

VILLAGE OF HALL SUMMIT, LOUISIANA

Notes to Financial Statements

December 31, 1998

I. Summary of Significant Accounting Policies (Continued)

- C. **Basis of Accounting (Continued)** - All proprietary funds are accounted for on a basis of economic resources, measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) to net total assets.

Those revenues susceptible to accrual are franchise taxes, interest revenue and charges for services. Fees, points and bonus revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by the proprietary fund type. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The preparation of financial statements generally requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities reported, including all contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

- D. **Budgets and Budgetary Accounting** - The Village follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Mayor prepares a paper of budget and submits same to the Board of Aldermen no later than fifteen days prior to the beginning of their fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. The budget ordinance is structured such that revenues are budgeted by source and appropriations are budgeted by department and by principal object of expenditure. The Board of Aldermen may review or amend the budget at its discretion during legally convened sessions. Management may amend the budget only before the Department level. These level of amendments reach to the budget for 1996 or 1995.
6. The Village utilizes formal budgetary integration as a management control device for all funds.

- E. **Inventory** - Inventory of supplies in the Proprietary Fund is stated at cost and adjusted to actual count at year end using the first-in, first-out method.

- F. **Bad Debts** - Uncollectible amounts due for the customer's utility installation, which are historically immaterial, are charged against current earnings as they are determined to be uncollectible by the Board. There was no bad debt expense for 1998 or 1995.

- G. **Property, Plant, and Equipment** -

General Fund Assets Account Group

Fixed assets in governmental fund-type operations are accounted for in the General Fund Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fund assets, including roads, bridges, canals and quays, streets and sidewalks, drainage systems and lighting systems are not capitalized along with other general fund assets. No depreciation has been provided on such assets.

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VILLAGE OF BELL SUMMIT, LOUISIANA

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FINANCIAL STATEMENTS

December 31, 1966

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

Release Date APR 02 1987

VILLAGES OF HALL SUMMIT, LOUISIANA

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SMITH PUGH HARBINOWITZ L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable W.L. Winterly, Mayor
and the Members of the Board of Aldermen of
Village of Hall Summit, Louisiana

We have audited the accompanying general purpose financial statements of the Village of Hall Summit, Louisiana, as of December 31, 1996, and for the year then ended, as listed in the accompanying table of contents. The general purpose financial statements are the responsibility of the Village of Hall Summit, Louisiana's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. It also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material aspects, the financial position of the Village of Hall Summit, Louisiana, as of December 31, 1996, and the results of its operations and the cash flows of its proprietary fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated May 28, 1997, on our examination of the Village of Hall Summit, Louisiana's internal control structure and a report dated May 28, 1997, on our compliance with laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Major's and Aldermen's Compensation on page 11 is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the Village of Hall Summit, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material aspects to enhance the general purpose financial statements taken as a whole.

Smith Pugh Harbinowitz L.L.P.
Certified Public Accountants

May 28, 1997

VILLAGE OF HALL SUMMIT, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Group
December 31, 1994

	Governmental Fund Types		Proprietary Fund Types		Account Group		Totals	
	Capital Assets	Other Assets	Capital Assets	Other Assets	Balance Sheet	Fund Balance	Assets	Liabilities and Equity
SUBJECTS								
Cash	\$ 15,359	\$ -	\$ 94,000	\$ -	\$ -	\$ 21,361	\$ 21,366	
Receivables								
Accounts			4,241			4,241	4,240	
Inventory			1,800			1,800	1,800	
Fund assets, net of accumulated depreciation			1,281,758		115,144	1,344,873	1,264,343	
Unamortized grant costs			20,282			20,282	20,282	
TOTAL ASSETS	<u>\$ 15,359</u>	<u>\$ -</u>	<u>\$ 1,301,380</u>	<u>\$ -</u>	<u>\$ 115,144</u>	<u>\$ 1,416,522</u>	<u>\$ 1,400,031</u>	
LIABILITIES AND FUND EQUITY								
Liabilities								
Accounts payable and accrued expenses	\$ 1,813	\$ -	\$ 4,241	\$ -	\$ -	\$ 6,054	\$ 7,266	
Customer deposits			11,526			11,526	11,512	
Total Liabilities	<u>\$ 1,813</u>	<u>\$ -</u>	<u>\$ 15,767</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,580</u>	<u>\$ 18,778</u>	
Fund equity								
Contributed capital			201,281		115,144	306,425	306,425	
Investment in general fund assets								
Retained earnings								
Reserve			11,256			11,256	11,112	
Unaccrued			790,201			790,201	777,441	
Fund balance								
Unamorted, unassigned								
Total Fund Equity	<u>\$ 11,812</u>	<u>\$ -</u>	<u>\$ 1,314,258</u>	<u>\$ -</u>	<u>\$ 115,144</u>	<u>\$ 1,429,412</u>	<u>\$ 1,461,711</u>	
Total Liabilities and Fund Equity	<u>\$ 15,359</u>	<u>\$ -</u>	<u>\$ 1,314,258</u>	<u>\$ -</u>	<u>\$ 115,144</u>	<u>\$ 1,493,728</u>	<u>\$ 1,460,036</u>	

