

**HOUSING AUTHORITY OF THE VILLAGE OF FENTON
FENTON, LOUISIANA**

**INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED DECEMBER 31, 2022

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

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Audit Solutions, LLC.

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the business-type activities of the Housing Authority of the Village of Fenton (Authority), Louisiana, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Authority and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

Required Supplementary Information

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

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Financial Data Schedule is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the accompanying Financial Data Schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated June 28, 2023, on my consideration of the Authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's 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 Authority's internal control over financial reporting and compliance.

Audit Solutions, LLC.

Chesterfield, Missouri

June 28, 2023

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
December 31, 2022

Introduction

This Management's Discussion and Analysis (MD&A) of the Fenton Housing Authority (Authority) provides an introduction and overview to the financial statements of the Fenton Housing Authority for the fiscal year ended December 31, 2022. The Fenton Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended December 31, 2022, to assist the reader in focusing on significant financial issues.

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

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

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

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

The Housing Authority is managed by the Welsh Housing Authority.

Overview of the Financial Statements

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

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

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

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

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) – (Continued)
December 31, 2022

Overview of the Financial Statements – (Continued)

The Statement of Revenues, Expenses, and Changes in Net Position reports the operating revenues, operating expenses, non-operating revenues, and non-operating expenses of the Authority for the fiscal year ended December 31, 2022 to determine the change in net position for the fiscal year.

The Statement of Cash Flows reports cash activities for the fiscal year resulting from operating activities, investing activities, non-capital financing activities, and capital and related financing activities. The net result of these activities represents the increase or decrease of the cash equivalent account balance for the year ended December 31, 2022.

Financial Highlights

- The Fenton Housing Authority’s total net position increased from \$593,287 in 2021 to \$805,267 in 2022, for an increase of \$211,980. The total assets increased by \$227,006 or 37% from the previous year.
- The unrestricted component of net position’s balance is \$182,391 at December 31, 2022. This represents an increase of \$36,697 or 25% from the previous year.
- Total revenues decreased from \$499,385 in 2021 to \$416,071 in 2022, representing a decrease of \$83,314 or 17%.
- Total expenses increased by \$28,479 from \$175,612 to \$204,091 for the current year.

Housing Authority Activities & Highlights

The Housing Authority’s overall financial position and operations for the past two years are summarized below based on the information in the current and prior financial statements. The table below lists the asset and liability comparisons for the year ended December 31, 2022 and December 31, 2021.

*Summary Statement of Net Position
Years Ended December 31, 2022 and 2021*

Category	12/31/2022	12/31/2021	Change \$	Change %
Current Assets	\$ 221,761	\$ 170,038	\$ 51,723	30%
Fixed Assets (Net of Depreciation)	\$ 622,876	\$ 447,593	\$ 175,283	39%
Total Assets	\$ 844,637	\$ 617,631	\$ 227,006	37%
Current Liabilities	\$ 39,370	\$ 24,344	\$ 15,026	62%
Total Liabilities	\$ 39,370	\$ 24,344	\$ 15,026	62%
Unrestricted	\$ 182,391	\$ 145,694	\$ 36,697	25%
Net Investment in Capital Assets	\$ 622,876	\$ 447,593	\$ 175,283	39%
Total Net Position	\$ 805,267	\$ 593,287	\$ 211,980	36%

Current Assets

Current assets increased by \$51,723, from \$170,038 in 2021 to \$221,761 in 2022. This is due primarily to accounts receivable – operating subsidy increasing by \$66,400, accounts receivable – capital fund increasing by \$20,625, and prepaid expenses increasing by \$8,347. Cash decreased by \$41,799 due to the purchase of capital assets through operations. See Capital Assets section for more details.

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)
December 31, 2022

Housing Authority Activities & Highlights – (Continued)

Fixed Assets

Fixed assets increased by \$175,283. More details are provided in the Capital Assets section in a subsequent paragraph.

Current Liabilities

The Authority's current liabilities increased from \$24,344 to \$39,370, a change of \$15,026 for the current year. This is primarily due to an increase in other current liabilities of \$15,125 for 2019 Capital Fund Program accounts payable.

Net Position

The Authority's total net position increased by \$211,980 or 36% from the previous year.

The Authority's unrestricted component of net position increased from \$145,694 to \$182,391, an increase of \$36,697, or 25% for the current year. This is due to insurance proceeds and FEMA money being received in the current year. The unrestricted component of net position is the amount available for future appropriations. This balance is subject to program specific guidelines.

Summary Statement of Revenues & Expenses and Changes in Net Position
Years Ended December 31, 2022 and 2021

