

**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, 2020**

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 Financial Statements**

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

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, 2020, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i-vi be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### ***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 supplemental information, as described in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental information, as described in the table of contents, 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplemental information, as described in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standard***

In accordance with *Government Auditing Standards*, I have also issued my report dated April 28, 2022 on my consideration of the Authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

## ***Audit Solutions, LLC.***

Chesterfield, Missouri

April 28, 2022

HOUSING AUTHORITY OF THE VILLAGE OF FENTON  
Fenton, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
December 31, 2020

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**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, 2020. The Fenton Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended December 31, 2020, to assist the reader in focusing on significant financial issues.

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

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

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

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

The Housing Authority is managed by the Welsh Housing Authority.

**Overview of the Financial Statements**

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

- The Statement of Net Position
- The Statement of Revenues, Expense, and Changes in Net Position
- 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, 2020

**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, 2020 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, 2020.

**Financial Highlights**

- The Fenton Housing Authority’s total net position decreased from \$398,085 in 2019 to \$377,320 in 2020, for a decrease of \$20,765. The total assets increased by \$27,776 or 7% from the previous year.
- The unrestricted component of net position’s balance is \$47,407 at December 31, 2020. This represents an increase of \$25,914 or 121% from the previous year.
- Total revenues increased from \$156,953 in 2019 to \$185,437 in 2020, representing an increase of \$28,484 or 18%.
- Total expenses increased by \$20,101 from \$186,101 to \$206,202 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, 2020 and December 31, 2019.

*Summary Statement of Net Position  
Years Ended December 31, 2020 and 2019*

<u>Category</u>	12/31/2020	12/31/2019	Change \$	Change %
Current Assets	\$ 113,116	\$ 38,661	\$ 74,455	193%
Fixed Assets (Net of Depreciation)	\$ 329,913	\$ 376,592	\$ (46,679)	-12%
Total Assets	\$ 443,029	\$ 415,253	\$ 27,776	7%
Current Liabilities	\$ 65,709	\$ 17,168	\$ 48,541	283%
Total Liabilities	\$ 65,709	\$ 17,168	\$ 48,541	283%
Unrestricted	\$ 47,407	\$ 21,493	\$ 25,914	121%
Restricted	\$ -	\$ -		
Net Investment in Capital Assets	\$ 329,913	\$ 376,592	\$ (46,679)	-12%
Total Net Position	\$ 377,320	\$ 398,085	\$ (20,765)	-5%

*Current Assets*

Current assets increased by \$74,455, from \$38,661 in 2019 to \$113,116 in 2020. Accounts receivable HUD other projects – Operating Subsidy increased by \$30,399 primarily because the entire subsidy was not advanced in the current year. Accounts receivable – miscellaneous increased by \$45,583 due to insurance proceeds from Hurricane Laura.

HOUSING AUTHORITY OF THE VILLAGE OF FENTON  
Fenton, Louisiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)**  
December 31, 2020

**Housing Authority Activities & Highlights – (Continued)**

*Fixed Assets*

Fixed assets decreased by \$46,679. This will be discussed in another section.

*Current Liabilities*

The Authority's current liabilities increased from \$17,168 to \$65,709, a change of \$48,541 for the current year, primarily due to an increase in accounts payable of \$46,609.

*Net Position*

The Authority's total net position decreased by \$20,765 or 5% from the previous year.

The Authority's unrestricted component of net position increased from \$21,493 to \$47,407, an increase of \$25,914, or 121% for the current year. This is due to an excess of operating income over operating expenses including the amounts drawn from CFP operations. The unrestricted component of net position is the amount available for future appropriations. This balance is subject to program specific guidelines.