VILLAGE OF HALL SUMMIT, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balance
All Governmental Fund Types
For the Year Ended December 31, 1995

	Governmental Fund Types		Totals All Governmental Only	
	General	Capital Projects	1995	1995
Revenues				
Taxes	\$ 4,064	\$ -	\$ 4,064	\$ 4,071
Licenses and permits	4,060		4,060	3,197
Intergovernmental revenues	1,656		1,656	2,021
Fees and rentals	11,216		11,216	3,052
Miscellaneous	1,429		1,429	1,323
Federal and State grants	_____	196,737	196,737	52,289
Total Revenues	<u>23,231</u>	<u>196,737</u>	<u>220,068</u>	<u>58,132</u>
Expenditures				
General government	18,223		18,223	17,226
Public safety	4,500		4,500	4,370
Grant expenditures		196,737	196,737	52,289
Capital outlay	3,008	_____	3,008	2,683
Total Expenditures	<u>25,731</u>	<u>196,737</u>	<u>222,468</u>	<u>36,668</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,500)</u>	_____	<u>(2,400)</u>	<u>(1,274)</u>
Other Financing Sources (Uses)				
Operating transfer in	18,000		18,000	18,864
Operating transfer out	(15,000)	_____	(15,000)	(78,074)
Total Other Financing Sources (Uses)	<u>3,000</u>	_____	<u>3,000</u>	<u>(19,210)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	<u>(5,000)</u>	_____	<u>(5,000)</u>	<u>(28,444)</u>
Fund Balance at Beginning of Year	<u>18,581</u>	_____	<u>18,581</u>	<u>52,072</u>
Fund Balance at End of Year	<u>\$ 13,581</u>	<u>\$ _____</u>	<u>\$ 13,581</u>	<u>\$ 23,628</u>

VILLAGE OF BALL, SUMMIT, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (Primary) Actual and Actual - All Governmental Fund, 2004
For the Year Ended December 31, 2005

