employee benefits	29,659
Materials and supplies	28,748
Contractual Services, materials and supplies	37,438
Depreciation	<u>32,039</u>
Total Operating Expenses	<u>127,884</u>
OPERATING INCOME (LOSS)	(30,998)
NON-OPERATING REVENUES (EXPENSES)	
Interest	<u>6</u>
	<u>6</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(30,992)
Operating transfers in, net	<u>289,560</u>
CHANGE IN NET POSITION	258,568
NET POSITION, BEGINNING	<u>699,894</u>
NET POSITION, ENDING	<u><u>\$ 958,462</u></u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF FENTON, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2019

	<u>Enterprise Fund Sewer and Water System</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 96,489
Payments to suppliers and services	(51,300)
Payments to employees	(29,659)
Other operating receipts	<u>2,009</u>
Net cash flows provided by (used in) operating activities	17,539
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Due to other funds	(150,160)
Operating transfers in, net	293,445
Operating transfers out, net	<u>(3,885)</u>
Net cash provided by non-capital financing activities	<u>139,400</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of capital assets	<u>(84,250)</u>
Net cash used for capital and related financing activities	<u>(84,250)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>6</u>
Net cash provided by investing activities	6
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	72,695
CASH AND CASH EQUIVALENTS - BEGINNING	<u>130,026</u>
CASH AND CASH EQUIVALENTS - ENDING	<u><u>\$ 202,721</u></u>
Reconciliation of operating income (loss) to net cash from operating activities:	
Operating income (loss)	\$ (30,998)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	32,039
(Increase) decrease in receivables	11,276
(Increase) decrease in accounts payable	140
(Increase) decrease in customer deposits	100
Increase (decrease) in other accrued liabilities	108
Compensated absences	<u>4,874</u>
Net cash flows provided by (used in) operating activities	<u><u>\$ 17,539</u></u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF FENTON, LOUISIANA
Notes to the Financial Statements
For the Year Ended June 30, 2019

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
 - a. The ability of the Village to impose its will on that organization, and/or
 - b. 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.

Government-Wide and Fund 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.

VILLAGE OF FENTON, LOUISIANA
Notes to the Financial Statements
For the Year Ended June 30, 2019

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.

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:

- 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 Village reports the following major governmental funds:

- General Fund - This fund is the general operating fund of the Town. 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 (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.
- Debt Service Funds - These funds are used to account for the accumulation of resources for, and the payments of, general long term debt principal, interest and related costs.
- 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 Village reports the following enterprise funds:

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

VILLAGE OF FENTON, LOUISIANA
Notes to the Financial Statements
For the Year Ended June 30, 2019

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

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

Budgets and Budgetary Accounting

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

VILLAGE OF FENTON, LOUISIANA
Notes to the Financial Statements
For the Year Ended June 30, 2019

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.

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

Cash and Cash Equivalents, and Investments

Cash includes amounts in demand deposits and time deposits with original maturities of 90 days or less. Under state law, the Village may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law 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. At June 30, 2019, the Village had \$ 1,717,475 in deposits (collected bank balances), of which \$ 250,000 is secured from risk by federal deposit insurance, and the balance of \$1,467,475 is secured by pledged securities held by the custodial bank in the name of the fiscal agent bank.

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 others 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.

Accounts receivable in the proprietary fund includes all amounts due from the customers of the Village's water and sewer systems. The Village provides an allowance for doubtful accounts, as needed, for accounts deemed uncollectible.

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
For the Year Ended June 30, 2019

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.

Restricted Assets

Restricted assets in the enterprise funds represent cash and cash equivalents set aside for repayment of deposits to utility customers.

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.

VILLAGE OF FENTON, LOUISIANA
Notes to the Financial Statements
For the Year Ended June 30, 2019

Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. The amount reported for general fund compensated absences is \$15,514. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. The amount reported for proprietary fund compensated absences is \$4,874. 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, 2019 the Village’s liability for compensated absences was \$20,388.

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

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, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement to those assets.

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net assets that do not meet the definition of the above mentioned categories

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.

VILLAGE OF FENTON, LOUISIANA
Notes to the Financial Statements
For the Year Ended June 30, 2019

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.

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 Town's aldermen and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted nor committed.

