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VILLAGE OF FENTON, LOUISIANA  
ANNUAL FINANCIAL STATEMENTS AND  
ACCOUNTANTS' COMPILATION REPORT  
Year Ended May 31, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the sheriff and other appropriate public officials. This report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10-20-11

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September 17, 2004

Honorable Frank Broton, Mayor  
and Members of the Village Council  
Village of Fenton, Louisiana

We have compiled the accompanying general purpose financial statements of Village of Fenton, Louisiana as of May 31, 2004, and for the year then ended, as listed in the table on contents and the supplemental information on pages 21 through 24, which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying general purpose financial statements and supplementary information and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated September 17, 2004, on the results of our agreed-upon procedures.

*Gragon Casiday & Gully*

Village of Fenwick, Louisiana

COMBINED BALANCE SHEET-ALL FUND TYPES AND ACCOUNT GROUPS

May 31, 2004

	Governmental Fund		
	General	Special Revenue	Debt Service
<b>ASSETS</b>			
Cash and cash equivalents	\$ 9,874	\$ 180,703	\$ 91
Accounts receivable, net	-	-	-
Restricted assets:			
Cash	-	-	-
Due from other funds	-	18,707	8,263
Fixed assets, net	-	-	-
Amount to be provided for settlement of general long-term debt	-	-	-
Amount available in debt service fund	-	-	-
<b>Total assets</b>	<b>\$ 9,874</b>	<b>\$ 199,410</b>	<b>\$ 9,354</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 4,168	\$ -	\$ -
Other accrued expenses	-	-	-
Due to other funds	27,879	-	-
Payable from restricted assets:			
Bonds payable	-	-	-
Matured revenue bond interest payable	-	-	-
Deposits	-	-	-
General obligation bonds payable	-	-	-
Revenue bonds payable	-	-	-
<b>Total liabilities</b>	<b>32,047</b>	<b>-</b>	<b>-</b>
<b>FUND EQUITY</b>			
Investment in general fixed assets	-	-	-
Contributed capital	-	-	-
Retained earnings (deficit):			
Unreserved	-	-	-
Fund balances (deficit):			
Reserved for public streets and capital outlay	-	76,878	-
Reserved for debt retirement	-	-	8,384
Unreserved and undesignated	29,880	-	-
<b>Total fund equity</b>	<b>29,880</b>	<b>76,878</b>	<b>8,384</b>
<b>Total liabilities and fund equity</b>	<b>\$ 61,927</b>	<b>\$ 76,878</b>	<b>\$ 8,354</b>

See accompanying notes and accountants' report.



Proprietary Fund Type	Account Groups		Totals	
	General Fund	General Long-Term	(Miscellaneous Only)	
	Assets	Debt	2004	2003
Enterprise				
\$ 20	\$ -	\$ -	\$ 85,158	\$ 47,581
11,410	-	-	11,410	8,880
5,830	-	-	5,830	4,800
-	-	-	27,378	38,888
1,113,692	188,707	-	1,295,728	1,319,600
-	-	-	-	137
-	-	8,000	8,000	8,000
<u>\$ 1,130,020</u>	<u>\$ 188,707</u>	<u>\$ 8,000</u>	<u>\$ 1,313,856</u>	<u>\$ 1,413,154</u>
\$ 578	\$ -	\$ -	\$ 4,708	\$ 6,403
17,263	-	-	17,263	4,328
-	-	-	27,378	24,588
5,830	-	-	3,000	3,000
883	-	-	883	1,888
8,830	-	-	5,830	4,800
-	-	8,000	8,800	7,000
<u>25,000</u>	<u>-</u>	<u>8,000</u>	<u>28,800</u>	<u>28,000</u>
87,682	-	8,000	89,342	83,617
-	188,707	-	188,707	179,080
1,321,125	-	-	1,321,125	1,321,125
(243,118)	-	-	(243,118)	(211,880)
-	-	-	58,876	87,370
-	-	-	8,484	8,988
<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,384)</u>	<u>(22,351)</u>
<u>1,078,007</u>	<u>188,707</u>	<u>-</u>	<u>1,259,652</u>	<u>1,322,541</u>
<u>\$ 1,130,020</u>	<u>\$ 188,707</u>	<u>\$ 8,000</u>	<u>\$ 1,413,080</u>	<u>\$ 1,413,154</u>