	General Fund		Capital Projects		Trans- Administration/Other	
	Revenues		Expenditures		Revenues	
	Actual	Adopted	Actual	Adopted	Actual	Adopted
Revenues						
Taxes	\$ 8,000	\$ 7,000	\$ -	\$ -	\$ 8,000	\$ 7,000
Licenses and permits	2,000	4,000	1,000	-	2,000	4,000
Intergovernmental revenues	1,200	1,000	400	-	1,200	1,000
Fines and forfeits	5,000	12,000	4,200	-	5,000	12,000
Miscellaneous	600	1,400	700	-	600	1,400
Total Revenues	<u>18,800</u>	<u>28,400</u>	<u>10,300</u>	<u>10,000</u>	<u>18,200</u>	<u>18,200</u>
Expenditures						
General government	18,000	18,000	600	-	18,000	18,000
Public safety	1,000	4,200	(2,500)	-	3,000	4,200
Debt Expenditures	-	-	198,700	198,700	198,700	198,700
Capital outlay	-	8,000	(8,000)	-	-	(8,000)
Total Expenditures	<u>20,000</u>	<u>30,200</u>	<u>184,200</u>	<u>198,700</u>	<u>219,700</u>	<u>219,700</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,200)</u>	<u>(1,800)</u>	<u>(81,900)</u>	<u>(88,700)</u>	<u>(1,500)</u>	<u>(81,500)</u>
Other Financing Sources (Uses)						
Operating leases in	1,000	10,000	10,000	-	1,000	10,000
Operating transfer out	(10,000)	(10,000)	-	-	(10,000)	(10,000)
Total Other Financing Sources (Uses)	<u>(9,000)</u>	<u>(0)</u>	<u>10,000</u>	<u>(0)</u>	<u>(9,000)</u>	<u>(0)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses) and Other Financing Sources (Uses)	<u>(2,200)</u>	<u>(1,800)</u>	<u>(71,900)</u>	<u>(88,700)</u>	<u>(2,500)</u>	<u>(81,500)</u>
Fund Balances at Beginning of Year	<u>\$ 11,000</u>	<u>\$ 11,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>
Fund Balances at End of Year	<u>\$ 8,800</u>	<u>\$ 9,200</u>	<u>\$ (71,900)</u>	<u>\$ (88,700)</u>	<u>\$ 7,500</u>	<u>\$ 8,500</u>

See accompanying notes to financial statements.

VILLAGE OF HALL SUMMIT, LOUISIANA

Statement of Revenues, Expenses, and Changes in Retained Earnings -
Proprietary Fund Type - Enterprise Fund
For the Year Ended December 31, 1995
With Comparative Amounts for the Year Ended December 31, 1994

	1995	1994
Operating Revenues		
Water services	\$ 36,804	\$ 36,487
Sewer services	13,357	13,318
Interest	150	-
Total Operating Revenues	<u>50,311</u>	<u>49,805</u>
Operating Expenses		
Personnel cost	46,364	45,503
Repairs and maintenance	8,213	10,314
Utilities	7,833	10,471
Administration	12,207	10,544
Depreciation	33,893	33,718
Miscellaneous	457	1,312
Total Operating Expenses	<u>139,067</u>	<u>151,862</u>
Operating Loss	<u>(88,756)</u>	<u>(102,057)</u>
Non-operating Expenses		
Interest	3	-
Amortization of grant costs	4,882	4,598
Total Non-operating Expenses	<u>4,885</u>	<u>4,598</u>
Loss Before Operating Transfers	<u>(93,641)</u>	<u>(106,655)</u>
Other Financing Sources (Uses)		
Operating transfers in	14,698	39,694
Operating transfers out	(13,515)	(18,992)
Total Other Financing Sources (Uses)	<u>1,183</u>	<u>20,702</u>
Net Loss	<u>(92,458)</u>	<u>(85,953)</u>
Amounts Charged to Contribution Accounts:		
Depreciation on Fixed Assets	14,834	14,834
Retained Earnings at Beginning of Year	798,511	783,732
Retained Earnings at End of Year	<u>\$ 706,053</u>	<u>\$ 707,513</u>

See accompanying notes to financial statements.

VILLAGE OF HALL SUMMIT, LOUISIANA

Notes to Financial Statements
December 31, 1996

The Village of Hall Summit, Louisiana, was incorporated on September 13, 1964, under the provisions of the Louisiana Act. The Village operates under the Mayor-Bound or Aldermanic form of government.

1. Summary of Significant Accounting Policies

The accounting and reporting policies of the Village of Hall Summit, Louisiana, conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana revised articles 34-217 and to the guidelines set forth in the "Louisiana Municipal Audit and Accounting Guide."

The following is a summary of certain significant accounting policies:

- A. **Reporting Entity** - This report includes all funds and account groups which are controlled by or dependent on the Village's Executive and Legislative Branches, the Mayor and Board of Aldermen. Control by or dependence on the Village are determined on the basis of budget adoption, taxing authority, authority to incur debt, exercise or appointment of governing body, and other principal oversight responsibility.
- B. **Fund Accounting** - The accounts of the Village are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses in accordance with the provisions of Louisiana law. Accounting for an individual fund is based upon the purposes for which they are to be spent and the manner by which spending activities are controlled. The following funds and group of accounts are used by the Village:

Governmental Funds

General Fund - The General Fund is the principal operating fund of the Village. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

Capital Projects Fund - The Capital Projects Fund accounts for all financial resources used for the rehabilitation or financing.