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

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

Sales Taxes

Proceeds of a 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 31st. 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
For the Year Ended June 30, 2019

Note 2 – Property Taxes

Taxes were levied on property as follows:

	Millage	Assessed Valuations
General corporate purposes	8.02	\$ 1,064,480

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

Note 3 – Receivables

Receivables at June 30, 2019 consisted of the following:

Class of Receivables	General Fund	Enterprise Fund	Total
Customers accounts	\$ -	\$ 23,887	\$ 23,887
Intergovernmental receivable	56,851	-	56,851
Other receivables	24,389	-	24,389
Less: Allowance for bad debts	-	(13,173)	(13,173)
Total	\$ 81,240	\$ 10,714	\$ 91,954

Note 4 – Prepaid Items

Prepaid items for the year ended June 30, 2019 was as follows:

	Governmental Activities	Business-type Activities	Totals
Prepaid insurance	\$ 23,751	\$ 1,306	\$ 25,057
Others	7,053	2,506	9,559
Total	\$ 30,804	\$ 3,812	\$ 34,616

VILLAGE OF FENTON, LOUISIANA
Notes to the Financial Statements
For the Year Ended June 30, 2019

Note 5 – Capital Assets

A summary of changes in capital assets for the year ended June 30, 2019 follows:

	Balance 7/1/2018	Additions	Deletions	Balance 6/30/2019
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 35,065	\$ -	\$ -	\$ 35,065
Other capital assets:				
Buildings	1,589,407	-	-	1,589,407
Machinery	598,000	30,606	-	628,606
Furniture	<u>33,011</u>	<u>-</u>	<u>-</u>	<u>33,011</u>
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	<u>32,070</u>	<u>807</u>	<u>-</u>	<u>32,877</u>
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>\$ 1,172,183</u>	<u>\$ (80,138)</u>	<u>\$ -</u>	<u>\$ 1,092,045</u>
	Balance 7/1/2018	Additions	Deletions	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	<u>28,630</u>	<u>-</u>	<u>-</u>	<u>28,630</u>
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	<u>28,630</u>	<u>-</u>	<u>-</u>	<u>28,630</u>
Total accumulated depreciation	<u>742,910</u>	<u>32,039</u>	<u>-</u>	<u>774,949</u>
Business-type activities:				
Capital assets, net	<u>\$ 700,311</u>	<u>\$ 52,211</u>	<u>\$ -</u>	<u>\$ 752,522</u>

VILLAGE OF FENTON, LOUISIANA
Notes to the Financial Statements
For the Year Ended June 30, 2019

Depreciation expense was charged to governmental activities as follows:

General and administratvie	\$ 89,403
Police	<u>21,341</u>
Total	<u>\$ 110,744</u>

Note 6 –Accrued Expenses

The payables at June 30, 2019 were as follows:

	Governmental Activities	Business - Type Activities	Total
Accrued payroll and related liabilities	\$ 2,251	\$ -	\$ 2,251
Insurance payable	5,884	-	5,884
Sales tax payable	-	223	223
Other accrued liabilities	<u>1,063</u>	<u>-</u>	<u>1,063</u>
Total	<u>\$ 9,198</u>	<u>\$ 223</u>	<u>\$ 9,421</u>

Note 7- Interfund Transfers

The composition of interfund transfers for the year ended June 30, 2019 is as follows:

	Transfers In	Transfers Out
Governmental Funds:		
General fund	\$ 40,565	\$ 559,045
Special revenue fund	20,984	968
Capital project fund	209,912	1,008
Proprietary Funds:		
Enterprise fund	<u>293,445</u>	<u>3,885</u>
Total	<u>\$ 564,906</u>	<u>\$ 564,906</u>

Note 8 – 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.

VILLAGE OF FENTON, LOUISIANA
Notes to the Financial Statements
For the Year Ended June 30, 2019

Note 9 – Commitments and Contingencies

The City 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 10 – Deferred Compensation Plan

The Village offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to full-time employees who have been employed by the Village for 12 consecutive months, permits them to defer a portion of their salaries until future years. The Village will match one-hundred percent (100%) of the employee's contribution to a maximum of five percent (5%) of the employee's salary. The deferred compensation is not available to employees until termination, retirement, or unforeseeable emergency. Deferred compensation is available to employees' beneficiaries in case of death.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Village (without being restricted to the provisions of benefits under the plan), subject only to the claims of the Village's general creditors. Participants' rights under the plan are equal to those of general creditors of the Village in an amount equal to the fair market value of the deferred account for each participant.