Category	12/31/2022	12/31/2021	Change \$	Change %
Program Revenues:				
Tenant Revenue	\$ 46,236	\$ 50,495	\$ (4,259)	-8%
Government Operating Grants	\$ 256,004	\$ 107,354	\$ 148,650	138%
Capital Grants	\$ 26,125	\$ -	\$ 26,125	N/A
Other Revenue	\$ 87,706	\$ 341,536	\$ (253,830)	-74%
Total Revenue	\$ 416,071	\$ 499,385	\$ (83,314)	-17%
Expenses:				
Administration	\$ 55,463	\$ 45,286	\$ 10,177	22%
Utilities	\$ 8,278	\$ 5,317	\$ 2,961	56%
Ordinary Maintenance	\$ 61,058	\$ 47,533	\$ 13,525	28%
General/Insurance Expense	\$ 27,590	\$ 32,386	\$ (4,796)	-15%
Depreciation	\$ 51,702	\$ 45,090	\$ 6,612	15%
Total Expenses	\$ 204,091	\$ 175,612	\$ 28,479	16%
Excess (Deficiency) Before Special Item	\$ 211,980	\$ 323,773	\$ (111,793)	-35%
Special Item/Casualty Losses	\$ -	\$ 107,806	\$ (107,806)	-100%
Change in Net Position	\$ 211,980	\$ 215,967	\$ (3,987)	-2%
Net Position, Beginning of Year	\$ 593,287	\$ 377,320	\$ 215,967	57%
Net Position, End of Year	\$ 805,267	\$ 593,287	\$ 211,980	36%

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) – (Continued)
December 31, 2022

Housing Authority Activities & Highlights – (Continued)

Results of Operations

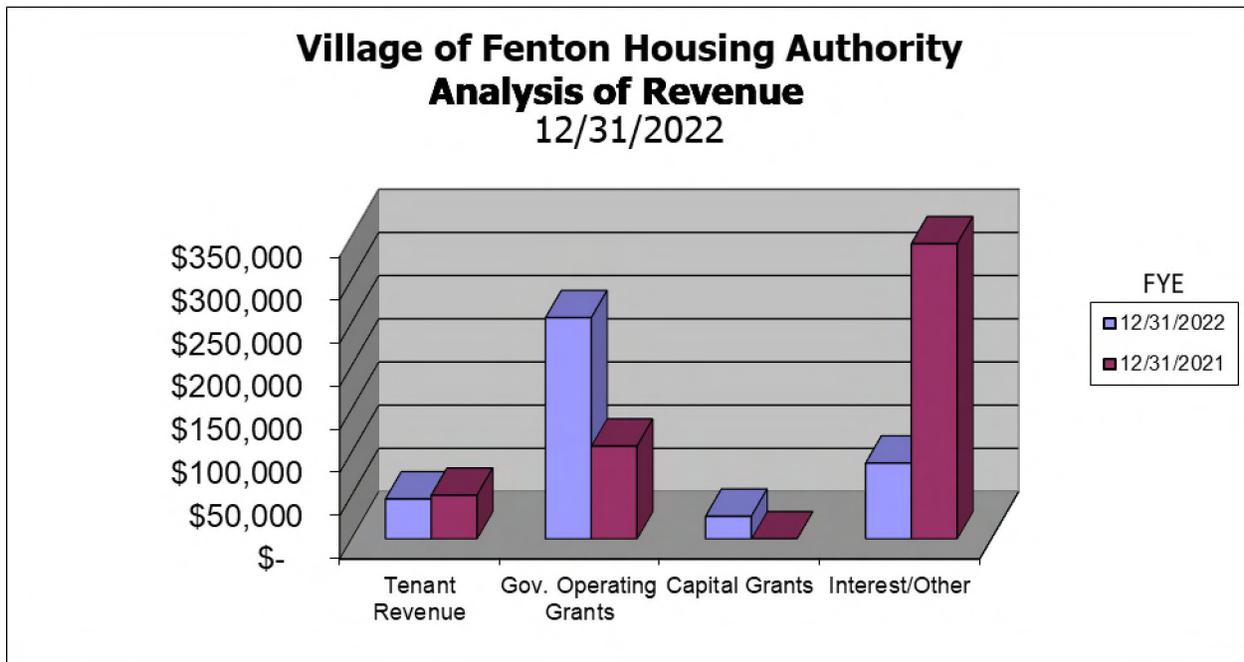
Revenues of the Authority are generated principally from dwelling rents and HUD grants (including Operating and Capital Funds). The Authority’s revenue decreased by \$83,314 during the current fiscal year. Significant changes in revenues are as follows:

- Operating Grants increased by \$148,650. Low Rent Program operating subsidy increased by \$7,948, Low Rent Program CARES Act funding decreased by \$8,344, CFP operating subsidy increased by \$32,372. Also, the Housing Authority received \$116,674 in FEMA money for hurricane damage.
- Capital grants increased by \$26,125 due to an increase in capital activity funded by the Capital Fund Program.
- Other revenue decreased by \$253,830. This is due to a decrease in insurance proceeds, with \$84,317 being received in the current year and \$339,019 received in the prior year.

The Authority’s total expenses increased by \$28,479 from the previous year. Significant changes in expenses are as follows:

- Administrative expenses increased by \$10,177 or 22%. This is due primarily to auditing fees increasing by \$10,960 during the year.
- Maintenance expenses increased by \$13,525 or 28% during the current year due primarily to an increase in heating and cooling contracts in the amount of \$6,939. Also, landscape and grounds contracts increased by \$3,700 and plumbing contracts increased by \$3,414.