Proprietary Fund

Enterprise Fund - The Enterprise Fund is used to account for operations that are financial and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing goods and services to the general public on a cost-basis basis are financed or recovered primarily through user charges.

General Fund Assets

General Fund Assets - The General Fund Assets Account Group is used to account for fixed assets used in governmental fund type operations for certain purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Depreciated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on general fund assets.

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

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when measurable in amount (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means it is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all governmental revenues. Expenditures are recorded when the related fund liability is incurred.

VILLAGE OF HALL, SUMMIT, LOUISIANA

Notes to Financial Statements
December 31, 1996

1. Summary of Significant Accounting Policies (Continued)

I. Property, Plant, and Equipment (Continued) -

Water and Sewer System

Depreciation is provided in the Enterprise fund in amounts sufficient to retire the cost of the depreciable assets by operations over their estimated service lives on the straight-line basis. The estimated service lives by asset type are as follows:

Water System	50 Years
Sewerage System	40-50 Years
Other Equipment	3-20 Years

II. **Retainable Deposits** - The Enterprise fund of the Village requires customers to place a deposit before service is rendered. The monies are not retained earned and are held until the customer discontinues service.

III. **Compensated Absence** - The Village of Hall Summit has only part-time employees and does not grant vacation or sick leave.

J. Fund Equity -

Reserves represent those portions of fund equity not appropriate for expenditures or legally obligated for a specific future use.

Contributed Capital is recorded in the Enterprise Fund for capital grants restricted for the acquisition or construction of capital assets. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources. A grant receivable is recorded when the Village has a right to reimbursement under the related grant.

K. **Grant Costs** consist of the administrative and engineering costs associated with the construction of the riverous water tank and additional water tanks. These costs were paid by the 1998 LCRA80 grant and will be amortized over 20 years.

L. **Comparative Data** - Comparative data for the prior year have been prepared in the accompanying general purpose financial statements in order to provide an understanding of changes in the Village's financial position and operations. However, presentation of prior-year amounts by fund type have not been presented in each of the statements since their inclusion would make the statements overly complex and difficult to read.

M. **Total Columns on Combined Statements** - Total columns on the combined statements are captioned "Interdependent Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

N. **Reclassification** - Certain 1995 accounts were reclassified to conform to 1996 presentation.

2. Cash and Investments

At December 31, 1996, the carrying amount of the Village's deposits was \$24,191, and the bank balance was \$21,217. The bank balance was cleared by Federal depository insurance.

VILLAGE OF HALL SUMMIT, LOUISIANA

Schedule of Mayor's and Aldermen's Compensation
For the Year Ended December 31, 1986

During 1986 the following amounts were paid to the Mayor and Aldermen:

Johnny Hagan - Mayor's Salary (January - September)	\$	650	
W.L. Wimbody - Mayor's Salary (October - Present)			650
Aldermen - per diem:			
Roberts Moore	\$	600	
Gary Ayers		600	
Myoull Tidwell		600	1,800
Total			\$ 3,600



SMITH PUGH HARBINGRITZ L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROLS,
 STRUCTURE, BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL
 STATEMENTS PERFORMED IN ACCORDANCE
 WITH GOVERNMENT ACCOUNTING STANDARDS**

The Honorable W.L. Winstenley, Mayor
 and the Members of the Board of Aldermen of
 The Village of Hall Summit, Louisiana

We have audited the general purpose financial statements of the Village of Hall Summit, Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated May 29, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Village of Hall Summit, Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to support the expected benefits and stated costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from misbehavior and/or disposition, and that expenses are incurred in accordance with management's authorization and accrued properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, perception of any evaluation of the structure for future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Village of Hall Summit, Louisiana, for the year ended December 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk. In order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all weaknesses in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in accounting would be material in relation to the general purpose financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We would not express an opinion on the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted that systems involving the internal control structure and its operation that we have reported to the management of the Village of Hall Summit, Louisiana, in a separate letter dated May 29, 1997.