In management's opinion, the Village has no liability for losses under the plan. However, the Village does have the duty of due care that would be required of an ordinary prudent investor. The Village believes it is unlikely that it will use the plan assets to satisfy the claims of general creditors in the future.

Note 10 – Schedule of Rates and Number of Customers

At June 30, 2019, the number of customers was as follows:

Residential	–	168
Commercial	–	3

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

VILLAGE OF FENTON, LOUISIANA
Notes to the Financial Statements
For the Year Ended June 30, 2019

Water:

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

Note 11 - Related Party Transactions

Procedures, observations, and inquiries did not disclose any material related party transactions for the fiscal year ended June 30, 2019.

Note 12 - Restatement of Beginning Net Position

The restated beginning net position within the Governmental Fund activities is as follows:

	<u>Governmental Activities</u>
Net Position, June 30, 2018, as previously reported	\$ 2,872,012
Adjustment to reclassify insurance payments previously expensed (General Fund)	23,568
Adjustment to payroll expenditures (General Fund)	1,137
Adjustment to operating expenditures (General Fund)	50,592
Adjustment to reconcile administrative expenditures to year-end actual (General Fund)	(1,124)
Adjustment to operation expenditures (Special Revenue Fund)	<u>(6,474)</u>
Net changes of net position	<u>67,699</u>
Net position, June 30, 2018, as restated	<u><u>\$ 2,939,711</u></u>

VILLAGE OF FENTON, LOUISIANA
Notes to the Financial Statements
For the Year Ended June 30, 2019

Note 13 – Subsequent Events

Management of the Village of Fenton has evaluated subsequent events through March 31, 2020, the date which the financial statements were available to be issued. In January 2020, the World Health Organization (WHO) declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Therefore, the estimated effect of the subsequent event on the Village’s financial statements cannot be determined.

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

VILLAGE OF FENTON, LOUISIANA
General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2019

General Fund -- This fund is the general operating fund of the town. It is used to account for all financial resources of the Town except for those required to be accounted in another fund.

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive/ (Negative)
REVENUES				
Charge for Services	300	300	200	\$ (100)
Licenses and Permits	1,000	1,000	1,250	250
Intergovernmental	1,900	1,900	2,258	358
Taxes	40,268	40,268	125,289	85,021
Fines	725,000	725,000	1,343,157	618,157
Miscellaneous	6,500	6,500	12,213	5,713
Interest	-	-	200	200
Total Revenues	<u>774,968</u>	<u>774,968</u>	<u>1,484,567</u>	<u>709,599</u>
EXPENDITURES				
Current Function:				
General Government	475,425	475,425	678,982	(203,557)
Public Safety	362,050	362,050	296,072	65,978
Capital Outlay	<u>90,000</u>	<u>90,000</u>	<u>30,605</u>	<u>59,395</u>
Total Expenditures	<u>927,475</u>	<u>927,475</u>	<u>1,005,659</u>	<u>(78,184)</u>
Excess (deficiency) of revenues over expenditures	<u>(152,507)</u>	<u>(152,507)</u>	<u>478,908</u>	<u>(631,415)</u>
Other Financing Sources (USES):				
Transfer In	-	-	40,565	40,565
Transfer Out	<u>-</u>	<u>-</u>	<u>(559,045)</u>	<u>(553,097)</u>
Net Charges in Fund Balance	<u>\$ (152,507)</u>	<u>\$ (152,507)</u>	<u>(39,572)</u>	<u>\$ 112,935</u>
Fund Balances, Beginning			<u>1,896,581</u>	
Fund Balances, Ending			<u>\$ 1,857,009</u>	

OTHER INFORMATION

VILLAGE OF FENTON, LOUISIANA
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2019

Agency Head Name: Eddie Alfred, Jr., Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 42,000
Benefits - Insurance	13,945
Benefits - Retirement	-
Car Allowance	-
Per diem	-
Reimbursements	-
Travel	-
Registration Fees	-
Conference Travel	-
	<u>\$ 55,945</u>

See Independent Auditor's Report

VILLAGE OF FENTON, LOUISIANA
Schedule of Compensation Paid to Council Members
For the Year Ended June 30, 2019

<u>Name</u>	<u>Amount</u>
Gwen Johnson	3,800
Mary Jones	3,800
Ollie Clophus	3,800
	<u>\$ 11,400</u>

See Independent Auditor's Report



DONALD R. FORD

**CERTIFIED PUBLIC ACCOUNTANT
A LIMITED LIABILITY COMPANY
MEMBER**

AMERICAN INSTITUTE OF CPAS
SOCIETY OF LOUISIANA CPAS

**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***

March 31, 2020

To the Honorable Eddie Alfred, Jr., Mayor and the Village Council
Village of 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 governmental activities, the business-type activities, and each major fund, of the Village of Fenton, Louisiana, as of and for the year ended June 30, 2019, 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 March 31, 2020.