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

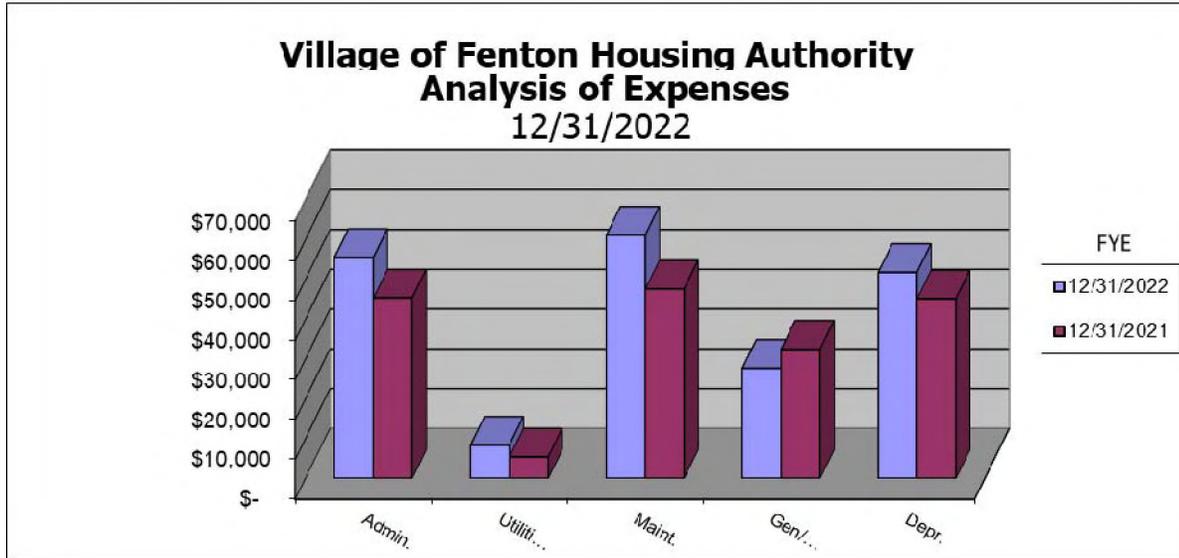


HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) – (Continued)
December 31, 2022

Housing Authority Activities & Highlights – (Continued)

Results of Operations



Capital Assets

As of December 31, 2022, the Fenton Housing Authority’s total capital assets were \$622,876. This investment includes land, buildings, equipment, and construction in progress net of accumulated depreciation.

Category	12/31/2022	12/31/2021	Change \$	Change %
Land	\$ 29,049	\$ 29,049	\$ -	0%
Buildings	\$ 2,075,019	\$ 1,831,787	\$ 243,232	13%
Equipment	\$ 40,312	\$ 40,312	\$ -	0%
Construction in Progress	\$ 146,523	\$ 162,770	\$ (16,247)	-10%
Accumulated Depreciation	\$ (1,668,027)	\$ (1,616,325)	\$ (51,702)	3%
Total Net Fixed Assets	\$ 622,876	\$ 447,593	\$ 175,283	39%

Buildings increased due to a roofing project that was funded with the Low Rent Program and 2020 Capital Fund Program Grant. Also, a maintenance building was added that was funded with the Low Rent Program.

The construction in progress in the amount of \$146,253 consists of remodeling of units being funded by the Low Rent Program and 2019 Capital Fund Program Grant.

Debt Administration

The Authority had no debt obligations as of December 31, 2022.

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)
December 31, 2022

Subsequent Event

Due to the 2022 Congressional Appropriations, the Authority's operating subsidy for the 2022 calendar year was prorated at 104.93%. The 2023 calendar year operating subsidy for the Low Rent Housing Program has yet to be finalized. HUD is estimating that the 2023 operating subsidy will be funded at an estimated 95%.

Request for Information

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

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

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

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

STATEMENT OF NET POSITION
December 31, 2022

ASSETS

Current Assets:

Cash and cash equivalents	\$	27,389
Cash - restricted		3,163
Receivables - net of allowances		175,437
Inventory - net of allowances		522
Prepaid expenses		<u>15,250</u>

Total Current Assets 221,761

Non-current Assets:

Capital assets:

Land and construction in progress		175,572
Other capital assets, net of depreciation		<u>447,304</u>

Total capital assets - net 622,876

Total Non-current Assets 622,876

Total Assets \$ 844,637

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

STATEMENT OF NET POSITION - (Continued)
December 31, 2022

LIABILITIES

Current Liabilities:

Accounts payable	\$	30,644
Accrued salaries and benefits		5,410
Tenant security deposit liability		3,163
Unearned revenues		<u>153</u>

Total Current Liabilities 39,370

Total Liabilities 39,370

NET POSITION

Net investment in capital assets		622,876
Unrestricted		<u>182,391</u>

Total Net Position 805,267

Total Liabilities and Net Position \$ 844,637

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Year Ended December 31, 2022

OPERATING REVENUES	
Tenant revenue	\$ 46,236
Governmental grants and subsidy	256,004
Miscellaneous	<u>87,706</u>
Total operating revenue	<u>389,946</u>
OPERATING EXPENSES	
Administrative	55,463
Utilities	8,278
Ordinary maintenance and operations	61,058
Insurance	23,251
General	4,339
Depreciation expense	<u>51,702</u>
Total operating expenses	<u>204,091</u>
Operating income (loss)	<u>185,855</u>
Income (loss) before contributions and transfers	<u>185,855</u>
Capital contributions	<u>26,125</u>
Change in net position	211,980
Total net position - beginning of year	<u>593,287</u>
Total net position - end of year	<u>\$ <u>805,267</u></u>

