

VILLAGE OF HALL SUMMIT, LOUISIANA

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

MARSHA O. MILLICAN
A PROFESSIONAL ACCOUNTING CORPORATION
SHREVEPORT, LOUISIANA

VILLAGE OF HALL SUMMIT, LOUISIANA

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Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Mayor and Board of Aldermen
Village of Hall Summit
Hall Summit, Louisiana

I have reviewed the accompanying financial statements of the governmental activities, and major funds of Village of Hall Summit, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

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.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of Village of Hall Summit and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-8 budgetary information on page 25 be presented to supplement the financial statements. Such information, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. I have not audited, reviewed, or compiled the required supplementary information and I do not express an opinion, a conclusion, nor provide any assurance on it.

Supplementary Information

My review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the basic financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying schedule of compensation paid to mayor and board of aldermen on page 26, the schedule of compensation, benefits, and other payments to agency head on page 27, the juvenile system funding schedule on page 28, and the component unit information on pages 29-31 are presented for purposes of additional analysis and are not a required part of the basic financial statements. I have reviewed the information and based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the information and, accordingly, do not express an opinion on such information.

Marsha D. Millican

Certified Public Accountant
June 27, 2022

VILLAGE OF HALL SUMMIT, LOUISIANA
P O BOX 98
HALL SUMMIT, LOUISIANA 71034

Management's Discussion and Analysis

December 31, 2021

The Management's Discussion and Analysis of the Village of Hall Summit's financial performance presents a narrative overview of the Village of Hall Summit's financial activities for the year ended December 31, 2021. The document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the Village's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Governmental Activities

- 1) Village of Hall Summit had cash of \$7,552 at December 31, 2021, which represents a decrease of \$27,489 from prior year end.
- 2) Village of Hall Summit had taxes receivable of \$3,711 at December 31, 2021, which represents an increase of \$1,650 from the prior year end.
- 3) Village of Hall Summit had accounts payable and accruals of \$3,950 at December 31, 2021, which represents an increase of \$1,184 from the prior year end.
- 4) Village of Hall Summit had total revenues of \$38,929 for the year ended December 31, 2021, which represents an increase of \$8,028 from the prior year end.
- 5) Village of Hall Summit had total expenses of \$77,066 for the year ended December 31, 2021, which represents an increase of \$2,721 from the prior year end.

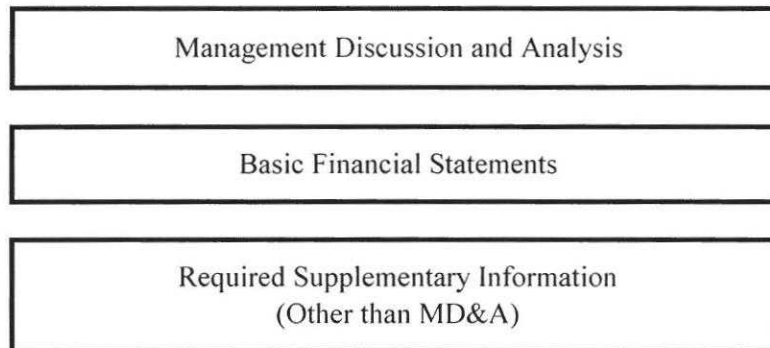
Business-Type Activities

- 1) Village of Hall Summit had cash and investments of \$149,352 for the year ended December 31, 2021 which represents an increase of \$73 from the prior year end.
- 2) Village of Hall Summit had accounts receivable of \$15,997 for the year ended December 31, 2021 which represents an increase of \$1,5037 from the prior year end.
- 3) Village of Hall Summit had accounts payable and accruals of \$3,098 for the year ended December 31, 2021, which represents a decrease of \$2,748 from prior year end.
- 4) Village of Hall Summit had total revenues of \$153,378 for the year ended December 31, 2021, which represents an increase of \$3,579 from prior year.
- 5) Village of Hall Summit had total expenses of \$197,955 for the year ended December 31, 2021, which represents an increase of \$34,400 from prior year.

VILLAGE OF HALL SUMMIT, LOUISIANA
Management's Discussion and Analysis (Continued)
December 31, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the Village of Hall Summit as established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 9 and 10) provide information about the activities of the Village of Hall Summit as a whole and present a longer-term view of the Village's finances. Fund financial statements start on page 11. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds.

Reporting the Village as a Whole

The Statement of Net Position and the Statement of Activities

One of the most important questions asked about the Village's finances is, "Is the Village as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Village as a whole and about its activities in a way that helps this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

VILLAGE OF HALL SUMMIT, LOUISIANA
Management's Discussion and Analysis (Continued)
December 31, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

These two statements report the Village's net position and changes in them. You can think of the Village's net position, the difference between assets and liabilities, as one way to measure the Village's financial health or financial position. Over time, increases or decreases in the Village's net position are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, we divide the Village into two kinds of activities:

Governmental Activities

Most of the Village's basic services are reported here including the police and general administration. Taxes, license and permits, fines, interest income and state and federal grants finance most of these activities.