Village of Fenton, Louisiana

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
ALL GOVERNMENTAL FUND TYPES

Year Ended May 31, 2004

	Governmental Fund	
	General	Special Revenue
<b>Revenues:</b>		
Taxes	\$ 29,822	\$ 25,470
Licenses and permits	7,821	-
Intergovernmental	2,089	-
Fees and forfeits	47,299	-
Miscellaneous	8,385	-
Grant	1,624	379,888
Interest	21	202
Total revenues	<u>\$60,661</u>	<u>\$481,828</u>
<b>Expenditures:</b>		
Current		
General government	75,879	-
Public safety	19,459	-
Culture and recreation	-	-
Capital outlay	9,231	388,028
Debt service		
Principal maturity	-	-
Interest and fiscal charges	-	-
Total expenditures	<u>104,569</u>	<u>388,028</u>
Excess (deficiency) of revenues over expenditures	(43,908)	21,800
<b>Other financing sources (uses):</b>		
Operating transfers in	5,450	-
Operating transfers out	-	-
Total other financing sources (uses)	<u>5,450</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(38,458)	21,800
Fund balances at beginning of year	<u>129,384</u>	<u>57,270</u>
Fund balances at end of year	<u>\$ 90,926</u>	<u>\$ 79,070</u>

See accompanying notes and accountants' report.

Type	Totals	
	(Memorandum Only)	
Date:	2004	2005
Service		
\$ 2,828	\$ 50,220	\$ 50,750
-	7,821	6,821
-	2,085	3,218
-	47,268	47,808
-	6,389	6,155
-	381,500	3,408
<u>2,828</u>	<u>585,811</u>	<u>115,852</u>
-	73,878	75,323
-	19,488	18,482
-	-	712
-	389,358	34,308
1,808	1,808	1,808
<u>350</u>	<u>350</u>	<u>408</u>
<u>1,808</u>	<u>483,852</u>	<u>116,123</u>
1,808	11,854	(2,441)
-	5,458	3,484
<u>-</u>	<u>-</u>	<u>(22,852)</u>
<u>-</u>	<u>5,458</u>	<u>(19,368)</u>
1,808	17,304	(21,808)
<u>6,858</u>	<u>43,854</u>	<u>81,852</u>
<u>\$ 2,454</u>	<u>\$ 60,858</u>	<u>\$ 43,854</u>



Village of Penton, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS

Year Ended May 31, 2004

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ 28,000	\$ 28,822	\$ (778)
Licenses and permits	8,000	7,821	(179)
Intergovernmental	-	2,088	2,088
Fees and forfeits	47,000	47,209	209
Miscellaneous	8,500	8,365	(135)
Grant	-	1,634	1,634
Interest Income	-	21	21
Total revenues	<u>87,500</u>	<u>91,060</u>	<u>3,562</u>
<b>Expenditures:</b>			
Current:			
General government	64,500	73,676	29,641
Public safety	3,600	18,480	113,080
Culture and recreation	-	-	-
Capital outlay	<u>2,000</u>	<u>9,231</u>	<u>(7,231)</u>
Total expenditures	<u>68,100</u>	<u>101,387</u>	<u>2,441</u>
Excess (deficiency) of revenues over expenditures	(17,600)	(11,327)	6,273
<b>Other financing sources(uses):</b>			
Operating transfers in	-	5,458	5,458
Operating transfers (out)	<u>(8,800)</u>	<u>-</u>	<u>8,800</u>
Total other financing sources(uses)	<u>(8,800)</u>	<u>5,458</u>	<u>13,458</u>
Excess(deficiency) of revenues and other sources over expenditures and other uses	(26,400)	(5,869)	16,438
Fund balance at beginning of year	<u>(70,300)</u>	<u>(70,300)</u>	<u>-</u>
Fund balance at end of year	<u>\$ (96,700)</u>	<u>\$ (76,169)</u>	<u>\$ 20,531</u>

See accompanying notes and accountants' report.