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Received from tenants	\$ 46,574
Received from governmental grants and subsidy	168,979
Received from other operating activities	87,706
Payments for goods and services	(90,309)
Payments to employees	<u>(53,889)</u>
Net cash provided by (used in) operating activities	<u>159,061</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Receipts (payments) from inter-programs	<u>(116,674)</u>
Net cash provided by (used in) non-capital financing activities	<u>(116,674)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from capital contributions	26,125
Purchases of capital assets	(226,985)
Receipts (payments) from inter-programs	<u>116,674</u>
Net cash provided by (used in) capital and related financing activities	<u>(84,186)</u>
Net increase (decrease) in cash and cash equivalents	(41,799)
Cash and cash equivalents at beginning of year	<u>72,351</u>
Cash and cash equivalents at end of year	<u><u>\$ 30,552</u></u>

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

STATEMENT OF CASH FLOWS - (Continued)
For the Year Ended December 31, 2022

Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	\$	185,855
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense		51,702
Change in assets and liabilities:		
Receivables, net		(85,580)
Inventories, net		405
Prepaid expenses		(8,347)
Accounts and other payables		17,992
Tenant security deposit		(1,200)
Unearned revenues		93
Accrued expenses		<u>(1,859)</u>
Net cash provided by (used) by operating activities	\$	<u><u>159,061</u></u>

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Housing Authority of the Village of Fenton (Authority) is a public body and a body corporate and politic organized under the laws of the State of Louisiana that is legally separate, fiscally independent and governed by a Board of Commissioners. The Authority was established to provide Low-Rent housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development (HUD) and other applicable federal agencies. Additionally, HUD has entered into Annual Contributions Contract with the Authority for the purpose of administering housing and housing relating programs described herein. The Authority is not subject to Federal or State income taxes and is not required to file Federal or State income tax returns.

The financial statements of the Authority have been prepared in conformity with Generally Accepted Accounting Principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

1A. Financial Reporting Entity

The Authority's financial reporting entity comprises the following:

Primary Government: Housing Authority

In determining the financial reporting entity, the Authority complies with the provisions of GASB Statement No. 14 as amended by GASB No. 39 and 61, "The Financial Reporting Entity," and includes all component units of which the Authority appointed a voting majority of the units' board; the Authority is either able to impose its will on the unit or a financial benefit or burden relationship exists. On the basis of the application of these criteria, there are no component units which are required to be included in the Authority's financial statements.

1B. Basis of Presentation

The accounts of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. The operations of each fund are reported as a separate set of self-balancing accounts that are comprised of each fund's assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds consist of three major categories: governmental, proprietary and fiduciary. Funds within each major category are grouped by fund type in the combined financial statements. The Authority uses the following fund:

Proprietary Fund Types - This fund is used to account for the Authority's ongoing activities that are similar to those often found in the private sector. The accounting objectives are a determination of net income, financial position and changes in cash flow. All assets and liabilities associated with a proprietary fund's activities are included on its statement of net position. Proprietary fund equity is segregated into net investment in capital assets and restricted and unrestricted net position. The following are the Authority's proprietary fund types:

Enterprise Fund - Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes all of the Authority's programs as an enterprise fund.

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1B. Basis of Presentation – (Continued)

The Authority operates the following programs in the enterprise fund:

Public and Indian Housing - The objective of the program is to provide decent, safe and sanitary housing and related facilities for eligible low-income individuals.

Public Housing Capital Fund - The purpose of this program is to provide funds annually to housing authorities for the modernization of the housing development and for management improvements.

1C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus - The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting - In the financial statements, the proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

1D. Budgets

Budgets are prepared for regulatory purposes in accordance with the Authority’s contract with HUD on an annual basis for all operating programs and on a project length basis for capital projects funds which are approved by the Board of Commissioners and submitted to HUD for their approval, if required.

1E. Estimates and assumptions

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could vary from those estimates.

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1F. Assets, Liabilities, and Equity

Cash and Investments

For the purpose of the Statement of Net Position, "cash and cash equivalents" includes all demand, savings accounts, and certificates of deposits or short-term investments with an original maturity of three months or less. For the purpose of the Statement of Cash Flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Investments are carried at fair value except for short-term U.S. Treasury obligations, if any, with a remaining maturity at the time of purchase of one year or less. Those investments, if any, are reported at amortized cost. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Notes 2B and 3A.

Inter-fund Receivables and Payables

During the course of operations, numerous transactions occur within individual funds that may result in amounts owed between funds. Inter-fund receivables and payables between funds, if any, are eliminated for financial statement presentation.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances consist of HUD, other government and tenant accounts receivable.

Inventories

Inventories are valued at lower of cost or market on an average cost basis. Inventories consist primarily of maintenance materials and supplies held for consumption. The consumption method is used to account for inventories. Under the consumption method, inventories are recorded as assets when purchased and expenses when used.

Fixed Assets

Fixed assets in the proprietary fund types are stated at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. It is the policy of the Authority to capitalize all assets with a cost of \$2,000 or greater. The cost of maintenance and repairs are charged to operations as incurred. Costs of major additions, improvements, and betterments are capitalized.

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1F. Assets, Liabilities, and Equity - (Continued)

Fixed Assets

Depreciation of all exhaustible fixed assets is charged as an expense against operations and is recorded in the Statement of Revenues, Expenses and Changes in Net Position 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	10-33 years
Furniture, equipment and machinery - dwelling	5 years
Furniture, equipment and machinery - administrative	5 years

Restricted Assets

Restricted assets include cash of the proprietary fund that are legally restricted as to their use. The primary restricted asset is related to the security deposit fund under the Public and Indian Housing program.