*Summary Statement of Revenues & Expenses and Changes in Net Position  
Years Ended December 31, 2020 and 2019*

Category	12/31/2020	12/31/2019	Change \$	Change %
<b>Program Revenues:</b>				
Tenant Revenue	\$ 53,924	\$ 63,202	\$ (9,278)	-15%
Government Operating Grants	\$ 83,471	\$ 79,408	\$ 4,063	5%
Capital Grants	\$ -	\$ 11,610	\$ (11,610)	-100%
Other Revenue	\$ 48,042	\$ 2,733	\$ 45,309	1658%
Total Revenue	\$ 185,437	\$ 156,953	\$ 28,484	18%
<b>Expenses:</b>				
Administration	\$ 46,759	\$ 67,465	\$ (20,706)	-31%
Utilities	\$ 3,466	\$ 3,529	\$ (63)	-2%
Ordinary Maintenance	\$ 36,930	\$ 42,414	\$ (5,484)	-13%
Protective Services	\$ -	\$ 300	\$ (300)	-100%
General/Insurance Expense	\$ 26,785	\$ 25,521	\$ 1,264	5%
Nonroutine Maintenance	\$ 45,583	\$ -	\$ 45,583	100%
Depreciation	\$ 46,679	\$ 46,872	\$ (193)	0%
Total Expenses	\$ 206,202	\$ 186,101	\$ 20,101	11%
Excess (Deficiency) Before Special Items	\$ (20,765)	\$ (29,148)	\$ 8,383	-29%
Change in Net Position	\$ (20,765)	\$ (29,148)	\$ 8,383	-29%
Net Position, Beginning of Year	\$ 398,085	\$ 427,233	\$ (29,148)	-7%
Net Position, End of Year	\$ 377,320	\$ 398,085	\$ (20,765)	-5%

HOUSING AUTHORITY OF THE VILLAGE OF FENTON  
Fenton, Louisiana

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) – (Continued)  
December 31, 2020

**Housing Authority Activities & Highlights – (Continued)**

*Results of Operations*

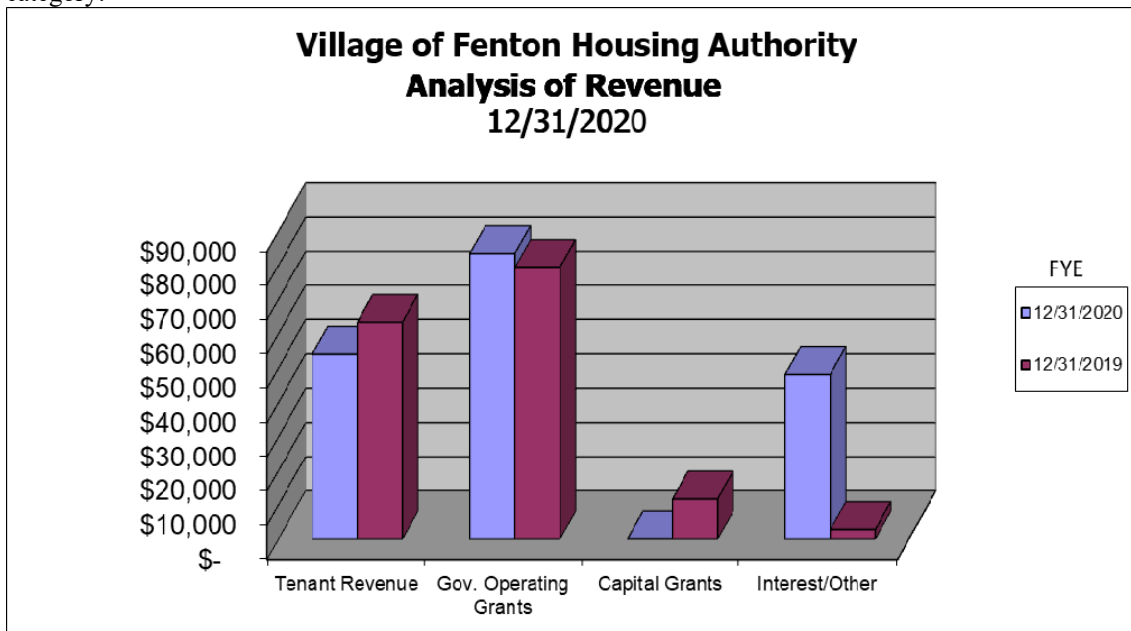
Revenues of the Authority are generated principally from dwelling rents and HUD grants (including Operating and Capital Funds). The Authority’s revenue increased by \$28,484 during the current fiscal year. Significant changes in revenues are as follows:

- Tenant revenue decreased by \$9,278 or 15%. The average rent charged to the tenant decreased from a previous year average of \$217, to a current year average of \$212.
- Capital Grants decreased by \$11,610 primarily due to not utilizing the current CFP Programs.
- Other revenue increased by \$45,309. This is primarily due to an increase in insurance proceeds received in the current year.