Business-Type Activities

The Village charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Village's water and sewer systems are reported here.

Reporting the Village's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the Village as a whole. Some funds are required to be established by State law and by bond covenants. However, the Village Aldermen may establish other funds to help it control the money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The Village's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental Funds

Most of the Village's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Village's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's activities as well as what remains for future spending.

Proprietary Funds

When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. In fact, the Village's enterprise funds are the same as the business-type activities we reported in the government-wide statements but provide more detail and additional information, such as cash flows.

VILLAGE OF HALL SUMMIT, LOUISIANA
Management's Discussion and Analysis (Continued)
December 31, 2021

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Position at Year End

	Governmental Activities	Business Activities	Governmental Activities	Business Activities
	2021	2021	2020	2020
Current and other assets	\$ 197,156	427,436	\$ 223,271	\$ 461,072
Capital assets, net	104,185	666,011	117,011	716,214
Total Assets	301,341	1,093,447	340,282	1,177,286
Accounts Payable and Accruals	159,548	3,098	183,827	5,846
Long-Term Debt	-	-	-	-
Customer Deposits	-	31,375	-	32,950
Total Liabilities	159,548	34,473	183,827	38,796
Net Position				
Investments in capital assets,				
Net of related debt	104,185	666,011	117,011	716,214
Restricted Net Position	-	-	-	-
Unrestricted	37,608	392,963	39,444	422,276
Total Net Position	\$ 141,793	\$ 1,058,974	\$ 156,455	\$ 1,138,490

Net position of the Village of Hall Summit decreased by \$14,662 and decreased by \$79,516 from the previous fiscal year for Governmental Activities and Business-Type Activities, respectively. These changes are the result of operating and other expenses being less than/exceeding operating and nonoperating revenues during the fiscal year ended 2021 (See table below).

Statement of Activities As of Year End

	Government	Business	Government	Business
	2021	2021	2020	2020
General Government Expenses	\$ (77,066)	\$ (197,955)	\$ (74,435)	\$ (163,555)
Program revenues				
Charges for services	2,385	153,044	-	149,355
Operating and capital grants and Contributions	-	-	-	-
Subtotal	(74,681)	(44,911)	(74,435)	(14,200)
General revenues and transfers	60,019	(34,605)	30,901	(2,075)
Change in net position	\$ (14,662)	\$ (79,516)	\$ (43,534)	\$ (16,275)

VILLAGE OF HALL SUMMIT, LOUISIANA
Management's Discussion and Analysis
December 31, 2021

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2021, Village of Hall Summit had \$104,185 and \$666,011 net of depreciation in Activities and Business-Type Activities, respectively, invested in a broad range of capital assets (See table below). This account represents a net decrease (including additions and deductions) of \$12,826 and a decrease of \$50,203 in Governmental and Business-Type Activities, respectively, from the previous year.

Capital Assets (Net) at Year End

	Governmental Activities	Business-Type Activities
	2021	2021
Land	\$ 21,334	\$ 30,776
Buildings and other improvements	82,851	-
Distribution system	-	635,235
Equipment and other assets	-	-
Total	\$ 104,185	\$ 666,011

Additions for the year ended December 31, 2020 are as follows:

This years major additions included:

	Governmental Activities	Business-Type Activities
	2021	2021
Distribution system	\$ -	\$ 6,752
Land	-	-
Buildings and other improvements	-	-
Equipment and other assets	-	-
Total	\$ -	\$ 6,752

Debt

Village of Hall Summit had no long-term liabilities payable for the Business-Type Activities at year end.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$9,843 more than budgeted amounts.

Actual expenditures were \$64,240 more than budgeted amounts.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Village of Hall Summit's elected officials considered the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

- 1) Taxes
- 2) Intergovernmental revenues (state and local grants)
- 3) License and permits
- 4) Fines

VILLAGE OF HALL SUMMIT, LOUISIANA
Management's Discussion and Analysis (Continued)
December 31, 2021

CONTACTING VILLAGE OF HALL SUMMIT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Village of Hall Summit's finances and to show the Village of Hall Summit's accountability for the money it receives. If you have questions about this report or need additional information, contact Danny Scott, Mayor of the Village of Hall Summit, Post Office Box 98, Hall Summit, Louisiana 71034.