Compensated Absences

The Authority's policies regarding vacation time does not permit employees to accumulate unused vacation leave. Sick leave can be carried forward and paid upon termination. However, there were no unused sick leave at year-end.

Equity Classifications

Equity is classified as net position and displayed in two components:

- 1) 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 borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- 2) Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

1G. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities.

Inter-fund Transfers

Permanent reallocation of resources between programs of the reporting entity is classified as inter-fund transfers. For the purposes of the Statement of Revenues, Expenses and Changes in Net Position, all inter-fund transfers between individual programs, if any, have been eliminated.

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
December 31, 2022

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The Authority and its component units, if any, are subject to various federal, state, and local laws and contractual regulations. An analysis of the Authority's compliance with significant laws and regulations and demonstration of its stewardship over Authority resources follows.

2A. Program Accounting Requirements

The Authority's complies with all state and local laws and regulations requiring the use of separate programs. The programs used by the Authority are as follows:

<u>Program</u>	<u>Required By</u>
Public and Indian Housing	U.S. Department of Housing and Urban Development
Public Housing Capital Fund	U.S. Department of Housing and Urban Development

2B. Deposits and Investments Laws and Regulations

It is the Authority's policy for deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. The Authority must maintain a written collateral agreement from all financial institutions pledging collateral to the Authority. As reflected in Note 3A, all deposits were fully insured or collateralized.

Investing is performed in accordance with HUD regulations and State Statutes. Funds may be invested in the following type of investments:

- Direct obligations of the U.S. Government pledged by its full faith and credit.
- Demand, savings, money-market and certificates of deposit at commercial banks, mutual savings banks, savings and loan associations and credit unions provided that the entire deposit be insured by the FDIC and any deposits in excess of insured amounts are adequately collateralized.

2C. Revenue Restrictions

The Authority has various restrictions placed over certain revenue sources. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Public Housing Capital Fund	Modernization

For the year ended December 31, 2022, the Authority complied, in all material respects, with these revenue restrictions.

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
December 31, 2022

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

3A. Cash Deposits and Investments

As of December 31, 2022, the Authority had the following cash deposits and investments:

Cash deposits	\$	<u>30,552</u>
---------------	----	---------------

Following is a reconciliation of the Authority’s deposit balances as of December 31, 2022:

Cash	\$	27,389
Restricted assets		<u>3,163</u>
 Total	 \$	 <u>30,552</u>

Deposits

Custodial Credit Risk - Deposits

The custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. At December 31, 2022, the Authority’s bank balances of \$33,404 were entirely covered by FDIC insurance or by pledged collateral held by the Authority’s agent bank in the Authority’s name.

Investments

Custodial Credit Risk - Investments

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. At December 31, 2022, the Authority had no investments.

3B. Restricted Assets

Restricted assets at December 31, 2022 consist of the following:

<u>Type of Restricted Assets</u>	<u>Cash Including Time Deposits</u>	<u>Investments</u>	<u>Accrued Interest</u>	<u>Total</u>
Security deposit	\$ <u>3,163</u>	\$ <u>----</u>	\$ <u>----</u>	\$ <u>3,163</u>

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
December 31, 2022

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3C. Accounts Receivable

Receivables at December 31, 2022 consist of the following:

Tenants	\$	3,938
Less: Allowance for doubtful accounts		<u>(2,363)</u>
Tenants - net of allowance		1,575
HUD		165,361
Miscellaneous – other govt.		<u>8,501</u>
 Total Receivables	 \$	 <u><u>175,437</u></u>

3D. Inventory

Inventory at December 31, 2022 comprised of the following:

Inventory	\$	580
Less: Allowance for obsolete inventory		<u>(58)</u>
 Inventory - net of allowance	 \$	 <u><u>522</u></u>

3E. Capital Assets

A summary of capital asset activity for the year ended December 31, 2022 is as follows:

	Balance January 1, 2022	Additions	(Retirement)	Reclass/ Transfers in (out)	Balance December 31, 2022
Non-depreciable assets:					
Land	\$ 29,049	\$ -	\$ -	\$ -	\$ 29,049
Construction in progress	162,770	<u>20,625</u>	-	<u>(36,872)</u>	<u>146,523</u>
Total non-depreciable assets	<u>191,819</u>	<u>20,625</u>	<u>-</u>	<u>(36,872)</u>	<u>175,572</u>
Depreciable assets:					
Building	1,831,787	206,360	-	36,872	2,075,019
Equipment - dwelling	9,364	-	-	-	9,364
Equipment - administration	30,948	-	-	-	30,948
Total depreciable assets	<u>1,872,099</u>	<u>206,360</u>	<u>-</u>	<u>36,872</u>	<u>2,115,331</u>
Accumulated depreciation	<u>(1,616,325)</u>	<u>(51,702)</u>	<u>-</u>	<u>-</u>	<u>(1,668,027)</u>
Total depreciable assets, net	<u>255,774</u>	<u>154,658</u>	<u>-</u>	<u>36,872</u>	<u>447,304</u>
Capital assets, net	<u>\$ 447,593</u>	<u>\$ 175,283</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 622,876</u>

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
December 31, 2022

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3E. Capital Assets – (Continued)

Depreciation expense is charged to programs as follows:

	<u>Business-type Activities</u>
Public and Indian Housing	\$ 51,299
CFP	<u>403</u>
Total depreciation expense	<u>\$ 51,702</u>

3F. Accounts Payable

Accounts payable at December 31, 2022 consist of the following:

Vendors & contractors	\$ 1,177
Other Current Liabilities	20,625
Accrued Liabilities - Other	733
PILOT	<u>8,109</u>
Total Accounts Payable	<u>\$ 30,644</u>

3G. Inter-program Transactions and Balances

Operating Transfers

Transfers are used to move revenues from one program to the other program in accordance with the budgetary authorizations.