The Authority’s total expenses increased by \$20,101 from the previous year. Significant changes in expenses are as follows:

- Administrative expenses decreased by \$20,706 or 31% during the current year, due primarily to changes in administrative other expenses in the amount of \$41,184. Management fees decreased in the amount of \$6,375 due to the ending of the Management contract in November 2020. Salaries and benefits increased in the amount of \$25,548.
- Maintenance expenses decreased by \$5,484 or 13% during the current year due to a decrease in materials in the amount of \$11,136 and miscellaneous contracts in the amount of \$12,531. There was also an increase in labor and benefits in the amount of \$16,413.
- Nonroutine maintenance expenses consisted of damages caused by Hurricane Laura.

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



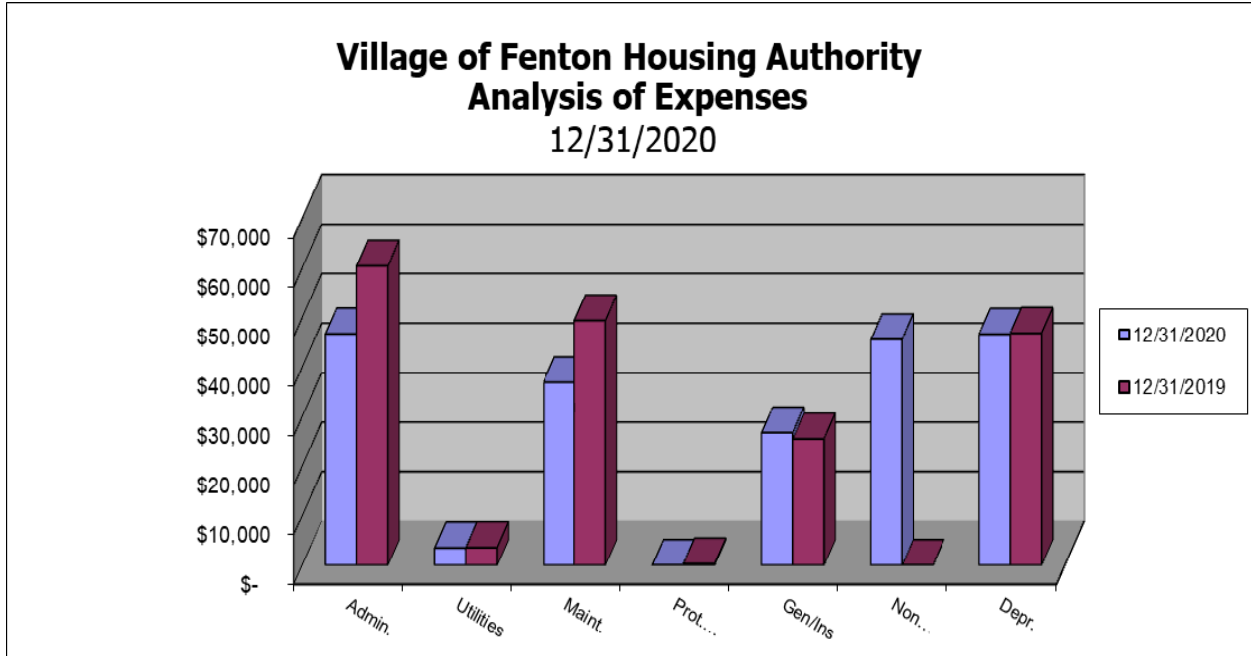


HOUSING AUTHORITY OF THE VILLAGE OF FENTON  
Fenton, Louisiana

**MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) – (Continued)**  
December 31, 2020

**Housing Authority Activities & Highlights – (Continued)**

*Results of Operations – (Continued)*



*Capital Assets*

As of December 31, 2020, the Fenton Housing Authority’s total capital assets were \$329,913. This investment includes land, buildings, and equipment, net of accumulated depreciation.