VILLAGE OF HALL SUMMIT, LOUISIANA

Statement of Net Position

December 31, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 7,552	\$ 14,186	\$ 21,738	\$ 106,159
Investments, at cost	158,243	103,791	262,034	36,264
Receivables (net of allowance account)	3,711	15,997	19,708	-
Prepaid expenses	5,226	2,763	7,989	2,763
Total current assets	<u>174,732</u>	<u>136,737</u>	<u>311,469</u>	<u>145,186</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	-	31,375	31,375	-
Due from other funds	22,424	259,324	281,748	-
Deposits	-	-	-	450
Capital assets, net of accumulated depreciation	104,185	666,011	770,196	20,044
Total noncurrent assets	<u>126,609</u>	<u>956,710</u>	<u>1,083,319</u>	<u>20,494</u>
Total assets	<u>301,341</u>	<u>1,093,447</u>	<u>1,394,788</u>	<u>165,680</u>
Deferred Outflow of resources	-	-	-	-
<u>Liabilities</u>				
Current liabilities:				
Accounts payable and accruals	3,950	3,098	7,048	2,364
Due to other funds	155,598	-	155,598	126,150
Total current liabilities	<u>159,548</u>	<u>3,098</u>	<u>162,646</u>	<u>128,514</u>
Noncurrent liabilities:				
Deposits	-	31,375	31,375	-
Total liabilities	<u>159,548</u>	<u>34,473</u>	<u>194,021</u>	<u>128,514</u>
Deferred inflows of resources	-	-	-	-
<u>Net Position</u>				
Invested in capital assets, net of related debt	104,185	666,011	770,196	20,044
Restricted	-	-	-	-
Unrestricted	37,608	392,963	430,571	17,122
Total net position	<u>\$ 141,793</u>	<u>\$ 1,058,974</u>	<u>\$ 1,200,767</u>	<u>\$ 37,166</u>

See accompanying notes and independent accountant's review report.

VILLAGE OF HALL SUMMIT, LOUISIANA

Statement of Activities
For the Year Ended December 31, 2021

Functions	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Unit
Primary Government:								
Governmental Activities:								
General government	\$ 66,596	\$ -	\$ -	\$ -	\$ (66,596)	\$ -	\$ (66,596)	\$ -
Public safety	10,470	2,385	-	-	(8,085)	-	(8,085)	-
Total governmental activities	77,066	2,385	-	-	(74,681)	-	(74,681)	-
Business-type Activities:								
Water	197,955	153,044	-	-	-	(44,911)	(44,911)	-
Total Primary Government	\$ 275,021	\$ 155,429	\$ -	\$ -	\$ (74,681)	\$ (44,911)	\$ (119,592)	\$ -
Component Unit:								
Component Unit:	\$ 28,438	\$ 19,374	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (9,064)
General Revenues:								
Taxes					27,278	-	27,278	-
Licenses and permits					8,669	-	8,669	-
Interest					427	334	761	142
Intergovernmental					-	-	-	-
Rent					-	-	-	-
Donations					-	-	-	-
Miscellaneous					170	-	170	-
Transfers					23,475	(34,939)	(11,464)	11,464
Total general revenues and transfers					60,019	(34,605)	25,414	11,606
Change in net position					(14,662)	(79,516)	(94,178)	2,542
Net position, beginning of year					156,455	1,138,490	1,411,712	34,624
Net position, end of year					\$ 141,793	\$ 1,058,974	\$ 1,200,767	\$ 37,166

See accompanying notes and independent accountant's review report.

VILLAGE OF HALL SUMMIT, LOUISIANA

Balance Sheet

General Fund

For the Year Ended December 31, 2021

	<u>Total</u>
ASSETS	
Cash	\$ 7,552
Investments	158,243
Taxes and accounts receivable	3,711
Due from Other Funds	22,424
Prepaid Expenses	<u>5,226</u>
Total Assets	<u><u>197,156</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts payable and accruals	3,950
Due to Other Funds	<u>155,598</u>
Total Liabilities	<u>159,548</u>
Fund Balance:	
Nonspendable	
Prepaid Expenses	5,226
Unreserved	<u>32,382</u>
Total Fund Balance	<u>37,608</u>
Total Liabilities and Fund Balances	<u><u>\$ 197,156</u></u>

See accompanying notes and independent accountant's review report.

VILLAGE OF HALL SUMMIT, LOUISIANA

Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Position of
Governmental Activities on the Statement of Net Position
Year Ended December 31, 2021

Fund Balances - Total Governmental Funds \$ 37,608

Amounts reported for governmental activities in the statement of net position
are different because:

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds:

Add: Capital Assets	498,475
Deduct: Accumulated Depreciation	<u>(394,290)</u>

Net Position of Governmental Activities \$ 141,793

See accompanying notes and independent accountant's review report.

VILLAGE OF HALL SUMMIT, LOUISIANA

Statement of Revenues, Expenditures and Changes in Fund Balance -
 General Fund
 For the Year Ended December 31, 2021

REVENUES

Sales Taxes	\$ 21,108
Occupational Licenses	8,669
Fines	2,385
Franchise Taxes	6,170
Interest	427
Other Income	170
Total Revenues	<u>38,929</u>

EXPENDITURES

General Government	53,770
Public Safety	<u>10,470</u>
Total Expenditures	<u>64,240</u>
Net change in fund balance before other sources (uses)	(25,311)
Other Sources (Uses):	
Transfers (to) from other funds	<u>23,475</u>
Net change in fund balance	(1,836)
Fund balance, beginning of year	<u>39,444</u>
Fund balance, end of year	<u>\$ 37,608</u>

See accompanying notes and independent accountant's review report.