	<u>Transfers In</u>	<u>Transfers Out</u>
Public and Indian Housing	\$ 41,677	\$ -
Public Housing Capital Fund	<u>-</u>	<u>(41,677)</u>
	<u>\$ 41,677</u>	<u>\$ (41,677)</u>

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
December 31, 2022

NOTE 4 – OTHER NOTES

4A. Employee Pension Plan

The Authority does not provide pension benefits for its employees and has not incurred any cost associated with providing or maintaining a pension plan.

4B. Risk Management

The Authority is exposed to various risks of losses related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee's health and life; and natural disasters. Claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The Authority manages these various risks of loss as follows:

<u>Type of Loss</u>	<u>Method Managed</u>
a. Torts, errors and omissions	Purchased insurance with Louisiana Housing Council, Inc.
b. Injuries to employees (workers' compensation)	Purchased insurance with Louisiana Housing Council, Inc. Claims are administered by the same company.
c. Physical property loss and natural disasters	Purchased commercial insurance with \$2,500 deductibles.

Management believes such coverage is sufficient to preclude any significant uninsured losses to the Authority. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

4C. Contingencies

The Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Authority in the current and prior years. No significant violations of finance-related legal or contractual provisions occurred.

4D. Commitments - Construction

At December 31, 2022, the Authority had pending construction projects in progress. The commitments related to these projects are summarized as follows:

	<u>Funds Approved</u>	<u>Funds Expended - Project to Date</u>
CFP 501-17	\$ 33,316	\$ 31,865
CFP 501-18	48,900	22,643
CFP 501-19	48,723	48,517
CFP 501-20	50,924	5,500
CFP 501-21	50,523	9,360

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
December 31, 2022

NOTE 4 – OTHER NOTES - (Continued)

4E. Financial Data Schedule

The Authority prepares its Financial Data Schedule (FDS) in accordance with HUD requirements in a prescribed format which differs from the presentation of the basic financial statements. The FDS format excludes depreciation and includes capital contributions in operating activities, which differs from the presentation of basic financial statements.

4F. Subsequent Events

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes.

Management evaluated the activity of the Authority through June 28, 2023, and concluded that no subsequent events have occurred that would require adjustment to or disclosures within these financial statements.

4G. Economic Dependency

The Authority is primarily dependent upon HUD for the funding of operations; therefore, the Authority is affected more by the federal budget than by local economic conditions. The funding of programs could be significantly affected by the 2023 federal budget.

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

FINANCIAL DATA SCHEDULE
Year Ended December 31, 2022

	Project Total	97.036 Disaster Grants - Presidentially Declared Disasters	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$27,389		\$27,389	\$0	\$27,389
114 Cash - Tenant Security Deposits	\$3,163		\$3,163	\$0	\$3,163
100 Total Cash	\$30,552	\$0	\$30,552	\$0	\$30,552
122 Accounts Receivable - HUD Other Projects	\$165,361		\$165,361	\$0	\$165,361
124 Accounts Receivable - Other Government	\$8,501		\$8,501	\$0	\$8,501
126 Accounts Receivable - Tenants	\$3,938		\$3,938	\$0	\$3,938
126.1 Allowance for Doubtful Accounts -Tenants	-\$2,363		-\$2,363	\$0	-\$2,363
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$175,437	\$0	\$175,437	\$0	\$175,437
142 Prepaid Expenses and Other Assets	\$15,250		\$15,250	\$0	\$15,250
143 Inventories	\$580		\$580	\$0	\$580
143.1 Allowance for Obsolete Inventories	-\$58		-\$58	\$0	-\$58
150 Total Current Assets	\$221,761	\$0	\$221,761	\$0	\$221,761
161 Land	\$29,049		\$29,049	\$0	\$29,049
162 Buildings	\$2,075,019		\$2,075,019	\$0	\$2,075,019
163 Furniture, Equipment & Machinery - Dwellings	\$9,364		\$9,364	\$0	\$9,364
164 Furniture, Equipment & Machinery - Administration	\$30,948		\$30,948	\$0	\$30,948
166 Accumulated Depreciation	-\$1,668,027		-\$1,668,027	\$0	-\$1,668,027
167 Construction in Progress	\$146,523		\$146,523	\$0	\$146,523
160 Total Capital Assets, Net of Accumulated Depreciation	\$622,876	\$0	\$622,876	\$0	\$622,876
180 Total Non-Current Assets	\$622,876	\$0	\$622,876	\$0	\$622,876
290 Total Assets and Deferred Outflow of Resources	\$844,637	\$0	\$844,637	\$0	\$844,637
312 Accounts Payable <= 90 Days	\$1,177		\$1,177	\$0	\$1,177
321 Accrued Wage/Payroll Taxes Payable	\$5,410		\$5,410	\$0	\$5,410
333 Accounts Payable - Other Government	\$8,109		\$8,109	\$0	\$8,109
341 Tenant Security Deposits	\$3,163		\$3,163	\$0	\$3,163
342 Unearned Revenue	\$153		\$153	\$0	\$153
345 Other Current Liabilities	\$20,625		\$20,625	\$0	\$20,625
346 Accrued Liabilities - Other	\$733		\$733	\$0	\$733
310 Total Current Liabilities	\$39,370	\$0	\$39,370	\$0	\$39,370
300 Total Liabilities	\$39,370	\$0	\$39,370	\$0	\$39,370
508.4 Net Investment in Capital Assets	\$622,876		\$622,876		\$622,876
512.4 Unrestricted Net Position	\$182,391	\$0	\$182,391		\$182,391
513 Total Equity - Net Assets / Position	\$805,267	\$0	\$805,267	\$0	\$805,267
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$844,637	\$0	\$844,637	\$0	\$844,637