Special Revenue Fund

<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Disfavorable)</u>
\$ 24,000	\$ 21,470	\$ (2,530)
-	-	-
-	-	-
-	-	-
-	379,898	379,898
-	292	292
<u>24,000</u>	<u>401,658</u>	<u>377,620</u>
-	-	-
-	-	-
-	-	-
-	<u>380,028</u>	<u>(380,028)</u>
-	<u>380,028</u>	<u>(380,028)</u>
24,000	21,600	(2,400)
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>
24,000	21,600	(2,400)
<u>51,218</u>	<u>51,218</u>	<u>-</u>
\$ <u>51,218</u>	\$ <u>75,878</u>	\$ <u>(24,660)</u>

Village of Ponchartraine, Louisiana

STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN RETAINED EARNINGS (DEFICIT)-PROPRIETARY FUND TYPE

Year Ended May 31, 2004

	<u>2004</u>	<u>2003</u>
Operating revenues:		
Charges for services	\$ 64,783	\$ 65,294
Operating expenses:		
Personal services	34,173	37,832
Payroll taxes	2,882	4,952
Rent (debt)	3,570	7,668
Repairs and maintenance	8,781	19,841
Supplies	5,180	6,374
Heat, light and power	7,675	6,132
Depreciation	27,823	27,738
Professional fees	—	3,822
Total operating expenses	<u>90,182</u>	<u>113,752</u>
Operating income (loss)	(25,419)	(48,458)
Nonoperating revenues (expenses):		
Interest and fiscal charges	<u>(588)</u>	<u>(8,750)</u>
Income (loss) before operating transfers	(26,007)	(57,218)
Operating transfers:		
Operating transfer (to) from other funds	<u>11,493</u>	<u>18,968</u>
Net income (loss)	(14,514)	(38,250)
Retained earnings (deficit) at beginning of year	<u>(211,882)</u>	<u>(175,808)</u>
Retained earnings (deficit) at end of year	<u>\$ (226,396)</u>	<u>\$ (214,058)</u>

See accompanying notes and accountants' report.

Village of Eunice, Louisiana

STATEMENT OF CASH FLOWS-PROPRIETARY FUND TYPE

Year ended May 31, 2004

	<u>2004</u>	<u>2003</u>
Cash flows from operating activities:		
Operating income (loss)	\$ (25,418)	\$ (48,488)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	27,823	27,738
Bad debts	3,570	7,598
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(6,093)	(7,044)
Increase (decrease) in accounts payable	(1,897)	1,513
Increase (decrease) in accrued expenses	11,850	2,735
Increase (decrease) in due from other fund	_____	____(8,082)
Net cash provided by operating activities	<u>8,843</u>	<u>(21,586)</u>
Cash flows from noncapital financing activities:		
Operating transfers (to) from other funds	<u>(5,452)</u>	<u>18,582</u>
Cash flows from capital financing activities:		
Proceeds from grant and contributed capital	-	34,958
Purchase of fixed assets	-	(28,125)
Principal payment on revenue bonds	(4,808)	(4,088)
Interest payment on revenue bonds	____(388)	____(2,711)
Net cash used by capital financing activities	<u>(4,808)</u>	<u>2,034</u>
Net Increase (Decrease) in Cash And Cash Equivalents	(193)	(908)
Cash and cash equivalents at beginning of year	<u>221</u>	<u>1,329</u>
Cash and cash equivalents at end of year	<u>\$ 28</u>	<u>\$ 521</u>

See accompanying notes and accountant's report.