Internal Control over Financial Reporting

In planning and performing my 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 my 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, I 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. I consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies [2019-001].

My consideration of the 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 my audit I did not identify any deficiencies in internal control that I considered to be material weakness. However, material weaknesses may exist that have not been identified.

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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, 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as findings [2019-002].

Village of Fenton, LA's Response to Findings

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

Purpose of this Report

The purpose of this report is intended 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

Donald Ford

Zachary, Louisiana
March 31, 2020

VILLAGE OF FENTON, LOUISIANA
Schedule of Findings and Responses
For the Year Ended June 30, 2019

I. Summary of Auditors' Results

a. Financial Statements

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the Village of Fenton, Louisiana.
2. There was one (1) control deficiency 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*. All three (3) of these deficiencies are reported as material weaknesses.
3. There was one (1) instance of noncompliance that is reported in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.

b. Federal Awards

Not applicable.

c. Management Letter

1. No management letter was issued in connection with the audit for the year ended June 30, 2019.

VILLAGE OF FENTON, LOUISIANA
Schedule of Findings and Responses
For the Year Ended June 30, 2019

II. Findings — Financial Statement Audit

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.

Criteria:

A formal documented purchase order system should be used with at least two employees involved in initiating a purchase request, approving a purchase, and making the purchase.

Cause:

Inadequate internal controls and inadequate supervision.

Effect:

Without adequate controls, Village resources could be committed and purchases can occur without proper authorization.

Recommendation:

A complete purchase order system should be implemented.

Management's Response:

See management's response letter.

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, 2019 was not completed within the six month deadline as per R.S. 24:513 A(5)(a)(i).

VILLAGE OF FENTON, LOUISIANA
Schedule of Findings and Responses
For the Year Ended June 30, 2019

Criteria:

R.S. 24:513 A (5)(a)(i) requires that "...audits shall be completed within six months of the close of the entity's fiscal year." The Town's audit report should be submitted to the Louisiana Legislative Auditor by December 31st each year.

Cause:

The financial information was not complete at the due date.

Effect:

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

Recommendation:

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

Management's Response:

See management's response letter.

VILLAGE OF FENTON, LOUISIANA
Schedule of Prior Year Findings
For the Year Ended June 30, 2019

2018-001 Inadequate Segregation of Duties

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

Condition:

Because of the small size of the Village's office staff, the opportunity for segregation of duties is limited. Effective internal control requires adequate segregation of duties among entity personnel.

Corrective Action Plan:

Management does not believe that it is cost effective to employ more personnel to achieve appropriate segregation of duties. Management has implemented supervision and review procedures such as review and approval of supporting documents related to expenditures, review listings of revenue received and review of bank reconciliations on a monthly basis.

Current Status:

Resolved.

2018-002 Inadequate Controls Over Purchasing

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

Condition:

A purchase order system has not been adequately implemented.

Corrective Action Plan:

A formal documented purchase order system should be used with at least two employees involved in initiating a purchase request, approving a purchase, and making the purchase.

Current Status:

Unresolved. See finding at 2019-001.

2018-003 Lack of Controls Over Traffic Citation Receipts

Fiscal Year Finding Originated: June 30, 2017 fiscal year-end.

VILLAGE OF FENTON, LOUISIANA
Schedule of Prior Year Findings
For the Year Ended June 30, 2019

Condition:

During the audit period we noted that there is no reconciliation of the amounts received (cash receipts log for traffic citations), recorded in the computer system, or deposited in the Village's bank account.

Corrective Action Plan:

Management should develop and implement policies and procedures to ensure that payments collected by the Village are accounted for and deposited daily in accordance with state law.

Current Status:

Resolved.

2018-004 Police Department's use of TED Program Funds

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

Condition:

From January 2016 through October 2017, the Village paid the Police Chief \$21,669 in overtime without proper authority or adequate documentation supporting the overtime hours.

Corrective Action Plan:

The Village should accurately pay TED program salaries to policemen under proper authority and with proper documentation of time worked.