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

FINANCIAL DATA SCHEDULE - (Continued)
Year Ended December 31, 2022

	Project Total	97.036 Disaster Grants - Presidentially Declared Disasters	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$45,286		\$45,286	\$0	\$45,286
70400 Tenant Revenue - Other	\$950		\$950	\$0	\$950
70500 Total Tenant Revenue	\$46,236	\$0	\$46,236	\$0	\$46,236
70600 HUD PHA Operating Grants	\$139,330		\$139,330	\$0	\$139,330
70610 Capital Grants	\$26,125		\$26,125	\$0	\$26,125
70800 Other Government Grants	\$0	\$116,674	\$116,674	\$0	\$116,674
71500 Other Revenue	\$87,706		\$87,706	\$0	\$87,706
70000 Total Revenue	\$299,397	\$116,674	\$416,071	\$0	\$416,071
91100 Administrative Salaries	\$28,637		\$28,637	\$0	\$28,637
91200 Auditing Fees	\$10,960		\$10,960	\$0	\$10,960
91400 Advertising and Marketing	\$117		\$117	\$0	\$117
91500 Employee Benefit contributions - Administrative	\$2,118		\$2,118	\$0	\$2,118
91600 Office Expenses	\$7,210		\$7,210	\$0	\$7,210
91800 Travel	\$1,405		\$1,405	\$0	\$1,405
91900 Other	\$5,016		\$5,016	\$0	\$5,016
91000 Total Operating - Administrative	\$55,463	\$0	\$55,463	\$0	\$55,463
93100 Water	\$150		\$150	\$0	\$150
93200 Electricity	\$7,925		\$7,925	\$0	\$7,925
93300 Gas	\$41		\$41	\$0	\$41
93600 Sewer	\$162		\$162	\$0	\$162
93000 Total Utilities	\$8,278	\$0	\$8,278	\$0	\$8,278
94100 Ordinary Maintenance and Operations - Labor	\$19,584		\$19,584	\$0	\$19,584
94200 Ordinary Maintenance and Operations - Materials and Other	\$13,357		\$13,357	\$0	\$13,357
94300 Ordinary Maintenance and Operations Contracts	\$26,679		\$26,679	\$0	\$26,679
94500 Employee Benefit Contributions - Ordinary Maintenance	\$1,438		\$1,438	\$0	\$1,438
94000 Total Maintenance	\$61,058	\$0	\$61,058	\$0	\$61,058
96110 Property Insurance	\$17,622		\$17,622	\$0	\$17,622
96120 Liability Insurance	\$832		\$832	\$0	\$832
96130 Workmen's Compensation	\$2,458		\$2,458	\$0	\$2,458
96140 All Other Insurance	\$2,339		\$2,339	\$0	\$2,339
96100 Total insurance Premiums	\$23,251	\$0	\$23,251	\$0	\$23,251
96200 Other General Expenses	\$638		\$638	\$0	\$638
96300 Payments in Lieu of Taxes	\$3,701		\$3,701	\$0	\$3,701
96000 Total Other General Expenses	\$4,339	\$0	\$4,339	\$0	\$4,339
96900 Total Operating Expenses	\$152,389	\$0	\$152,389	\$0	\$152,389

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

FINANCIAL DATA SCHEDULE - (Continued)
Year Ended December 31, 2022

	Project Total	97.036 Disaster Grants - Presidentially Declared Disasters	Subtotal	ELIM	Total
97000 Excess of Operating Revenue over Operating Expenses	\$147,008	\$116,674	\$263,682	\$0	\$263,682
97400 Depreciation Expense	\$51,702		\$51,702	\$0	\$51,702
90000 Total Expenses	\$204,091	\$0	\$204,091	\$0	\$204,091
10010 Operating Transfer In	\$41,677		\$41,677	-\$41,677	\$0
10020 Operating transfer Out	-\$41,677		-\$41,677	\$41,677	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$95,306	\$116,674	\$211,980	\$0	\$211,980
11030 Beginning Equity	\$593,287	\$0	\$593,287	\$0	\$593,287
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$116,674	-\$116,674	\$0	\$0	\$0
11190 Unit Months Available	252		252	0	252
11210 Number of Unit Months Leased	195		195	0	195
11270 Excess Cash	\$154,377		\$154,377		\$154,377
11620 Building Purchases	\$226,985		\$226,985		\$226,985

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD OR
CHIEF EXECUTIVE DIRECTOR**
Year Ended December 31, 2022

Agency Head Name: Danielle Vegoren

EXPENDITURE PURPOSE

Salary	\$	28,637
Benefits – Insurance		---
Benefits – Retirement		---
Benefits (List any other here)		2,118
Car allowance		---
Vehicle provided by government		---
Per diem		---
Reimbursements		---
Travel		---
Registration fees		---
Conference Travel		---
Continuing professional education fees		---
Housing		---
Unvouchered expenses*		---
Special meals		---
		<hr/>
TOTAL	\$	<u><u>30,755</u></u>

* An example of unvouchered expense would be a travel advance

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS
Year Ended December 31, 2022

Board members serve without compensation.