Village of Fenwick, Louisiana

NOTES TO FINANCIAL STATEMENTS

May 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Fenwick, Louisiana have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Government's accounting policies are described below.

1. Reporting Entity

As the governing authority of the village, for reporting purposes, the Village of Fenwick, Louisiana is the financial reporting entity. The financial reporting entity consists of (a) the primary government (Village), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which 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.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Village of Fenwick, 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. This criteria includes:

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.

Continued

Village of Ponca, Louisiana

NOTES TO FINANCIAL STATEMENTS

May 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Fund Accounting

The accounts of the Village are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds and groups of accounts are used by the Village:

GOVERNMENTAL FUND TYPES:

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

**Special Revenue Fund** - Special Revenue Fund is used to account for the proceeds of specific revenue sources, which are required to be accounted for in a separate fund, and which are legally restricted to expenditure for a specified purpose. This fund accounts for the 2% sales tax passed in the general election on November 5, 2004.

**Debt Service Fund** - Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

PROPRIETARY FUND TYPE:

**Enterprise Fund** - Enterprise 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 (expenses, including depreciation) 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.

Continued

Village of Fenton, Louisiana

NOTES TO FINANCIAL STATEMENTS

May 31, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

ACCOUNT GROUPS:

General Fixed Assets Account Group - Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on general fixed assets. Fixed assets are valued at historical cost or estimated historical cost if actual cost is unavailable. The proprietary fund accounts for fixed assets and long-term debt on a cost basis. Public domain general fixed assets such as public streets or sewer lines are not capitalized, as these assets are inalienable and of value only to the village, and therefore are not included in the totals for the General Fixed Assets Group.

General Long-Term Debt Account Group - Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

3. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year end.

Continued



Village of Fontos, Louisiana

NOTES TO FINANCIAL STATEMENTS

May 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Village applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations.

Those revenues susceptible to accrual are property taxes, franchise taxes, tobacco taxes, licenses, interest and water and sewer fees.

4. Budgets

For the year ended May 31, 2004, the Village adopted an entity-wide budget which is not presented by fund. However, fund information may be extrapolated from the budget for reporting purposes. The proposed budget is presented to the Village Council for review. Upon approval by the Aldermen, the budget is adopted in an open public meeting.

5. Cash and Cash Equivalents

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 May 31, 2004, the Village has \$92,369 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

Continued

Village of Fenwick, Louisiana

NOTES TO FINANCIAL STATEMENTS

May 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

6. 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.

7. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it (that are properly apportioned to another fund), are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecursing or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

8. Accounts Receivable

Accounts receivable include 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. This amount is \$7,586 as of May 31, 2004.

9. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

10. Total Columns on Combined Statements

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in those columns do not present financial position, results of operations, or changes in financial position in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

11. Comparative Data

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Village's financial position and operations. However, presentation of prior year totals by fund type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Village of Fenton, Louisiana

NOTES TO FINANCIAL STATEMENTS

May 31, 2004

NOTE B - PROPERTY TAXES

For the year ended May 31, 2004, taxes were levied on property as follows:

	Millage	Assessed Valuations
General corporate purposes	8.32	\$ 145,604
Debt service	4.02	145,604
	12.32	

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 calendar year, and become delinquent after December 31st. Property taxes not paid by February 28th are subject to property lien.