VILLAGE OF HALL SUMMIT, LOUISIANA

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental
Funds to the Governmental Activities in the Statement of Activities
For the Year Ended December 31, 2021

Net change in fund balances - total governmental funds \$ (1,836)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental Funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$12,826) exceeds capital outlay (\$-0-) in the current period (12,826)

Change in Net Position of Governmental Activities \$ (14,662)

See accompanying notes and independent accountant's review report.

VILLAGE OF HALL SUMMIT, LOUISIANA

Statement of Net Position
 Proprietary Fund
 December 31, 2021

	Assets	
Current Assets:		
Cash		\$ 14,186
Accounts receivable		15,997
Prepaid expenses		2,763
Total Current Assets		<u>32,946</u>
Noncurrent Assets:		
Restricted cash		31,375
Investments		103,791
Due from other funds		259,324
Capital Assets, Net		666,011
Total Noncurrent Assets		<u>1,060,501</u>
Total Assets		<u>1,093,447</u>
Deferred Outflows of Resources		<u>-</u>
	Liabilities	
Current Liabilities		
Accounts payable and accruals		3,098
Total Current Liabilities		<u>3,098</u>
Noncurrent Liabilities		
Customer deposits		31,375
Total Noncurrent Liabilities		<u>31,375</u>
Total Liabilities		<u>34,473</u>
Deferred inflows of resources		<u>-</u>
	Net Position	
Invested in capital assets, net of related debt		666,011
Unrestricted		392,963
Total net position		<u><u>\$1,058,974</u></u>

See accompanying notes and independent accountant's review report.

VILLAGE OF HALL SUMMIT, LOUISIANA

Statement of Revenues, Expenses and
Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2021

OPERATING REVENUES

Charges for services	\$ 153,044
Miscellaneous	-
Total operating revenues	<u>153,044</u>

OPERATING EXPENSES

Personal services	16,530
Utilities	20,900
Repairs and maintenance	35,698
Other supplies and expenses	59,696
Insurance	8,176
Depreciation	<u>56,955</u>
Total operating expenses	<u>197,955</u>

Change in Net Position before Other Expenses	<u>(44,911)</u>
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OTHER REVENUE (EXPENSE)

Grants	-
Transfers	(34,939)
Interest Income	334
Interest Expense	<u>-</u>

Change in net position	(79,516)
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Net position, Beginning of Year	<u>1,138,490</u>
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Net Position, End of Year	<u><u>\$ 1,058,974</u></u>
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See accompanying notes and independent accountant's review report.

VILLAGE OF HALL SUMMIT, LOUISIANA

Statement of Cash Flows
 Proprietary Fund
 For the Year Ended December 31, 2021

	Business-type Activities Enterprise Fund
	Water Fund
	<u> </u>
Cash Flows from Operating Activities:	
Receipts from customers and users	\$ 151,535
Payments to suppliers	<u>(110,077)</u>
Net Cash Used by Operating Activities	<u>41,458</u>
Cash Flows from Noncapital Financing Activities:	
Transfers from other funds	<u>(34,939)</u>
Net Cash Provided by Noncapital Financing Activities	<u>(34,939)</u>
Cash Flows from Capital and Related Financing Activities:	
Capital grants	-
Acquisition and construction of capital assets	<u>(6,752)</u>
Net Cash Provided by Capital and Related Financing Activities	<u>(6,752)</u>
Cash Flows from Investing Activities:	
Net change in investments	(1,937)
Interest received	<u>334</u>
Net Cash Provided by Investing Activities	<u>(1,603)</u>
Net Increase (Decrease) in Cash and Cash Equivalents:	(1,836)
Cash and Cash Equivalents, Beginning of Year (including restricted cash of \$32,950)	<u>47,397</u>
Cash and Cash Equivalents, End of Year (including restricted cash of \$31,375)	<u><u>\$ 45,561</u></u>

See accompanying notes and independent accountant's review report.

VILLAGE OF HALL SUMLMIT, LOUISIANA

Statement of Cash Flows (Continued)
 Proprietary Fund
 For the Year Ended December 31, 2021

	Business-type Activities Enterprise Fund
	Water Fund
	<hr/>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ (44,911)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation expense	56,955
Decrease in customer deposits	(1,575)
Increase in accounts receivable	(1,509)
Decrease in prepaid expenses	184
Decrease in accounts payable	(2,748)
Decrease in due to other funds	35,062
Decrease in due from other funds	<u>-</u>
Total adjustments	<u>86,369</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 41,458</u></u>

See accompanying notes and independent accountant's review report.