Category	12/31/2020	12/31/2019	Change \$	Change %
Land	\$ 29,049	\$ 29,049	\$ -	0%
Buildings	\$ 1,831,787	\$ 1,831,787	\$ -	0%
Equipment	\$ 40,312	\$ 40,312	\$ -	0%
Accumulated Depreciation	\$ (1,571,235)	\$ (1,524,556)	\$ (46,679)	3%
<b>Total Net Fixed Assets</b>	<b>\$ 329,913</b>	<b>\$ 376,592</b>	<b>\$ (46,679)</b>	<b>-12%</b>

There were no new additions in the current year.

*Debt Administration*

The Authority had no debt obligations as of December 31, 2020.

HOUSING AUTHORITY OF THE VILLAGE OF FENTON  
Fenton, Louisiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – (Continued)**  
December 31, 2020

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**Subsequent Event**

Due to the 2021 Congressional Appropriations, the Authority's operating subsidy for the 2021 calendar year was prorated at 95.23%.

Additional funding from the Cares Act legislation has been provided to the Low Rent Housing Program to aid in the preventing, preparing and responding to the COVID-19 virus. The supplemental funding for the Low Rent Program must be spent by December 31, 2021.

**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, 2020

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**ASSETS**

Current Assets:

Cash and cash equivalents	\$	11,330
Cash - restricted		4,663
Receivables - net of allowances		91,636
Inventory - net of allowances		630
Prepaid expenses		<u>4,857</u>

Total Current Assets 113,116

Non-current Assets:

Capital assets:

Land and construction in progress		29,049
Other capital assets, net of depreciation		<u>300,864</u>

Total capital assets - net 329,913

Total Non-current Assets 329,913

Total Assets \$ 443,029

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE VILLAGE OF FENTON  
Fenton, Louisiana

**STATEMENT OF NET POSITION - (Continued)**  
December 31, 2020

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**LIABILITIES**

Current Liabilities:

Accounts payable	\$	51,640
Accrued salaries and benefits		9,173
Tenant security deposit liability		4,663
Unearned revenues		<u>233</u>

Total Current Liabilities 65,709

Total Liabilities 65,709

**NET POSITION**

Net investment in capital assets	329,913
Unrestricted	<u>47,407</u>

Total Net Position 377,320

Total Liabilities and Net Position \$ 443,029

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, 2020

<b>OPERATING REVENUES</b>	
Tenant revenue	\$ 53,924
Governmental grants and subsidy	83,471
Miscellaneous	<u>48,042</u>
 Total operating revenue	 <u>185,437</u>
 <b>OPERATING EXPENSES</b>	
Administrative	46,759
Utilities	3,466
Ordinary maintenance and operations	36,930
Insurance	19,690
General	7,095
Non routine maintenance	45,583
Depreciation expense	<u>46,679</u>
 Total operating expenses	 <u>206,202</u>
 Operating income (loss)	 <u>(20,765)</u>
 Income (loss) before contributions and transfers	 <u>(20,765)</u>
 Change in net position	 (20,765)
 Total net position - beginning of year	 <u>398,085</u>
 Total net position - end of year	 \$ <u><u>377,320</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, 2020

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Received from tenants	\$	56,430
Received from governmental grants and subsidy		49,651
Received from other operating activities		2,459
Payments for goods and services		(64,589)
Payments to employees		(32,788)
Payment in lieu of taxes		<u>(11,441)</u>
Net cash provided by (used in) operating activities		<u>(278)</u>
Net increase (decrease) in cash and cash equivalents		(278)
Cash and cash equivalents at beginning of year		<u>16,271</u>
Cash and cash equivalents at end of year	\$	<u><u>15,993</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, 2020

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**Reconciliation of operating income (loss) to net cash provided (used) by operating activities**

Operating income (loss)	\$	(20,765)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense		46,679
Change in assets and liabilities:		
Receivables, net		(74,969)
Inventories, net		(27)
Prepaid expenses		263
Accounts and other payables		40,199
Tenant security deposit		(1,064)
Unearned revenues		233
Accrued expenses		<u>9,173</u>
Net cash provided by (used) by operating activities	\$	<u><u>(278)</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, 2020

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**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, 2020

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**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.

**Public Housing CARES Act** - The CARES Act provides funding to prevent, prepare for, and respond to COVID-19, and to maintain normal operations and take other necessary actions during the period the program is impacted by the pandemic.