NOTE C - LONG-TERM DEBT

The following is a summary of bond transactions of the Village of Fenton, LA for the year ended May 31, 2004:

	General Obligation	Revenue	Total
Bonds payable at May 31, 2003	\$ 7,800	\$ 32,800	\$ 40,600
Bonds retired	<u>1,800</u>	<u>4,800</u>	<u>(6,600)</u>
Bonds payable at May 31, 2004	\$ 6,000	\$ 28,000	\$ 34,000

The annual requirements to amortize all debt outstanding, including interest, for each of the next five years:

Year ending <u>May 31,</u>	General Obligation	Revenue	Total
2005	\$ 1,300	\$ 5,400	\$ 6,700
2006	1,300	6,300	8,600
2007	1,200	6,000	7,200
2008	1,150	5,750	6,900
2009	1,100	5,600	6,700
2010	1,050	5,250	6,300

Bonds payable at May 31, 2004 are comprised of the following issues:

General obligation bonds:

\$32,000, 1971 Public Improvement Bonds due in annual principal installments of \$800 through January 1, 1996, then \$1,000 through January 1, 2010; interest at 8 percent.  
(This issue is being serviced - principal and interest - by ad valorem taxes.)

\$ 6,000

Village of Fenton, Louisiana

NOTES TO FINANCIAL STATEMENTS

May 31, 2004

NOTE C - LONG-TERM DEBT - CONTINUED

Revenue bonds:

\$98,800, 1971 Water Revenue bonds due in varying annual installments through January 1, 2010; interest at 8 percent.

\$ 20,000

NOTE D - FIXED ASSETS

1. General Fixed Assets:

The following is a summary of changes in general fixed assets of the Village of Fenton, LA for the year ended May 31, 2004:

	Balance May 31, 2003	Net Additional (Reductions)	Balance May 31, 2004
Land	\$ 1,000	\$ -	\$ 1,000
Buildings	98,800	-	98,800
Improvements other than buildings	3,652	-	3,652
Machinery and equipment	43,731	3,307	44,878
Office furniture and equipment	15,800	-	15,800
Police car	<u>24,658</u>	<u>4,218</u>	<u>28,920</u>
	<b>\$ 176,981</b>	<b>\$ 7,525</b>	<b>\$ 184,506</b>

2. Proprietary Fund Fixed Assets:

The following is a summary of changes in proprietary fund fixed assets for the year ended May 31, 2004:

	Balance May 31, 2003	Net Additions	Balance May 31, 2004
Land	\$ 14,790	\$ -	\$ 14,790
Plant and Equipment	1,089,552	-	1,089,552
Office furniture and fixtures	<u>268</u>	<u>-</u>	<u>268</u>
	<b>1,414,600</b>	<b>\$ -</b>	<b>1,414,600</b>
Less: Accumulated depreciation	<u>(221,248)</u>		<u>(221,248)</u>
	<b>\$ 1,193,352</b>		<b>\$ 1,193,352</b>

Additions to the proprietary fund fixed assets are recorded at cost. Repairs and maintenance are recorded as expenses, renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Village of Fonten, Louisiana

NOTES TO FINANCIAL STATEMENTS

May 31, 2004

NOTE D - FIXED ASSETS - CONTINUED

Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Plant and Equipment	10-50 years
Office furniture and fixtures	5 years

NOTE E - 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 these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE F - RETAINED EARNINGS/FUND BALANCE DEFICITS

The retained earnings of the proprietary fund type has a deficit of \$243,315 at May 31, 2004 and the fund balance of the general fund has a deficit of \$26,365 at May 31, 2004. The Village intends to eliminate the deficits through future operating income.

NOTE G - GOING CONCERN

In the last three years of May 31, 2002, 2003 and 2004 the Village has had a combined entity-wide net loss of \$(15,007), \$(53,080) and \$(14,351), respectively. The losses are a result of increased operating expenses of the Village. In addition, at May 31, 2004, the general fund fund balance and the enterprise fund retained earnings had deficits of \$(26,365) and \$(243,315), respectively. At May 31, 2004 the Village's unrestricted cash balances amounted to \$4,002. These conditions and events could possibly have a significant impact on the Village's ability to continue providing services to its citizens at the current levels and could lead to discontinuance of services or operations. Management is currently evaluating areas to increase revenues and to reduce operating expenses and will have a plan adopted in the very near future that addresses the elimination of the fund balance/retained earnings deficits and annual operating losses.