VILLAGE OF HALL SUMMIT, LOUISIANA

Notes to Financial Statements

December 31, 2021

Village of Hall Summit was incorporated on September 11, 1961, under the provisions of the Lawrason Act. The Village operates under a Mayor-Town Council form of government. The Village's major operations includes general administrative services, public safety, and utilities.

The Development Corporation of Hall Summit, a component unit of the Village of Hall Summit, is presented in the financial statements in conformity with generally accounting principles generally accepted in the United States of America.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accompanying financial statements of Village of Hall Summit have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June, 1999.

B. Reporting Entity

GASB Statement 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, Village of Hall Summit is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that Village of Hall Summit may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bond debt.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities, report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from the business-type activities, which rely, to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function.

or segment. Program revenues include a) charges to customers or applicants who purchase, use or directly benefit from goods, services privileges provided by a given function or segment, and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenue in the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Sales and use tax revenues are recorded in the month collected by the tax collector. All other revenue items are considered to be measurable and available only when the cash is received by the government.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of capital assets, debt extinguishment, long-term proceeds, et cetera), are accounted for as other financing sources/(uses). These other financing sources/(uses) are recognized at the time the underlying events occur.

Village of Hall Summit reports the following governmental and proprietary funds:

Governmental Funds

Governmental funds account for all or most of Village of Hall Summit's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of general long-term obligations.

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. General tax revenues and other sources of revenue used to finance the fundamental operations of the Village are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

Proprietary Funds

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Village of Hall Summit applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Enterprise Fund - is used to account for operations a) that are financed/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 the periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that these standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of those charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include a) charges to customers or applicants for goods, services, or privileges provided, b) operating grants and contributions, and c) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses

Formal budgetary accounting is employed as a management control. Village of Hall Summit prepares and adopts a budget each year for its general and utility funds in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year using the full accrual basis of accounting. The Village amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more. All budget appropriations lapse at year end.

E. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, the Village defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short-term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

F. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

G. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the collectability of the particular receivable. At December 31, 2021, \$270 of Business-Type Activities receivables were considered to be uncollectible.

H. Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been purchased that have a useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the Government-Wide Statement of Net Position. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of the fund that provided the resources to acquire the asset. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation.

Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and other improvements, and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

I. Sales Taxes

The Village collects a one (1) percent sales and use tax with the net proceeds, after deducting costs of collection and administration, dedicated to construction, acquiring, extending, improving and/or maintaining drainage facilities, streets, street lighting facilities, bridges, sidewalks, waterworks, sewers and sewer disposal works, recreational facilities, public parks, public buildings and equipment, payment of salaries of municipal employees, maintaining and operating the municipal police department including the purchase of equipment thereof, or for any one or more said purposes, title to which improvements shall be in the public.

J. Compensated Absences

Leave cannot be accumulated or carried over from one year to the next. Therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

K. Estimates

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

NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions includes savings, demand deposits, time deposits, and certificates of deposit. Under state law the Village may deposit funds within a fiscal agent bank selected and designated by the Village Aldermen. Further, the fund may invest in time certificates of deposits of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits 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 bank. These pledged 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. The carrying amount of the Village's deposits at December 31, 2021 including petty cash of \$700 was as follows:

Cash in Banks	\$	159,272
Investments		<u>298,298</u>
Total	\$	<u><u>457,570</u></u>

Deposits at banks on December 31, 2021 totaled \$458,242. Deposits of \$371,217 were collateralized by FDIC insurance. Deposits of \$87,025 were collateralized by securities held by the bank in the Village's name. Investments consist of certificates of deposit.

NOTE 3 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2021:

	Governmental Activities	Business-Type Activities	Total
Franchise	\$ 3,711	\$ -	\$ 3,711
Grants	-	-	-
Charges for services	-	15,997	15,997
Total.	<u>\$ 3,711</u>	<u>\$ 15,997</u>	<u>\$ 19,708</u>

NOTE 4 CAPITAL ASSETS

A summary of Village of Hall Summit's capital assets at December 31, 2021 follows:

