

VILLAGE OF HALL SUMMIT, LOUISIANA

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

MARSHA O. MILLICAN
A PROFESSIONAL ACCOUNTING CORPORATION
SHREVEPORT, LOUISIANA

VILLAGE OF HALL SUMMIT, LOUISIANA

Table of Contents

December 31, 2020

	<u>Page</u>
Accountant's Compilation Report	1
Management's Discussion and Analysis	2-7
Government-Wide Financial Statements:	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet - Governmental Funds	10
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	11
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Activities	13
Proprietary Fund:	
Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Net Position	15
Statement of Cash Flows	16
Notes to Financial Statements	17-23
Required Supplementary Information:	
Budgetary Comparison Schedules:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis) - Governmental Funds - General Fund	24

VILLAGE OF HALL SUMMIT, LOUISIANA

Table of Contents (Continued)

December 31, 2020

	<u>Page</u>
Other Supplementary Information:	
Schedule of Compensation Paid to Mayor and Aldermen	25
Schedule of Compensation, Benefits, and Other Payments To Agency Head	26
Component Unit (discretely presented):	
Discretely Presented Component Unit - Statement of Net Position	27
Discretely Presented Component Unit - Statement of Activities	28
Discretely Presented Component Unit - Statement of Cash Flows	29
Corrective Action Taken on Prior Year Findings	30
Schedule of Findings	31-32



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

The Honorable Danny Scott, Mayor
and Members of the Board of Aldermen
Village of Hall Summit, Louisiana

Management is responsible for the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the remaining fund information of Village of Hall Summit, as of and for the year ended December 31, 2020, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee for the American Institute of Certified Public Accountants. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The accompanying schedule of compensation paid to mayor and aldermen on page 25 and the the schedule of compensation, benefits, and other payments to agency head on page 26 and the component unit information on pages 27-29 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information is the representation of management. The information was subject to my compilation engagement, but I have not audited or reviewed the supplementary information, and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2 -7 and the budgetary information on page 24 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 not audited or reviewed the information, and, accordingly do not express an opinion, a conclusion, nor provide any assurance on such information.

Marsha O. Millican

Certified Public Accountant
August 23, 2021

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

Management's Discussion and Analysis

December 31, 2020

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, 2020. 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 \$35,041 at December 31, 2020, which represents a decrease of \$9,589 from prior year end.
- 2) Village of Hall Summit had taxes receivable of \$2,061 at December 31, 2020, which represents a decrease of \$46 from the prior year end.
- 3) Village of Hall Summit had accounts payable and accruals of \$2,766 at December 31, 2020, which represents an increase of \$858 from the prior year end.
- 4) Village of Hall Summit had total revenues of \$33,383 for the year ended December 31, 2020, which represents an increase of \$5,891 from the prior year end.
- 5) Village of Hall Summit had total expenses of \$74,345 for the year ended December 31, 2020, which represents an increase of \$4,827 from the prior year end.

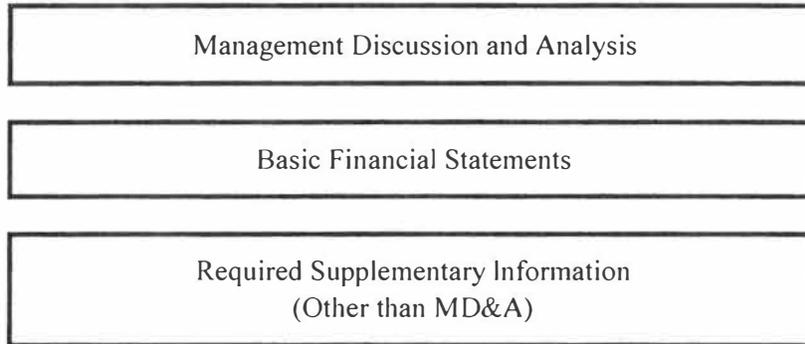
Business-Type Activities

- 1) Village of Hall Summit had cash and investments of \$149,279 for the year ended December 31, 2020 which represents an increase of \$135 from the prior year end.
- 2) Village of Hall Summit had accounts receivable of \$14,460 for the year ended December 31, 2020 which represents a decrease of \$4,430 from the prior year end.
- 3) Village of Hall Summit had accounts payable and accruals of \$5,846 for the year ended December 31, 2020, which represents a decrease of \$8,632 from prior year end.
- 4) Village of Hall Summit had total revenues of \$149,799 for the year ended December 31, 2020, which represents a decrease of \$27,103 from prior year.
- 5) Village of Hall Summit had total expenses of \$163,555 for the year ended December 31, 2020, which represents a decrease of \$30,515 from prior year.