NOTE H - COMMITMENTS

In July 2003, the Village entered into a Community Development Block Grant Agreement with the State of Louisiana for \$582,700 to fully fund a project to renovate low-income housing within the Village's corporate limits. Through May 31, 2004, a total of \$370,866 had been funded and the project is expected to be completed by August 2004.

The Village plans to construct a new city hall facility at a total cost of approximately \$175,000. Funding of this project will be a loan for \$47,000, a federal grant for \$68,000, a state grant for \$24,000 and Village funds of \$36,000. The project is expected to be completed by May 31, 2005.

SUPPLEMENTAL INFORMATION

Village of Penton, Louisiana  
BOARD OF ALDERMAN – PER DIEM  
Year Ended May 31, 2004

Etienne B. Alfred	1,800
Anthony Howard	1,800
Josef Manuel	<u>1,800</u>
	<u>5,400</u>

This schedule is included herein in order to comply with a requirement of the Legislative Auditor that the report include a schedule indicating the amount of per diem or other compensation paid to each Alderman.

See accountants' report.

Village of Fontenot, Louisiana

BOARD OF ACCOUNTS RECEIVABLE - ENTERPRISE FUND

May 31, 2004

	<u>01-00</u>	<u>01-80</u>	<u>01-90</u>	<u>01-over</u>	<u>Total</u>
Accounts Receivable, gross	\$ 7,244	\$ 1,637	\$ 1,197	\$ 7,580	\$ 17,658

See accountants' report.



Village of Fontenot, Louisiana

SCHEDULE OF INSURANCE COVERAGE

May 31, 2004

	<u>Limits</u>	<u>Expiration Date</u>
Automobile liability	\$500,000 bodily injury and physical damage	March 18, 2007
Commercial general liability: Premises/Operations	\$500,000 per occurrence - bodily injury and physical damage	March 18, 2007
Products/Completed operation	\$500,000 in the aggregate - bodily injury and physical damage	March 18, 2007
Medical payments	\$1,000 per person \$10,000 per accident	March 18, 2007
Fire legal liability	\$50,000 per occurrence	March 18, 2007
Fidelity Bond	Errors and omissions	December 31, 2004

See accountants' report.

Village of Fenton, Louisiana

SCHEDULE OF NUMBER OF CUSTOMERS AND WATER/SEWER  
RATES - ENTERPRISE FUND

May 31, 2004

Number of residential customers	191
Number of commercial customers	11
Total customers	<u>202</u>

**Water Rates**

Residential and commercial customers	\$12.50 for first 2,000 gallons, \$3.50 per 1,000 gallons thereafter
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**Sewer Rates**

Residential and commercial customers	\$10.00 per month
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See accountants' report.



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

September 17, 2004

Honorable Frank Beaton, Mayor  
and Members of the Board of Aldermen  
Village of Ferris, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Village of Ferris, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Village of Ferris, Louisiana's compliance with certain laws and regulations during the year ended May 31, 2004 included in the accompanying Louisiana Allocation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the 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.

**Public Bid Law**

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

Expenditures for the LODBG Housing Program totaled \$371,000. We examined documentation which indicated that these expenditures had been properly advertised and accepted in accordance with the provision of LSA-RS 38:2211-2251.

**Code of Ethics for Public Officials and Public Employees**

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of these employees included in the listing obtained from management in agreed-upon procedure (1) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure (2) appeared on the list provided by management in agreed-upon procedure (1).

#### Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

The Village provided us with a copy of the budget for the year ended May 31, 2004 which was adopted on June 30, 2003 by vote of the Board of Aldermen.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to approval in the minutes.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceeded budgeted amounts by more than 5%.