This report is intended for the information of Management and the Board of Aldermen. However, this report is a matter of public record, and its distribution is not limited.

Smith Pugh Harbringritz L.L.P.
 Certified Public Accountants



SMITH PUGH RADINOWITZ L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Honorable W.L. Wintertly, Mayor
and the Members of the Board of Aldermen of
The Village of Hall County, Louisiana

We have audited the general purpose financial statements of the Village of Hall County, Louisiana as of and for the year ended December 31, 1996, and have issued our report thereon dated May 29, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Village of Hall County, Louisiana is the responsibility of the Village of Hall County, Louisiana's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Village of Hall County, Louisiana's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of Management and the Board of Aldermen. However, this report is a matter of public record and its distribution is not limited.

Smith Pugh Radinowitz L.L.P.
Certified Public Accountants

May 29, 1997



SMITH PUGH RADINOWITZ L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

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May 24, 1999

The Honorable W. L. Ruffolo, Mayor
and the Members of the Board of Aldermen of
The Village of Hall Summit, Louisiana

In planning and performing our audit of the general purpose financial statements of the Village of Hall Summit, Louisiana, for the year ended December 31, 1998, we examined the Village's internal control structure to determine our audit is adequate for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of matters that are opportunities for or complicating internal controls and operating efficiency. This letter discusses about our reports dated May 29, 1999, on the general purpose financial statements of the Village of Hall Summit, Louisiana.

Control Standards for Public Services

During our audit, we noted a transaction involving the former mayor, Jimmy Hagan. He purchased one of the Village's vehicles for his personal use. The statutes state that no public servant shall participate in a transaction involving the governmental entity.

We recommend that the Village's policies and procedures on this matter be reviewed and revised to prevent a similar incident from happening in the future.

Utility

We also noted that in the October 1998 meeting, a motion was passed to allow anyone in the village of the Village of Hall Summit who has a catastrophic illness and financial need, to have their utility bill waived until such time conditions improve. The first case was the former mayor, Jimmy Hagan.

We recommend that the Village clerk draft a resolution that is appropriate for this policy to be implemented. The resolution should state who is covered, definition of catastrophic illness and financial need, and the length of time the Village is willing to waive the utility bills. (If necessary, have legal counsel review.)

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various Village officials, and we will be pleased to discuss them in further detail at your convenience.

Sincerely,

Smith Pugh Radinowitz LLP

Certified Public Accountants

VILLAGE OF HALL SUMMIT, LOUISIANA

Statement of Cash Flows - Proprietary Fund Type - Enterprise Fund
 For the Year Ended December 31, 1996
 With Comparative Amounts for the Year Ended December 31, 1995

	1996	1995
Cash Flows from Operating Activities		
Operating loss	\$ (113,560)	\$ (28,311)
Adjustments to reconcile net operating income to net cash provided by operating activities		
Depreciation	30,000	21,749
Changes in operating assets and liabilities		
(Increase) decrease in accounts receivables	(657)	1,377
(Increase) decrease in inventory	(7)	416
Decrease in accounts payable	(140)	(1,699)
Increase in customer deposits	411	310
Decrease in due to other funds	-	(15,123)
Net Cash Provided by Operating Activities	<u>50,347</u>	<u>21,512</u>
Cash Flows from Capital and Related Financing Activities		
Payments for capital additions	(4,820)	(7,211)
Net Cash Used for Capital and Related Financing Activities	<u>(4,820)</u>	<u>(7,211)</u>
Cash Flows from Noncapital Financing Activities		
Operating transfers in	3,183	39,181
Net Cash Provided by Noncapital Financing Activities	<u>3,183</u>	<u>39,181</u>
Net Increase in Cash	<u>1,800</u>	<u>4,090</u>
Cash at Beginning of Year	<u>3,131</u>	<u>3,000</u>
Cash at End of Year	<u>\$ 4,931</u>	<u>\$ 7,150</u>

See accompanying notes to financial statements.