VILLAGE OF HALL SUMMIT, LOUISIANA
Management's Discussion and Analysis (Continued)
December 31, 2020

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 8 and 9) 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 10. 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 answer 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, 2020

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, 2020

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Position at Year End

	Governmental Activities	Business Activities	Governmental Activities	Business Activities
	2020	2020	2019	2019
Current and other assets	\$ 223,271	461,072	\$ 232,096	\$ 433,636
Capital assets, net	117,011	716,214	130,655	768,982
Total Assets	340,282	1,177,286	362,751	1,202,618
Accounts Payable and Accruals	183,827	5,846	165,851	14,478
Long-Term Debt	-	-	-	-
Customer Deposits	-	32,950	-	33,375
Total Liabilities	183,827	38,796	165,851	47,853
Net Position				
Investments in capital assets, Net of related debt	117,011	716,214	130,655	768,982
Restricted Net Position	-	-	-	-
Unrestricted	39,444	422,276	69,245	385,783
Total Net Position	\$ 156,455	\$ 1,138,490	\$ 199,900	\$ 1,154,765

Net position of the Village of Hall Summit decreased by \$43,444 and decreased by \$16,275 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 2020 (See table below).

Statement of Activities As of Year End

	Government	Business	Government	Business
	2020	2020	2019	2019
General Government Expenses	\$ (74,345)	\$ (163,555)	\$ (69,518)	\$ (194,070)
Program revenues				
Charges for services	-	149,355	-	165,070
Operating and capital grants and Contributions	-	-	-	11,400
Subtotal	(74,345)	(14,200)	(69,518)	(17,600)
General revenues and transfers	30,901	(2,075)	23,492	6,579
Change in net position	\$ (43,444)	\$ (16,275)	\$ (46,026)	\$ (11,021)

VILLAGE OF HALL SUMMIT, LOUISIANA
Management's Discussion and Analysis
December 31, 2020

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2020, Village of Hall Summit had \$117,011 and \$716,214 net of depreciation in Governmental 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 \$13,644 and a decrease of \$52,768 in Governmental and Business-Type Activities, respectively, from the previous year.

Capital Assets (Net) at Year End

	Governmental Activities	Business-Type Activities
	2020	2020
Land	\$ 21,334	\$ 30,776
Buildings and other improvements	95,677	-
Distribution system	-	685,438
Equipment and other assets	-	-
Total	<u>\$ 117,011</u>	<u>\$ 716,214</u>

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

This years major additions included:

	Governmental Activities	Business-Type Activities
	2020	2020
Distribution system	\$ -	\$ 4,260
Land	-	-
Buildings and other improvements	-	-
Equipment and other assets	-	-
Total	<u>\$ -</u>	<u>\$ 4,260</u>

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 \$4,447 more than budgeted amounts.

Actual expenditures were \$60,701 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, 2020