We compared the revenues and expenditures of the budget to actual revenues and expenditures. The special revenue fund actual revenues (excluding grant revenues) were less than budgeted amounts by approximately 5%.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

The Village maintains a manual, single-entry accounting system for cash receipts and disbursements. The six disbursements were reported in the proper fund in the accompanying financial statements.

- (c) determine whether payments received approval from proper authorities.

Inspection of supporting documents for the six selected disbursements did not indicate approval for payment. However, attached to the Village's monthly minutes is a list reflecting bills to be paid. Each month the Alderman makes a motion to pay the bills of the Village as reported on the aforementioned listing. In addition, the Mayor signs all checks indicating his approval to pay.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Village of Foston, LA, is only required to post a notice of each meeting and the accompanying agenda in City Hall. Management has indicated to us that such documents were properly posted. We found no evidence of non-compliance.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

**Advances and Bonuses**

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes and review of payroll records of the Village for the year disclosed no bonuses, advances or gifts.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Village of Fenton, Louisiana and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:313, this report is distributed by the Legislative Auditor as a public document.

*Deagorn, Conway & Gaudin*

VILLAGE OF FENTON, LA.  
P.O. BOX 310  
FENTON, LOUISIANA 70640

September 17, 2004

Dragon, Cassidy, and Cloutier, L.L.P.  
P.O. Drawer 1947  
Lake Charles, LA 70602

In connection with your compilation of the financial statements of the Village of Fenton, Louisiana as of May 31, 2004 and for the year then ended, and as required by Louisiana Revised Statute 28:101 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of September 17, 2004.

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 50:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes  No

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 43:1101-1124.

Yes  No

It is true that no member of the immediate family of any member of the Board have been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 43:1116.

Yes  No

**Budgeting**

We have complied with the 1980 budgeting requirements of the Local Government Budget Act (LSA-RS 38:1301-14) or the budget requirements of the Local Government Budget Act (LSA-RS 32:1301-14) or the budget requirements of LSA-RS 58:43.

Yes  No

**Accounting and Reporting**

All non-taxing governmental records are available as a public record and have been retained for at least three years, as required LSA-RS 54:1, 54:7, 54:21, and 54:26.

Yes  No

We have filed our annual financial statements in accordance with LSA-RS 24:514, 22-662, and/or 28-92, as applicable.

Yes  No

We have filed our financial statements audited or compiled in accordance with LSA-RS 24:515.

Yes  No

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes  No

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VIII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1901 Louisiana Constitution, and LSA-RS 47:1418.02.

Yes  No

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VIII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AGI opinion 79-126.

Yes  No

We have disclosed to you all known non-compliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible non-compliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known non-compliance which may exist subsequent to the issuance of your report.





Village of Fontenot, Louisiana

MANAGEMENT'S CORRECTIVE ACTION PLAN

Year Ended May 31, 2004

2004-01 Budgeting

**Findings:** Special Revenue Fund actual revenues were less than budgeted amounts by more than 5%.

**Response:** The variances between budgeted amounts and actual amounts will be monitored more closely in the future and we will amend the budget to comply with the law, when required. Also, the budgeting process oversight will be strengthened to improve compliance and reporting requirements.



Joseph P. Dupla Mayor



**GRANSON, CASIDAY & GUILLOREY, L.L.P.**  
 CERTIFIED PUBLIC ACCOUNTANTS

RECEIVED  
 VILLAGE OF FENTON

OCT 14 8AM '04

GRANSON, CASIDAY & GUILLOREY, L.L.P.  
 1000 W. WASHINGTON ST., SUITE 100  
 FENTON, MISSOURI 63425  
 PHONE: 314.647.1000  
 FAX: 314.647.1001  
 WWW: WWW.GRANSONCASIDAYGUILLOREY.COM

**MANAGEMENT LETTER**

September 17, 2004

To the Honorable Frank Brodus, Mayor  
 Village of Fenton, LA.