	Balance 1/1/2021	Additions	Retirements	Balance 12/31/2021
Government Activities				
Capital Assets, not being depreciated				
Land	\$ 21,334	\$ -	\$ -	\$ 21,334
Total Capital Assets, not being depreciated	21,334	-	-	21,334
Capital Assets, being depreciated				
Buildings and other improvements	398,491	-	-	398,491
Less accumulated depreciation	(302,814)	(12,826)	-	(315,640)
Total Buildings and other improvements	95,677	(12,826)	-	82,851
Equipment and other assets	78,650	-	-	78,650
Less accumulated depreciation	(78,650)	-	-	(78,650)
Total Equipment, Furniture & Fixtures	-	-	-	-
Total Capital Assets, being depreciated	95,677	(12,826)	-	82,851
Governmental Activities				
Total Capital Assets, net	<u>\$ 117,011</u>	<u>\$ (12,826)</u>	<u>\$ -</u>	<u>\$ 104,185</u>
Business-Type Activities				
Capital Assets, not being depreciated				
Land	\$ 30,776	\$ -	\$ -	\$ 30,776
Total Capital Assets, not being depreciated	30,776	-	-	30,776
Capital Assets, being depreciated				
Distribution System	2,102,846	6,752	-	2,109,598
Less accumulated depreciation	(1,417,408)	(56,955)	-	(1,474,363)
Total Distribution System	685,438	(50,203)	-	635,235
Equipment, furniture & fixtures	33,599	-	-	33,599
Less accumulated depreciation	(33,599)	-	-	(33,599)
Total Equipment, Furniture & Fixtures	-	-	-	-
Total Capital Assets, being depreciated	685,438	(50,203)	-	635,235
Business-Type Activities				
Total Capital Assets, net	<u>\$ 716,214</u>	<u>\$ (50,203)</u>	<u>\$ -</u>	<u>\$ 666,011</u>
Primary Government				
Total Capital Assets, net	<u>\$ 833,225</u>	<u>\$ (63,029)</u>	<u>\$ -</u>	<u>\$ 770,196</u>

NOTE 5 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at December 31, 2021:

	Governmental Activities	Business-Type Activities	Total
Vendor	\$ 3,950	\$ 3,098	\$ 7,048
Construction	-	-	-
Total	<u>\$ 3,950</u>	<u>\$ 3,098</u>	<u>\$ 7,048</u>

NOTE 6 LEASES

Village of Hall Summit was not obligated under any operating lease commitments at December 31, 2021.

NOTE 7 RISK MANAGEMENT

Village of Hall Summit 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.

NOTE 8 PENDING LITIGATION AND CONTINGENT LIABILITIES

The Village is not party to any lawsuits at December 31, 2021.

NOTE 9 SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 27, 2022, the date the financial statements were available to be issued, and determined no additional disclosures were warranted.

VILLAGE OF HALL SUMMIT, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balance of
 Governmental Funds - Budget (GAAP) and Actual - General Fund
 For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final *		
Revenues:				
Taxes	\$ 14,097	\$ 14,097	\$ 21,108	\$ 7,011
Licenses & Permits	8,669	8,669	8,669	-
Franchise Taxes	4,703	4,703	6,170	1,467
Fines	1,466	1,466	2,385	919
Interest	33	33	427	394
Miscellaneous	118	118	170	52
Total revenues	<u>29,086</u>	<u>29,086</u>	<u>38,929</u>	<u>9,843</u>
Expenditures:				
General government	-	-	53,770	(53,770)
Public Safety	-	-	10,470	(10,470)
Total Expenditures	<u>-</u>	<u>-</u>	<u>64,240</u>	<u>(64,240)</u>
Net Change in Fund Balances before Other Financing Sources	29,086	29,086	(25,311)	(54,397)
Other Financing Sources				
Proceeds from borrowing	-	-	-	-
Transfers (to)/from Other Funds	<u>(47,000)</u>	<u>(47,000)</u>	<u>23,475</u>	<u>(70,475)</u>
Net Change in Fund Balance	(17,914)	(17,914)	(1,836)	16,078
Fund Balances, Beginning	<u>39,444</u>	<u>39,444</u>	<u>39,444</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 21,530</u>	<u>\$ 21,530</u>	<u>\$ 37,608</u>	<u>\$ 16,078</u>

* The budget was not amended.

VILLAGE OF HALL SUMMIT, LOUISIANA

Schedule of Mayor and Aldermen's Compensation
For the Year Ended December 31, 2021

The schedule of compensation paid to the mayor and the aldermen is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation the mayor and aldermen is included in the general government expenditures of the General Fund. During 2021, the following amounts were paid to the Mayor and Aldermen:

Honorable Danny Scott, Mayor	\$ 2,400
Anthony Thomas	3,000
Barbara Perrin	3,000
Kathleen Quick	<u>3,000</u>
	<u>\$11,400</u>

VILLAGE OF HALL SUMMIT, LOUISIANA

Schedule of Compensation, Reimbursements, Benefits, and Other Payments
to Agency Head
For the Year Ended December 31, 2021

Agency Head: Mayor	<u>Danny Scott</u>
Salary	<u>\$ 2,400</u>
Payroll Taxes	<u>\$ 184</u>
Reimbursements	<u>\$ 1,264</u>

VILLAGE OF HALL SUMMIT, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/ DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
Year Ended December 31, 2021