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, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 35,041	\$ 14,447	\$ 49,488	\$ 109,232
Investments, at cost	157,852	101,882	259,734	36,175
Receivables (net of allowance account)	2,061	14,460	16,521	-
Prepaid expenses	5,893	2,947	8,840	2,947
Total current assets	<u>200,847</u>	<u>133,736</u>	<u>334,583</u>	<u>148,354</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	-	32,950	32,950	-
Due from other funds	22,424	294,386	316,810	-
Deposits	-	-	-	450
Capital assets, net of accumulated depreciation	117,011	716,214	833,225	21,907
Total noncurrent assets	<u>139,435</u>	<u>1,043,550</u>	<u>1,182,985</u>	<u>22,357</u>
Total assets	<u>340,282</u>	<u>1,177,286</u>	<u>1,517,568</u>	<u>170,711</u>
Deferred Outflow of resources	-	-	-	-
<u>Liabilities</u>				
Current liabilities:				
Accounts payable and accruals	2,766	5,846	8,612	337
Due to other funds	181,061	-	181,061	135,750
Total current liabilities	<u>183,827</u>	<u>5,846</u>	<u>189,673</u>	<u>136,087</u>
Noncurrent liabilities:				
Deposits	-	32,950	32,950	-
Total liabilities	<u>183,827</u>	<u>38,796</u>	<u>222,623</u>	<u>136,087</u>
Deferred inflows of resources	-	-	-	-
<u>Net Position</u>				
Invested in capital assets, net of related debt	117,011	716,214	833,225	21,907
Restricted	-	-	-	-
Unrestricted	39,444	422,276	461,720	12,717
Total net position	<u>\$ 156,455</u>	<u>\$ 1,138,490</u>	<u>\$ 1,294,945</u>	<u>\$ 34,624</u>

See accountant's compilation report and notes to financial statements.

VILLAGE OF HALL SUMMIT, LOUISIANA

Balance Sheet
 Governmental Funds
 For the Year Ended December 31, 2020

	<u>Total</u>
ASSETS	
Cash	\$ 35,041
Investments	157,852
Taxes and accounts receivable	2,061
Due from Other Funds	22,424
Prepaid Expenses	<u>5,893</u>
Total Assets	<u><u>223,271</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts payable and accruals	2,766
Due to Other Funds	<u>181,061</u>
Total Liabilities	<u>183,827</u>
Fund Balance:	
Nonspendable	
Prepaid Expenses	5,893
Unreserved	<u>33,551</u>
Total Fund Balance	<u>39,444</u>
Total Liabilities and Fund Balances	<u><u>\$ 223,271</u></u>

See accountant's compilation report and notes to financial statements.

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, 2020

Fund Balances - Total Governmental Funds \$ 39,444

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>(381,464)</u>

Net Position of Governmental Activities \$ 156,455

See accountant's compilation report and notes to financial statements.

VILLAGE OF HALL SUMMIT, LOUISIANA

Statement of Revenues, Expenditures and Changes in Fund Balance -
 General Fund
 For the Year Ended December 31, 2020

REVENUES

Sales Taxes	\$ 18,901
Occupational Licenses	8,333
Franchise Taxes	5,306
Interest	597
Other Income	246
	<hr/>
Total Revenues	33,383

EXPENDITURES

General Government	49,859
Public Safety	10,842
	<hr/>
Total Expenditures	60,701

Net change in fund balance before other sources (uses)	(27,318)
--	----------

Other Sources (Uses):

Transfers to other funds	(2,482)
	<hr/>

Net change in fund balance	(29,800)
----------------------------	----------

Fund balance, beginning of year	69,244
	<hr/>

Fund balance, end of year	\$ 39,444
	<hr/> <hr/>

See accountant's compilation report and notes to financial statements.

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, 2020

Net change in fund balances - total governmental funds \$ (29,800)

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 (\$13,644) exceeds capital outlay (\$-0-) in the current period (13,644)

Change in Net Position of Governmental Activities \$ (43,444)

See accountant's compilation report and notes to financial statements.

VILLAGE OF HALL SUMMIT, LOUISIANA

Statement of Net Position
 Proprietary Fund
 December 31, 2020

Assets		
Current Assets:		
Cash		\$ 14,447
Accounts receivable		14,460
Prepaid expenses		2,947
Total Current Assets		<u>31,854</u>
Noncurrent Assets:		
Restricted cash		32,950
Investments		101,882
Due from other funds		294,386
Capital Assets, Net		716,214
Total Noncurrent Assets		<u>1,145,432</u>
Total Assets		<u>1,177,286</u>
Deferred Outflows of Resources		<u>-</u>
Liabilities		
Current Liabilities		
Accounts payable and accruals		5,846
Total Current Liabilities		<u>5,846</u>
Noncurrent Liabilities		
Customer deposits		32,950
Total Noncurrent Liabilities		<u>32,950</u>
Total Liabilities		<u>38,796</u>
Deferred inflows of resources		<u>-</u>
Net Position		
Invested in capital assets, net of related debt		716,214
Unrestricted		422,276
Total net position		<u>\$1,138,490</u>

See accountant's compilation report and notes to financial statements.