We have compiled the financial statements of Village of Fenton, LA, as of and for the year ended May 31, 2004, and have issued our report thereon dated September 17, 2004. During the course of our compilation, we became aware of the following matters which represent immaterial deviations of compliance or suggestions for improved internal controls.

Going Concern:

In the last three years of May 31, 2002, 2003, and 2004 the Village has had a combined entity-wide net loss of \$(10,667), \$(63,660) and \$(14,351), respectively. The losses are a result of increased operating expenses of the Village. In addition, at May 31, 2004, the general fund balance and the enterprise fund retained earnings had deficits of \$(26,366) and \$(243,175), respectively. At May 31, 2004 the Village's unrestricted cash balances amounted to \$4,962. These conditions and events could possibly have a significant impact on the Village's ability to continue providing services to its citizens at the current levels and could lead to discontinuance of services or operations.

**Management Response – Agreement to comments.** Management is currently evaluating areas to increase revenues and to reduce operating expenses and will have a plan adopted in the very near future that addresses the elimination of the fund balance/retained earnings deficits and annual operating losses. In December 2003, fire rates were increased and water and sewer base rates were increased to address these concerns.

Budgeting:

We compared the revenues and expenditures of the budget to actual revenues and expenditures for the general and special revenue funds. The special revenue fund actual revenues (excluding grant revenues) were less than budgeted amounts by more than 9% (approximately 9%) and a budget amendment was not done as required by the Local Government Budget Act.

**Management Response – Agreement to comments.** The variances between budgeted amounts and actual amounts will be monitored more closely in the future and we will amend the budget to comply with the law, when required. Also, the budgeting process oversight will be strengthened to improve compliance and reporting requirements.

Timely Deposits:

In reviewing the May 2004 bank statements and reconciliations, we noted a deposit for \$9,208.40 that was made on June 1, 2004 that was for receipts from May 6, 2004 through May 31, 2004. Deposits should be made on a daily basis to eliminate excess cash held on premises, to improve cash flows and to safeguard against any possible theft.

**Management Response – Agreement to comments.** Daily deposits will be adhered to in the future.

Bank Charges:

Upon review of the various bank statements of the Village for the year ended May 31, 2004, we noted that \$910 had been paid for NSF/overdraft charges. Steps should be taken to eliminate such charges.

**Management Response – Agreement to comments.** Steps will be taken to improve the oversight of cash balances to eliminate NSF/overdraft charges.

GAO/IG Compliance:

For the fiscal year ending May 31, 2005, the Village will have to comply with the new reporting standard GAO/IG-04. The more significant requirements of this standard include a management discussion and analysis report, entity-wide full accrual financial statements and an entity-wide depreciation schedule of fixed assets. Implementation planning for GAO/IG-04 compliance should be started as soon as possible.

**Management Response – Agreement to comments.** We will immediately begin planning for implementation of GAO/IG-04.

State Sales Tax:

State sales taxes for the period April 2003 through May 2004 were overpaid by approximately \$1,380. The correct amount of state sales tax was withheld from utility customers but the incorrect amount was paid to the state.

**Management Response – Agreement to comment.** The Village will seek reimbursements from the state for overpaid sales taxes.

Payroll Taxes:

The Village is delinquent in paying of payroll taxes of approximately \$17,200 for the period July 2003 through May 31, 2004.

**Management Response – Agreement to comments.** These taxes were paid on June 18, 2004. Steps will be taken to maintain current payments on payroll taxes.

Village of Penton, LA  
September 17, 2004  
Page Three

FY 2005 Biennial Audit Requirements:

Based on total revenues of the village and the state audit law, the financial statements for the year ending May 31, 2005 will be required to have a biennial audit performed that includes the fiscal year ended May 31, 2004.

**Management Response** – Agreement to comments. Compliance with the state audit law will be adhered to.

We recommend management address the foregoing issues as an improvement to operations and the administration of public programs. We are available to further explain the suggestions or help implement the recommendations.

*Gregory, County Auditor*