**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, 2020

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**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, miscellaneous 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, 2020

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**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, 2020

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**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:

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

<b><u>Revenue Source</u></b>	<b><u>Legal Restrictions of Use</u></b>
Public Housing Capital Fund	Modernization
Public Housing CARES Act	COVID assistance

For the year ended December 31, 2020, 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, 2020

**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, 2020, the Authority had the following cash deposits and investments:

Cash deposits	\$	<u>15,993</u>
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Following is a reconciliation of the Authority’s deposit balances as of December 31, 2020:

Cash and cash equivalents	\$	11,330
Restricted assets		<u>4,663</u>
 Total	 \$	 <u>15,993</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, 2020, the Authority’s bank balances of \$28,990 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, 2020, the Authority had no investments.

**3B. Restricted Assets**

Restricted assets at December 31, 2020 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>4,663</u>	\$ ----	\$ ----	\$ <u>4,663</u>

HOUSING AUTHORITY OF THE VILLAGE OF FENTON  
Fenton, Louisiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)**  
December 31, 2020

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

**3C. Accounts Receivable**

Receivables at December 31, 2020 consist of the following:

Tenants	\$ 4,892
Less: Allowance for doubtful account	<u>(2,883)</u>
Tenants - net of allowance	2,009
HUD – operating subsidy	40,623
Miscellaneous – other govt.	3,421
Miscellaneous – Hurricane Laura proceeds	<u>45,583</u>
 Total Receivables	 <u>\$ 91,636</u>

**3D. Inventory**

Inventory at December 31, 2020 comprised of the following:

Inventory	\$ 700
Less: Allowance for obsolete inventory	<u>(70)</u>
 Inventory - net of allowance	 <u>\$ 630</u>

**3E. Capital Assets**

A summary of capital asset activity for the year ended December 31, 2020 is as follows:

	<u>Balance January 1, 2020</u>	<u>Additions</u>	<u>(Retirement)</u>	<u>Reclass/ Transfers in (out)</u>	<u>Balance December 31, 2020</u>
<b>Non-depreciable assets:</b>					
Land	\$ 29,049	\$ -	\$ -	\$ -	\$ 29,049
<b>Total non-depreciable assets</b>	<u>29,049</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,049</u>
<b>Depreciable assets:</b>					
Building	1,831,787	-	-	-	1,831,787
Equipment - dwelling	9,364	-	-	-	9,364
Equipment - administration	<u>30,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,948</u>
<b>Total depreciable assets</b>	1,872,099	-	-	-	1,872,099
<b>Accumulated depreciation</b>	<u>(1,524,556)</u>	<u>(46,679)</u>	<u>-</u>	<u>-</u>	<u>(1,571,235)</u>
<b>Total depreciable assets, net</b>	<u>347,543</u>	<u>(46,679)</u>	<u>-</u>	<u>-</u>	<u>300,864</u>
<b>Capital assets, net</b>	<u>\$ 376,592</u>	<u>\$ (46,679)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 329,913</u>

HOUSING AUTHORITY OF THE VILLAGE OF FENTON  
Fenton, Louisiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)**  
December 31, 2020

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**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	\$ 44,873
Public Housing Capital Fund	<u>1,806</u>
 Total depreciation expense	 \$ <u><u>46,679</u></u>

**3F. Accounts Payable**

Accounts payable at December 31, 2020 consist of the following:

Vendors & contractors	\$ 46,609
PILOT	<u>5,031</u>
 Total Accounts Payable	 \$ <u><u>51,640</u></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.

	<b>Transfers In</b>	<b>Transfers Out</b>
Public and Indian Housing	\$ 10,522	\$ -
Public Housing Capital Fund	<u>-</u>	<u>(10,522)</u>
	<u>\$ 10,522</u>	<u>\$ (10,522)</u>

HOUSING AUTHORITY OF THE VILLAGE OF FENTON  
Fenton, Louisiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)**  
December 31, 2020

**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.

The Authority was a defendant in a lawsuit filed by an individual for bodily injury which was subsequently settled in plaintiffs favor in the amount of \$3,000. No liability was recorded at year-end as the award was handled by the Authority’s insurance company and the Village of Fenton equally.