VILLAGE OF HALL SUMMIT, LOUISIANA

Statement of Revenues, Expenses and
Changes in Fund Net Position

Proprietary Fund

For the Year Ended December 31, 2020

OPERATING REVENUES

Charges for services	\$ 149,355
Miscellaneous	-
Total operating revenues	<u>149,355</u>

OPERATING EXPENSES

Personal services	14,685
Utilities	14,783
Repairs and maintenance	8,910
Other supplies and expenses	59,451
Insurance	8,698
Depreciation	57,028
Total operating expenses	<u>163,555</u>

Change in Net Position before Other Expenses	<u>(14,200)</u>
--	-----------------

OTHER REVENUE (EXPENSE)

Grants	-
Transfers	(2,519)
Interest Income	444
Interest Expense	<u>-</u>

Change in net position	(16,275)
------------------------	----------

Net position, Beginning of Year	<u>1,154,765</u>
---------------------------------	------------------

Net Position, End of Year	<u><u>\$1,138,490</u></u>
---------------------------	---------------------------

See accountant's compilation report and notes to financial statements.

VILLAGE OF HALL SUMMIT, LOUISIANA

Statement of Cash Flows
 Proprietary Fund
 For the Year Ended December 31, 2020

	Business-type Acti Enterprise Fun
	Water Fund
	<u> </u>
Cash Flows from Operating Activities:	
Receipts from customers and users	\$ 153,785
Payments to suppliers	<u>(147,315)</u>
Net Cash Used by Operating Activities	<u>6,470</u>
Cash Flows from Noncapital Financing Activities:	
Transfers from other funds	<u>(2,519)</u>
Net Cash Provided by Noncapital Financing Activities	<u>(2,519)</u>
Cash Flows from Capital and Related Financing Activities:	
Capital grants	-
Acquisition and construction of capital assets	<u>(4,260)</u>
Net Cash Provided by Capital and Related Financing Activities	<u>(4,260)</u>
Cash Flows from Investing Activities:	
Net change in investments	(866)
Interest received	<u>444</u>
Net Cash Provided by Investing Activities	<u>(422)</u>
Net Increase (Decrease) in Cash and Cash Equivalents:	(731)
Cash and Cash Equivalents, Beginning of Year (including restricted cash of \$33,375)	<u>48,128</u>
Cash and Cash Equivalents, End of Year (including restricted cash of \$32,950)	<u><u>\$ 47,397</u></u>

See accountant's compilation report and notes to financial statements.

VILLAGE OF HALL SUMMIT, LOUISIANA

Statement of Cash Flows (Continued)
 Proprietary Fund
 For the Year Ended December 31, 2020

	Business-type Activities Enterprise Fund
	Water Fund
	<u> </u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ (14,200)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation expense	57,028
Decrease in customer deposits	(425)
Decrease in accounts receivable	4,430
Increase in prepaid expenses	(147)
Decrease in accounts payable	(8,632)
Increase in due to other funds	(31,584)
Decrease in due from other funds	<u> -</u>
Total adjustments	<u> 20,670</u>
Net Cash Provided (Used) by Operating Activities	<u> \$ 6,470</u>

See accountant's compilation report and notes to the financial statements.