	First Six Month Period Ended <u>December 31, 2021</u>	Second Six Month Period Ended <u>December 31, 2021</u>
Cash Presentation		
Beginning Balance of Amounts Collected	\$ -	\$ 50
Add: Collections		
Criminal Fines - Other	<u>1,225</u>	<u>1,206</u>
Subtotal Collections	<u>1,225</u>	<u>1,256</u>
Less: Disbursements to Governments & Nonprofits		
North Louisiana Crime Fund - Criminal Court Costs/Fees	170	90
Louisiana Supreme Court - Criminal Court Costs/Fees	2	2
State of Louisiana - CMIS Assessment	33	27
Louisiana Commission on Law Enforcement - Court Costs	47	26
Louisiana Chiefs Association of Police	20	10
Ware Youth Center	<u>38</u>	<u>22</u>
Total Disbursements to Governments & Nonprofits	310	177
Less: Amounts Retained by Collecting Agency	865	1,079
Less: Disbursements to Individual/3rd Party Collection or Processing Agencies	<u>-</u>	<u>-</u>
Subtotal Disbursements/Retainage	<u>1,175</u>	<u>1,256</u>
Total Ending Balances Collected but not Disbursed (Cash on Hand)	<u><u>\$ 50</u></u>	<u><u>\$ -</u></u>

VILLAGE OF HALL SUMMIT, LOUISIANA

Discretely Presented Component Unit -
Hall Summit Development Corporation
Statement of Net Position
December 31, 2021

Assets

Current assets:

Cash	\$ 106,159
Investments, at cost	36,264
Prepaid expenses	2,763
Total current assets	<u>145,186</u>

Noncurrent assets:

Property, plant and equipment (net of accumulated depreciation)	20,044
Deposits	450
Total assets	<u>165,680</u>

Liabilities and Net Position

Liabilities:

Accounts payable	2,364
Due to other funds	126,150
Total liabilities	128,514

Net Position

Invested in capital assets, net of related debt	20,044
Unrestricted	17,122
Total net position	<u>\$ 37,166</u>

VILLAGE OF HALL SUMMIT, LOUISIANA

Discretely Presented Component Unit -
Coushatta Industrial Development Corporation
Statement of Activities
For the Year Ended December 31, 2021

Program expenses	\$ 28,438
Total expenses	<u>28,438</u>
Program Revenues:	
Other income	<u>1,094</u>
Net Revenues	(27,344)
General Revenues:	
Rents	18,280
Interest	<u>142</u>
Total General Revenues	<u>18,422</u>
Change in Net Position before Other Revenue (Expenses)	(8,922)
Other Revenue (Expenses)	
Transfers from Other Funds	<u>11,464</u>
Change in Net Position	2,542
Net position, beginning of year,	<u>34,624</u>
Net position, end of year	<u><u>\$ 37,166</u></u>

VILLAGE OF HALL SUMMIT, LOUISIANA

Discretely Presented Component Unit -
Coushatta Industrial Development Corporation
Statement of Cash Flows
For the Year Ended December 31, 2021

Cash flows from operating activities:	
Cash received from customers	\$ 19,516
Cash payments to suppliers and employees	(24,364)
Other operating income	-
Net cash provided (used) by operating activities	<u>(4,848)</u>
Cash flows from capital and related financing activities	
Purchase of fixed assets	-
Borrowing from other funds	(9,570)
Transfers from other funds	11,464
Net cash provided by capital and related financing activities	<u>1,894</u>
Cash flows from investing activities	<u>(119)</u>
Net change in investments	<u>(119)</u>
Net increase in cash	(3,073)
Cash, beginning of year	<u>109,232</u>
Cash, December 31, 2021	<u><u>\$ 106,159</u></u>
Reconciliation of changes in net position to net cash provided by operating activities:	
Changes in net position before transfers:	\$ (8,922)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	1,863
Changes in assets and liabilities	
Decrease in prepaid expenses	184
Increase in accounts payable	<u>2,027</u>
Net cash provided (used) by operating activities	<u><u>\$ (4,848)</u></u>



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Mayor and the Board of Aldermen
Village of Hall Summit
Hall Summit, Louisiana

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Village of Hall Summit (the Village) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village's compliance with certain laws and regulations during the year ended December 31, 2021 included in the accompanying Louisiana Attestation 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, I 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 \$30,000, or public works exceeding \$250,000 and determine whether such purchases were made in accordance with LSA-RS 38:221-2296.(the public bid law).

There were no expenditures made during the year ended December 31, 2021 exceeding \$30,000 for materials and supplies or \$250,000 for public works.

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, and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided the required list including the noted information.

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

Management provided the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) 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 the District (agreed-upon) procedure (3) appeared on the list provided by the District in agreed-upon procedure (2).

Budgeting

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

Management provided a copy of the original budget.

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

I traced the adoption of the original budget to the minutes of a meeting held on November 9, 2020. The budget was not amended for the year ended December 31, 2021.