**4D. Commitments - Construction**

At December 31, 2020, the Authority had pending construction projects in progress. The commitments related to these projects are summarized as follows:

	<b>Funds Approved</b>		<b>Funds Expended - Project to Date</b>
CFP 501-17	\$ 33,316	\$	20,126
CFP 501-18	48,900		9,693
Public Housing – CARES Act	10,844		2,500



HOUSING AUTHORITY OF THE VILLAGE OF FENTON  
Fenton, Louisiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)**  
December 31, 2020

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**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 extraordinary maintenance and includes investment income 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.

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the Authority's operations. Future potential impacts may include disruptions or restrictions on our employees' ability to work or the tenants ability to pay the required monthly rent. Operating functions that may be changed include intake, recertifications and maintenance. Changes to the operating environment may increase operating costs. Additional impacts may include the ability of tenants to continue making rental payments as a result of job loss or other pandemic related issues. The future effects of these issues are unknown.

Management evaluated the activity of the Authority through April 28, 2022 and concluded that no additional subsequent events have occurred that would require adjustment to or disclosures within these financial statements except for the one noted above.

**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 2022 federal budget.

HOUSING AUTHORITY OF THE VILLAGE OF FENTON  
Fenton, Louisiana

**PHA'S STATEMENT OF CERTIFICATION OF ACTUAL MODERNIZATION COST**  
December 31, 2020

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1. Actual Capital Fund Program costs are as follows:

	<u>501-16</u>
Funds approved	\$ 33,266
Funds expended	<u>33,266</u>
Excess of Funds Approved	<u><u>\$ ---</u></u>
Funds advanced	\$ 33,266
Funds expended	<u>33,266</u>
Excess (deficiency) of Funds Advanced	<u><u>\$ ---</u></u>

2. The costs as shown on the Actual Cost Certificate dated April 19, 2022 submitted to HUD for approval is in agreement with the Authority's records as of December 31, 2020.
3. All costs have been paid and all related liabilities have been discharged through payments.

HOUSING AUTHORITY OF THE VILLAGE OF FENTON  
Fenton, Louisiana

**FINANCIAL DATA SCHEDULE**  
Year Ended December 31, 2020

	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$11,330		\$11,330	\$0	\$11,330
114 Cash - Tenant Security Deposits	\$4,663		\$4,663	\$0	\$4,663
100 Total Cash	\$15,993	\$0	\$15,993	\$0	\$15,993
122 Accounts Receivable - HUD Other Projects	\$40,623		\$40,623	\$0	\$40,623
124 Accounts Receivable - Other Government	\$3,421		\$3,421	\$0	\$3,421
125 Accounts Receivable - Miscellaneous	\$45,583		\$45,583	\$0	\$45,583
126 Accounts Receivable - Tenants	\$4,892		\$4,892	\$0	\$4,892
126.1 Allowance for Doubtful Accounts -Tenants	-\$2,883		-\$2,883	\$0	-\$2,883
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$91,636	\$0	\$91,636	\$0	\$91,636
142 Prepaid Expenses and Other Assets	\$4,857		\$4,857	\$0	\$4,857
143 Inventories	\$700		\$700	\$0	\$700
143.1 Allowance for Obsolete Inventories	-\$70		-\$70	\$0	-\$70
150 Total Current Assets	\$113,116	\$0	\$113,116	\$0	\$113,116
161 Land	\$29,049		\$29,049	\$0	\$29,049
162 Buildings	\$1,831,787		\$1,831,787	\$0	\$1,831,787
163 Furniture, Equipment & Machinery - Dwellings	\$9,364		\$9,364	\$0	\$9,364
164 Furniture, Equipment & Machinery - Administration	\$30,948		\$30,948	\$0	\$30,948
166 Accumulated Depreciation	-\$1,571,235		-\$1,571,235	\$0	-\$1,571,235
160 Total Capital Assets, Net of Accumulated Depreciation	\$329,913	\$0	\$329,913	\$0	\$329,913
180 Total Non-Current Assets	\$329,913	\$0	\$329,913	\$0	\$329,913
290 Total Assets	\$443,029	\$0	\$443,029	\$0	\$443,029
312 Accounts Payable <= 90 Days	\$46,609		\$46,609	\$0	\$46,609
321 Accrued Wage/Payroll Taxes Payable	\$9,173		\$9,173	\$0	\$9,173
333 Accounts Payable - Other Government	\$5,031		\$5,031	\$0	\$5,031
341 Tenant Security Deposits	\$4,663		\$4,663	\$0	\$4,663
342 Unearned Revenue	\$233		\$233	\$0	\$233
310 Total Current Liabilities	\$65,709	\$0	\$65,709	\$0	\$65,709
300 Total Liabilities	\$65,709	\$0	\$65,709	\$0	\$65,709
508.4 Net Investment in Capital Assets	\$329,913		\$329,913		\$329,913
512.4 Unrestricted Net Position	\$47,407	\$0	\$47,407		\$47,407
513 Total Equity - Net Assets / Position	\$377,320	\$0	\$377,320	\$0	\$377,320
600 Total Liabilities and Equity - Net	\$443,029	\$0	\$443,029	\$0	\$443,029