VILLAGE OF HALL SUMMIT, LOUISIANA

Notes to Financial Statements

December 31, 2020

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 discreetly 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 page 8, and the Statement of Activities, (page 9) 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, 2020, \$247 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 revenues 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, 2020 including petty cash of \$700 was as follows:

Cash in Banks	\$	191,670
Investments		<u>295,909</u>
Total	\$	<u><u>487,579</u></u>

Deposits at banks on December 31, 2020 totaled \$488,339 Deposits of \$374,639 were collateralized by FDIC insurance. Deposits of \$113,700 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, 2020:

	Governmental Activities	Business-Type Activities	Total
Franchise	\$ 2,061	\$ -	\$ 2,061
Grants	-	-	-
Charges for services	-	14,460	14,460
Total.	<u>\$ 2,061</u>	<u>\$ 14,460</u>	<u>\$ 16,521</u>

NOTE 4 CAPITAL ASSETS

A summary of Village of Hall Summit's capital assets at December 31, 2020 follows:

	Balance 1/1/2020	Additions	Retirements	Balance 12/31/2020
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	(289,170)	(13,644)	-	(302,814)
Total Buildings and other improvements	109,321	(13,644)	-	95,677
Equipment and other assets	78,650	-	-	78,650
Less accumulated depreciation	(78,650)	-	-	(78,650)
Total Equipment , Furniture & Fixtures	-	-	-	-
Total Capital Assets, being depreciated	109,321	(13,644)	-	95,677
Governmental Activities				
Total Capital Assets, net	<u>\$ 130,655</u>	<u>\$ (13,644)</u>	<u>\$ -</u>	<u>\$ 117,011</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	2,098,586	4,260	-	2,102,846
Less accumulated depreciation	(1,360,380)	(57,028)	-	(1,417,408)
Total Distribution System	738,206	(52,768)	-	685,438
Equipment, furniture & fixtures	33,599	-	-	33,599
Less accumulated depreciation	(33,599)	-	-	(33,599)
Total Equipment , Furniture & Fixtures	-	-	-	-
Total Capital Assets, being depreciated	738,206	(52,768)	-	685,438
Business-Type Activities				
Total Capital Assets, net	<u>\$ 768,982</u>	<u>\$ (52,768)</u>	<u>\$ -</u>	<u>\$ 716,214</u>
Primary Government				
Total Capital Assets, net	<u>\$ 899,637</u>	<u>\$ (66,412)</u>	<u>\$ -</u>	<u>\$ 833,225</u>

NOTE 5 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at December 31, 2020:

	Governmental Activities	Business-Type Activities	Total
Vendor	\$ 1,351	\$ 4,572	\$ 5,923
Payroll taxes	1,415	1,274	2,689
Construction	-	-	-
Total	<u>\$ 2,766</u>	<u>\$ 5,846</u>	<u>\$ 8,612</u>

NOTE 6 LEASES

Village of Hall Summit was not obligated under any operating lease commitments at December 31, 2020.

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, 2020.

NOTE 9 OTHER MATTERS

On March 13, 2020, a national emergency was declared relating to the COVID-19 virus. As of the date of this report, the pandemic is ongoing. Future potential impacts may include disruptions or restrictions on employees' ability to work. The future effects of this issue are unknown.

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 22,179	\$ 22,179	\$ 24,207	\$ 2,028
Licenses & Permits	5,317	5,317	8,333	3,016
Interest	101	101	597	496
Miscellaneous	1,339	1,339	246	(1,093)
Total revenues	<u>28,936</u>	<u>28,936</u>	<u>33,383</u>	<u>4,447</u>
Expenditures:				
General government	-	-	49,859	(49,859)
Public Safety	-	-	10,842	(10,842)
Total Expenditures	<u>-</u>	<u>-</u>	<u>60,701</u>	<u>(60,701)</u>
Net Change in Fund Balances before Other Financing Sources	28,936	28,936	(27,318)	(56,254)
Other Financing Sources				
Proceeds from borrowing	-	-	-	-
Transfers (to)/from Other Funds	<u>(40,000)</u>	<u>(40,000)</u>	<u>(2,482)</u>	<u>(37,518)</u>
Net Change in Fund Balance	(11,064)	(11,064)	(29,800)	(18,736)
Fund Balances, Beginning	<u>69,244</u>	<u>69,244</u>	<u>69,244</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 58,180</u>	<u>\$ 58,180</u>	<u>\$ 39,444</u>	<u>\$ (18,736)</u>

VILLAGE OF HALL SUMMIT, LOUISIANA

Schedule of Mayor and Aldermen's Compensation
For the Year Ended December 31, 2020