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

I compared the revenues and expenditures of the original budget to actual revenues and expenditures. Actual revenues exceeded budgeted amounts. Actual expenditures exceeded budgeted amounts by more than 5%. The budget was not amended.

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;

I examined supporting documentation for six selected disbursements and found that payments were 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 six selected disbursements were properly coded to the correct fund and general ledger account.

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

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the proper authorities.

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 Village is only required to post a notice of each meeting and the accompanying agenda on the door of the building where the meeting is held. Management has informed me that these documents were properly posted.

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.

I inspected copies of all 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 of the Village for the year indicated no approval for the payments noted. I also inspected payroll records for the year and noted no instances which would indicate payment to employees which would constitute bonuses, advances, or gifts.

Prior Comments and Recommendations

12. Review any prior year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

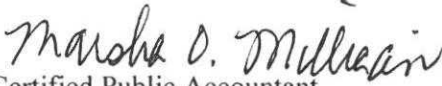
My prior year compilation report, dated August 23, 2021, includes an unresolved matter of inadequate segregation of duties due to limited personnel. The Village continues to strive to limit exposure to this risk, but it continues to be an ongoing risk due to limited personnel versus the cost effectiveness of adding sufficient employees.

Also included in my prior year compilation report dated August 23, 2021 is a matter of State law requirements that the budget be amended whenever actual revenue fails to meet budgeted amounts by 5% or more and when actual expenditures exceed budgeted amounts by 5% or more. This matter has not been resolved.

Also included in my prior year compilation report dated August 23, 2021 is a matter that the Village paid a former clerk on a contractual basis within one year after termination. This matter has been resolved.

I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Village of Hall Summit 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 Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.


Certified Public Accountant
June 27, 2022

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

June 14, 2022

Marsha O. Millican, APAC
810 Wilkinson
Shreveport, Louisiana 71104
_____ (Auditors)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2021 and for the year then ended, as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, 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 42:1101-1124.
Yes No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.
Yes No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34
Yes No

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.
Yes No

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.
Yes No

We have had our financial statements reviewed in accordance with LSA-RS 24:513.
Yes No

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1A.(2); and that were subject to the public bid law (R.S.38:221, et seq.) While the agency was not in compliance with R.S.24:513 (the audit law). Yes [X] No []

We have complied with R.S. 24:513A.(3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer. Yes [X] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:28. Yes [X] 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 VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65. Yes [X] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729. Yes [X] No []

Prior Year Comments

We have resolved all prior-year recommendations and/or comments. Yes [] No [X]

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations. Yes [X] No []

We have evaluated our compliance with these laws and regulations prior to making these representations. Yes [X] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. Yes [X] No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures. Yes [X] No []

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. Yes [X] No []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report. Yes [X] No []

The previous responses have been made to the best of our belief and knowledge.

Danny R. Smith Mayor 6-16-22 Date
Kathy Jordan Quirk Alderman 6-16-22 Date
Gason Briggs Alderman 6-16-22 Date

VILLAGE OF HALL SUMMIT, LOUISIANA

Corrective Action Taken on Prior Year Findings
Year Ended December 31, 2021

FINDING #2020-1:

The segregation of duties is inadequate to provide effective internal control.

STATUS:

Unresolved.

FINDING #2020-2:

The Village is not in compliance with the state budget law.

STATUS:

Unresolved.

FINDING #2020-3:

The Village is not in compliance with R.S. 42:1131. The Village paid the former clerk on a contractual basis within one year after termination.

STATUS:

Resolved.

VILLAGE OF HALL SUMMIT, LOUISIANA

Schedule of Findings
For the Year Ended December 31, 2021

Finding #2021-1: The segregation of duties is inadequate.

Criteria: Effective internal control requires the segregation of duties.

Condition: The segregation of duties is inadequate to provide effective internal control. This is a repeat finding.

Cause: The condition is due to space and economic limitations.

Effect: Unknown.

Recommendation: Whether or not it would be cost effective to correct a condition is not a factor in reporting requirements under accounting standards generally accepted in the United States of America. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all conditions reported under accounting standards generally accepted in the United States of America. In this case, both management and the independent accountant do not believe that correcting the condition described above is cost effective or practical, and, accordingly, do not believe that any corrective action is necessary.

Management's Response and Corrective Action Plan: We agree with the finding. We will make every effort to segregate duties as allowed by space and economic limitations.

Finding #2021-2: The Village is not in compliance with the state budget law.

Criteria: State law requires expenditures for the General Fund to be budgeted, and the budget to be amended when actual expenses exceed budgeted expenses by 5% or more.

Condition: The Village did not budget expenditures for the General Fund which resulted in actual expenditures exceeding budgeted amounts by more than 5%. The Village did not amend the budget.

Cause: Unknown.

Effect: The Village is not in compliance with state law.

Recommendation: I recommend the Village comply with state law.

Management's Response and Corrective Action Plan: We agree with the finding. We will amend the budget as required by state law in the future.