HOUSING AUTHORITY OF THE VILLAGE OF FENTON  
Fenton, Louisiana

**FINANCIAL DATA SCHEDULE - (Continued)**  
Year Ended December 31, 2020

	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$53,774		\$53,774	\$0	\$53,774
70400 Tenant Revenue - Other	\$150		\$150	\$0	\$150
70500 Total Tenant Revenue	\$53,924	\$0	\$53,924	\$0	\$53,924
70600 HUD PHA Operating Grants	\$80,971	\$2,500	\$83,471	\$0	\$83,471
71500 Other Revenue	\$48,042		\$48,042	\$0	\$48,042
70000 Total Revenue	\$182,937	\$2,500	\$185,437	\$0	\$185,437
91100 Administrative Salaries	\$22,607		\$22,607	\$0	\$22,607
91200 Auditing Fees	\$10,900		\$10,900	\$0	\$10,900
91400 Advertising and Marketing	\$137		\$137	\$0	\$137
91500 Employee Benefit contributions - Administrative	\$2,941		\$2,941	\$0	\$2,941
91600 Office Expenses	\$4,737	\$314	\$5,051	\$0	\$5,051
91900 Other	\$5,123		\$5,123	\$0	\$5,123
91000 Total Operating - Administrative	\$46,445	\$314	\$46,759	\$0	\$46,759
93100 Water	\$165		\$165	\$0	\$165
93200 Electricity	\$3,107		\$3,107	\$0	\$3,107
93600 Sewer	\$194		\$194	\$0	\$194
93000 Total Utilities	\$3,466	\$0	\$3,466	\$0	\$3,466
94100 Ordinary Maintenance and Operations - Labor	\$14,527		\$14,527	\$0	\$14,527
94200 Ordinary Maintenance and Operations - Materials and Other	\$4,612	\$210	\$4,822	\$0	\$4,822
94300 Ordinary Maintenance and Operations Contracts	\$13,719	\$1,976	\$15,695	\$0	\$15,695
94500 Employee Benefit Contributions - Ordinary Maintenance	\$1,886		\$1,886	\$0	\$1,886
94000 Total Maintenance	\$34,744	\$2,186	\$36,930	\$0	\$36,930
96110 Property Insurance	\$15,577		\$15,577	\$0	\$15,577
96120 Liability Insurance	\$1,377		\$1,377	\$0	\$1,377
96130 Workmen's Compensation	\$924		\$924	\$0	\$924
96140 All Other Insurance	\$1,812		\$1,812	\$0	\$1,812
96100 Total insurance Premiums	\$19,690	\$0	\$19,690	\$0	\$19,690
96200 Other General Expenses	\$967		\$967	\$0	\$967
96300 Payments in Lieu of Taxes	\$5,031		\$5,031	\$0	\$5,031
96400 Bad debt - Tenant Rents	\$1,097		\$1,097	\$0	\$1,097
96000 Total Other General Expenses	\$7,095	\$0	\$7,095	\$0	\$7,095
96900 Total Operating Expenses	\$111,440	\$2,500	\$113,940	\$0	\$113,940
97000 Excess of Operating Revenue over Operating Expenses	\$71,497	\$0	\$71,497	\$0	\$71,497