Current Status:

Resolved.

2018-005 Participation in Louisiana Municipal Police Retirement System

Fiscal Year Finding Originated: June 30, 2017 fiscal year-end.

Condition:

The police department does not participate in the Louisiana Municipal Police Employees Retirement System (MPERS) as required by R.S. 11:2214. The Village was unable to provide documentation indicating that the Town enacted an ordinance on or before January 01, 1978 to exempt the Town from participation.

VILLAGE OF FENTON, LOUISIANA

Schedule of Prior Year Findings

For the Year Ended June 30, 2019

Corrective Action Plan:

In accordance with R.S. 11:2214 and R.S. 11:157, all police officers should be given the opportunity to participate in MPERS or should be given the option to opt out of participation. Documentation should be maintained for each police officer evidencing either participation in the retirement system or the employee's decision to opt out of the system.

Current Status:

Resolved.

2018-006 Late Submission of Financial Statements

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

Condition:

The Village's June 30, 2018 financial statements were not timely submitted to the Legislative Auditor. The due date was December 31, 2018.

Corrective Action Plan:

The financial information was not complete and accurate at the due date. This included bank statements not being reconciled, transactions not being entered into the general ledger, payroll subsidiary ledger not complete and reconciled to the general ledger, and supporting documentation not present.

Current Status:

Unresolved. See finding 2019-002.

VILLAGE OF FENTON

P.O. Box 310
Fenton, LA 70640
(337)756-2321 phone / (337)738-2242 fax

Town Council:

Ollie Mae Clophus

Mary Jones

Eddie B. Alfred Jr., Mayor

Michael Holmes, Town Attorney

Luther Alfred, Police Chief

Krisi Boese, Village Clerk

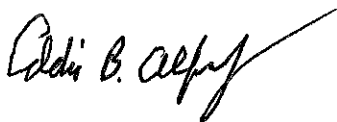
INTERNAL CONTROLS AND COMPLIANCE FINDINGS

2019-001 Inadequate Segregation of Duties - A complete purchase order system was implemented for the Village of Fenton and is currently in effect. The system requires at least two employees' involvement in initiating a purchase request, approving a purchase, and making the purchase.

Date of Completion: May 30, 2018

2019-003- Late Submission of Audit Report to the Legislative Auditor -

The Village will submit to the Louisiana Legislative Auditor annual financial reports on or before the due date of December 31st





DONALD R. FORD

**CERTIFIED PUBLIC ACCOUNTANT
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MEMBER**

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Independent Accountant's Report on Applying Agreed-Upon Procedures

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

I have performed the procedures enumerated below, which were agreed to by the Village of Fenton, Louisiana and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows (**For management's response/corrective actions, see management's response letter**):

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget. – **No findings.**
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids

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and price quotes.

Finding – Policy does not address how vendors are added to the vendor list.

- c) *Disbursements*, including processing, reviewing, and approving. - **No findings.**
- d) *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).- **No findings.**
- e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Finding – The written policies and procedures in place do not address overtime and does not adequately cover segregation of duties over payroll processing with regard to preparation, review, and distribution of payroll. In addition, computer software is not utilized to track and account for leave balances, including leave earned and taken, to eliminate the risk of clerical errors.

- f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process. – **No findings.**
- g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases. – **No findings.**
- h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers. – **No findings.**
- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. – **No findings.**
- a) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements. - **Not applicable.**

Board(or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document. – **No findings.**
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.* – **No findings.**
 - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund. – **Not applicable.**

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - b) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged); - **No findings.**
 - c) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and – **No findings.**
 - d) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable. – **No findings.**

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5). – **No findings.**
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers. – **No findings.**
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit. – **No findings.**
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit. – **No findings.**
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation. – **No findings.**
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft. – **No findings.**
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered. – **No findings.**
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip. – **No findings.**
 - c) Trace the deposit slip total to the actual deposit per the bank statement. – **No findings.**
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100). – **No findings.**
 - e) Trace the actual deposit per the bank statement to the general ledger. – **No findings.**

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5). – **No findings.**

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

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

Finding – The Clerk and/or Water & Sewer Operator can initiate purchases individually. A purchase order system has not been adequately implemented. Only a list of P.O. numbers issued to vendors is maintained, but no actual purchase order form. Therefore, documented approval of purchases is not always maintained.

b) At least two employees are involved in processing and approving payments to vendors. – **No findings.**