Audit Solutions, LLC.

Certified Public Accountant

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

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Housing Authority of the Village of Fenton (Authority), Louisiana, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued my report thereon dated June 28, 2023.

Report on Internal Control Over Financial Reporting

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

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.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify certain deficiencies in internal control, described in the accompanying schedule of current findings, recommendations and replies that I consider to be significant deficiencies as finding #2022-001 and 2022-002.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of current findings, recommendations and replies as finding #2022-002.

Authority's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the result 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.

Audit Solutions, LLC

Chesterfield, Missouri

June 28, 2023



Audit Solutions, LLC.

Certified Public Accountant

INDEPENDENT AUDITORS REPORT ON APPLYING AGREED-UPON PROCEDURES

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

I have performed the procedure described in the second paragraph of this report, which was agreed to by the Housing Authority of the Village of Fenton (Authority) and the U.S. Department of Housing and Urban Development, Public Indian Housing - Real Estate Assessment Center (PIH-REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents included within the reporting package. The Authority is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in the Government Auditing Standards issued by the Comptroller General of the United States. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, I make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

I compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of my agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the chart below.

I was engaged to perform an audit for the Authority as of and for the year ended December 31, 2022 and have issued my reports thereon dated June 28, 2023. The information in the "Hard Copy Documents" column was included within the scope or was a by-product of the audit. Further, my opinion on the fair presentation of the Authority's Financial Data Schedule (FDS) dated June 28, 2023, was expressed in relation to the basic financial statements of the Authority taken as a whole.

A copy of the reporting package, which includes the auditor's report, is available in its entirety from the Authority. I have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, I take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, PIH-REAC.

This report was intended solely for the information and use of the Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

Audit Solutions, LLC

Chesterfield, Missouri
June 28, 2023

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

AGREED UPON PROCEDURES

December 31, 2022

Procedure	UFRS Rule Information	Hard Copy Document(s)	Agrees
1	Balance Sheet and Revenue Expense (data line items 111 to 13901)	Financial Data Schedule, all CFDA's, if applicable	√
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	√
3	Type of opinion on FDS (data element G3100-040)	Auditor's Supplemental report on FDS	√
4	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	√

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

SIGNIFICANT DEFICIENCIES COMMUNICATED IN PRIOR YEAR
December 31, 2022

The prior audit report for the year ended December 31, 2021 contained two audit findings:

2021-001	Finding:	Segregation of Duties
	Status:	Not Implemented – see current finding 2022-001
2021-002	Finding:	Tenant Files
	Status:	Not Implemented – see current finding 2022-002

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

CURRENT FINDINGS, RECOMMENDATIONS AND REPLIES
December 31, 2022

The current audit report for the year ended December 31, 2022 disclosed the following audit findings:

2022-001. Segregation of Duties

Criteria:

To ensure effective internal control, a segregation of duties between individuals who authorize transactions and individuals who have control over related assets must always exist.

Condition:

The present system of internal accounting controls in certain situation does not provide for segregation of duties in the performance of functions due to a limited size of the staff.

Questioned Costs:

None noted.

Effect:

As a result of this condition, there is a likelihood that intentional or unintentional errors will go undetected.

Cause:

Due to the small size of the entity, the Authority's decision was based on a "cost to benefit" relationship which does not justify the addition of additional staff to accomplish the desired segregation.

Recommendation:

I recommend that the Authority take steps to ensure compensating controls are in place to mitigate the lack of segregation of duties so that risk of errors can be prevented.

Management's Response:

Due to such a small staff we try to work as effectively and proficiently as possible. As to make sure nothing is overlooked. Moving forward, we as a staff will continue to do our very best to ensure nothing is overlooked with proficiency.

HOUSING AUTHORITY OF THE VILLAGE OF FENTON
Fenton, Louisiana

CURRENT FINDINGS, RECOMMENDATIONS AND REPLIES – (Continued)
December 31, 2022

2022-002. Tenant Files

Criteria:

HUD guidelines on tenant file documentation and maintenance must be followed at all times.

Condition:

During my review of five tenant files, I noted the following deficiencies:

- Three files reviewed did not contain independently verified income.
- One file was not certified on an annual basis.

Questioned Costs:

None noted.

Effect:

Tenant files are incomplete and could have incorrect rent calculation.

Cause:

It appears the current administration is not adequately trained to ensure tenant files are maintained with HUD guidelines.

Recommendation:

I recommend that the Authority ensure that all tenant files are maintained adequately, and proper training is provided to personnel to ensure completeness and accuracy.

Management's Response:

Due to the recent relocation of all residents some resident information has not been updated prior to this audit. Moving forward, all resident information will be requested, maintained and updated.