HOUSING AUTHORITY OF THE VILLAGE OF FENTON  
Fenton, Louisiana

**FINANCIAL DATA SCHEDULE - (Continued)**  
Year Ended December 31, 2020

	Project Total	14.PHC Public Housing CARES Act Funding	Subtotal	ELIM	Total
97100 Extraordinary Maintenance	\$45,583		\$45,583	\$0	\$45,583
97400 Depreciation Expense	\$46,679		\$46,679	\$0	\$46,679
90000 Total Expenses	\$203,702	\$2,500	\$206,202	\$0	\$206,202
10010 Operating Transfer In	\$10,522		\$10,522	-\$10,522	\$0
10020 Operating transfer Out	-\$10,522		-\$10,522	\$10,522	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$20,765	\$0	-\$20,765	\$0	-\$20,765
11030 Beginning Equity	\$398,085	\$0	\$398,085	\$0	\$398,085
11190 Unit Months Available	292		292	0	292
11210 Number of Unit Months Leased	254		254	0	254
11270 Excess Cash	\$32,634		\$32,634		\$32,634

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, 2020

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Agency Head Name: Danielle Vegoren

**EXPENDITURE PURPOSE**

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Salary	\$	22,250
Benefits – Insurance		---
Benefits – Retirement		---
Benefits (List any other here)		1,729
Car allowance		---
Vehicle provided by government		---
Per diem		---
Reimbursements		---
Travel		---
Registration fees		---
Conference Travel		---
Continuing professional education fees		---
Housing		---
Unvouchered expenses*		---
Special meals		---
		<hr/>
<b>TOTAL</b>	<b>\$</b>	<b>23,979</b>

\* 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, 2020

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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, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued my report thereon dated April 28, 2022.

### **Internal Control Over Financial Reporting**

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. I consider the deficiencies described in the accompanying Current Findings, Recommendations and Replies as finding #2020-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I consider the deficiency described in the accompanying current findings, recommendations and replies as finding #2020-001 to be significant deficiency.

### **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 are described in the accompanying schedule of current findings, recommendations and replies as finding #2021-002.



**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

April 28, 2022



# 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, 2020 and have issued my reports thereon dated April 28, 2022. 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 April 28, 2022, 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  
April 28, 2022

HOUSING AUTHORITY OF THE VILLAGE OF FENTON  
Fenton, Louisiana

**AGREED UPON PROCEDURES**

December 31, 2020

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<b>Procedure</b>	<b>UFRS Rule Information</b>	<b>Hard Copy Document(s)</b>	<b>Agrees</b>
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, 2020

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The prior audit report for the year ended December 31, 2019 contained one audit finding:

2019-001	Finding:	Late Audit.
	Status:	Implemented.

HOUSING AUTHORITY OF THE VILLAGE OF FENTON  
Fenton, Louisiana

**CURRENT FINDINGS, RECOMMENDATIONS AND REPLIES**  
December 31, 2020

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The current audit report for the year ended December 31, 2020 disclosed the following audit finding:

2020-001. 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:

To ensure the well management of the Fenton Housing Authority, it would behoove the authority to stay with a small staff. The Fenton Housing Authority is a small housing unit that is best maintained with a small staff to ensure all faculties of the housing authority are properly maintained.

HOUSING AUTHORITY OF THE VILLAGE OF FENTON  
Fenton, Louisiana

**CURRENT FINDINGS, RECOMMENDATIONS AND REPLIES – (Continued)**  
December 31, 2020

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2020-002. 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:

- None of the files reviewed contained independently verified income.
- Three files did not have HUD form 50058.
- Dwelling lease was not present in four files.
- No authorization for release of information was present in two files.
- Four files did not have Section 214 status form (proof of citizenship).

Questioned Costs:

None noted.

Effect:

Tenant files are incomplete and could have incorrect rent calculation.

Cause:

Unknown, as the current administration is not aware of the prior administrations process of managing the tenant files. In addition, 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 lack of knowledge and with sporadic training, ED is not aware of what a complete tenant file requires. The previous administration had been responsible for the upkeep and maintenance of files. With continued help from other Housing Authorities, ED is gaining the knowledge that is required to maintain and run the Fenton Housing Authority with diligence.