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

Finding – The employee responsible for processing payments is not prohibited from adding/modifying vendor files.

d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments. – **No findings.**

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

a) Observe that the disbursement matched the related original invoice/billing statement. – **No findings.**

Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable. – **See finding at #9 above.**

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete. – **No findings.**
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.] – **No findings.**
 - b) Observe that finance charges and late fees were not assessed on the selected statements. – **No findings.**
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Finding – There was no evidence of the public purpose of the expenditure being documented.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected: - **No findings.**
 - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov). – **No findings.**
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased. – **Not applicable.**

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h). – **No findings.**
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Finding – There was no supporting documentation for one of two reimbursement requests. In addition, there was no evidence of written request, review, or approval for the other reimbursement request.

Contracts

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

Payroll and Personnel

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

Finding – Documentation of updated salaries for the five employees selected was not maintained in the personnel files.

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

18. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.) – **No findings.**
 - a) Observe that supervisors approved the attendance and leave of the selected employees/officials. – **No findings.**
 - b) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records. – **No findings.**
19. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files. – **No findings.**
20. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines. – **No findings.**

Ethics

21. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period. – **No findings.**
 - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period. – **No findings.**

Debt Service

22. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued. – **Not applicable. The entity did not issue any debt during the fiscal period.**
23. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants. – **Not applicable.**

Other

24. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled. – **None noted.**
25. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds. – **No findings.**

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs.

Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Respectfully submitted,

Donald Ford

Donald R. Ford, CPA LLC
Baton Rouge, Louisiana
March 31, 2020

VILLAGE OF FENTON

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Town Council:

Ollie Mae Cleophus

Mary Jones

Eddie B. Alfred Jr., Mayor

Michael Holmes, Town Attorney

Luther Alfred, Police Chief

Krisi Boese, Village Clerk

Management Response Letter to Statewide Agree Upon Procedures Findings

Please see responses/corrective action below related to the exceptions on the Statewide Agree-Upon Procedures report.

Finding- Policy does not address how vendors are added to the vendor list.

Response/Corrective Action-The Village of Fenton has reviewed it's current policies and procedures manual to address the additions of vendors and made revisions in accordance with best practices established by the Louisiana Legislative Auditor.

Finding- The written policies and procedures in place do not address overtime and does not adequately cover segregation of duties over payroll processing with regard to preparation, review, and distribution of payroll. In addition, computer software is not utilized to track and account for leave balances, including leave earned and taken, to eliminate the risk of clerical errors.

Response/Corrective Action - The Village will implement procedures to document authorization of overtime for all administrative and public works staff earning overtime wages. Each timesheet will include review and approval of overtime by their supervisor and the Mayor; Additionally, the Village of Fenton has included the use of the computer software to track and monitor all leave balances, and earned leave in accordance with best practices established by the Louisiana Legislative Auditor.

Finding-The clerk and /or water & sewer operator can initiate purchase individually. A purchase order system has not been adequately implemented. Only a list of P.O. numbers issued to vendors is maintained, but no actual purchase order form. Therefore, documented approval of purchases is not always maintained.

Response/Corrective Action- Management created a new purchase order system which requires someone in management to authorize all purchases initiated in a purchase order request. The new policy was revised to implement controls on the use of purchase order forms which includes

supporting documents to accompany each purchase, and the documented approval of management prior to disbursement.

Finding- The employee responsible for processing payments is not prohibited from adding/modifying vendor files.

Response/Corrective Action- Management is in the process of implementing a procedure for segregation of duties of processing payments and adding/modifying vendor files.

Finding- There was no evidence of the public purpose of the expenditure being documented.

Response/Corrective Action- Management has implement a process that requires all original receipts and supporting documentation of purchases be present upon review and payment to show evidence of business purpose of purchase for Village.

Finding- There was no supporting documentation for one of two reimbursements requests. In addition, there was no evidence of written request, review, or approval for the other reimbursement request.

Response/Corrective Action- Management has updated it's current policy and procedures to require all original receipts be present within 5 days of reimbursement request. If the receipt is not presented within time frame; the requestee forfeits the opportunity to be reimbursed by Village Hall.

Finding- Documentation of updated salaries for the five employees selected was not maintained in the personnel files.

Response/Corrective Action- Management maintains a separate file in the Mayor's office that will be present in all employee files with the most recent salaries/ pay rates.

Eddie B. Alfrey