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 of the mayor and aldermen is included in the general government expenditures of the General Fund. During 2019, 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> -</u>
	<u><u>\$ 11,400</u></u>

VILLAGE OF HALL SUMMIT, LOUISIANA

Schedule of Compensation, Reimbursements, Benefits, and Other Payments
to Agency Head
For the Year Ended December 31, 2020

Agency Head: Mayor	<u>Danny Scott</u>
Salary	<u>\$ 2,400</u>
Payroll Taxes	<u>\$ 184</u>
Reimbursements	<u>\$ 1,200</u>

VILLAGE OF HALL SUMMIT, LOUISIANA

Discretely Presented Component Unit -
Hall Summit Development Corporation
Statement of Net Position
December 31, 2020

Assets

Current assets:

Cash	\$ 109,232
Investments, at cost	36,175
Prepaid expenses	<u>2,947</u>
Total current assets	<u>148,354</u>

Noncurrent assets:

Property, plant and equipment (net of accumulated depreciation)	21,907
Deposits	<u>450</u>
Total assets	<u>170,711</u>

Liabilities and Net Position

Liabilities:

Accounts payable	337
Due to other funds	<u>135,750</u>
Total liabilities	136,087

Net Position

Invested in capital assets, net of related debt	21,907
Unrestricted	<u>12,717</u>
Total net position	<u>\$ 34,624</u>

VILLAGE OF HALL SUMMIT, LOUISIANA

Discretely Presented Component Unit -
Coushatta Industrial Development Corporation
Statement of Activities
For the Year Ended December 31, 2020

Program expenses	\$ 17,893
Total expenses	<u>17,893</u>
Program Revenues:	
Other income	<u>-</u>
Net Revenues	(17,531)
General Revenues:	
Rents	15,224
Interest	<u>180</u>
Total General Revenues	15,404
Change in Net Position before Other Revenue (Expenses)	(2,489)
Other Revenue (Expenses)	
Transfers from Other Funds	<u>5,001</u>
Change in Net Position	2,512
Net position, beginning of year,	<u>32,112</u>
Net position, end of year	<u><u>\$ 34,624</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, 2020

Cash flows from operating activities:	
Cash received from customers	\$ 15,224
Cash payments to suppliers and employees	(15,988)
Other operating income	-
Net cash provided (used) by operating activities	<u>(764)</u>
Cash flows from capital and related financing activities	
Purchase of fixed assets	-
Borrowing from other funds	11,467
Transfers from other funds	5,001
Net cash provided by capital and related financing activities	<u>16,468</u>
Cash flows from investing activities	<u>(119)</u>
Net change in investments	<u>(119)</u>
Net increase in cash	15,585
Cash, beginning of year	<u>93,647</u>
Cash, December 31, 2020	<u>\$ 109,232</u>
Reconciliation of changes in net position to net cash provided by operating activities:	
Changes in net position before transfers:	\$ (2,489)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	1,864
Changes in assets and liabilities	
Decrease in prepaid expenses	153
Decrease in accounts payable	<u>(292)</u>
Net cash provided (used) by operating activities	<u>\$ (764)</u>

VILLAGE OF HALL SUMMIT, LOUISIANA

Corrective Action Taken on Prior Year Findings
Year Ended December 31, 2020

FINDING #2019-1:

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

STATUS:

Unresolved.

FINDING #2019-2:

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

STATUS:

Unresolved.

FINDINGS #2019-3:

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

STATUS:

Unresolved.

VILLAGE OF HALL SUMMIT, LOUISIANA

Schedule of Findings
For the Year Ended December 31, 2020

Finding #2020-1: 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 #2020-2: 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.

VILLAGE OF HALL SUMMIT, LOUISIANA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

Finding #2020-3: The Village is not in compliance with R.S. 42:1121.

Criteria: State law prohibits payment of wages to a former employee for a period of two years following termination of the employee.

Condition: The Village paid the former clerk wages of \$200 for the year ended December 31, 2020 which is a violation of R.S.42:1121.

Cause: Oversight by Village officials.

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 comply with R.S. 42:1121 in the future.