

**VILLAGE OF HALL SUMMIT, LOUISIANA  
FINANCIAL STATEMENTS  
DECEMBER 31, 2003**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 6-23-04

**VILLAGE OF HALL SUMMIT, LOUISIANA**  
**DECEMBER 31, 2003**  
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VILLAGE OF HALL SUMMIT, LOUISIANA  
TRANSMITTAL LETTER  
ANNUAL FINANCIAL STATEMENTS  
DECEMBER 31, 2003

February 24, 2004

Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Sirs:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the Village of Hall Summit, Louisiana, for the year ended December 31, 2003. The report includes only funds under the control and oversight of the Village of Hall Summit, Louisiana.

The accompanying basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Sincerely,

  
Village Clerk

Enclosure

VILLAGE OF HALL SUMMIT, LOUISIANA  
FINANCIAL STATEMENTS  
DECEMBER 31, 2003

Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

AFFIDAVIT

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Personally came and appeared before the undersigned authority, Paul Snead, Clerk of the Village of Hall Summit, Louisiana, who, duly sworn, deposes and says, that the financial statements herewith given presents fairly the financial position of the Village of Hall Summit, Louisiana, at December 31, 2003 and the results of operations for the year then ended in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

  
Village Clerk

Sworn to and subscribed before me, this 24th day of February, 2004.

  
NOTARY PUBLIC

# HINES, JACKSON & HINES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS  
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## INDEPENDENT AUDITORS' REPORT

Village of Hall Summit  
Hall Summit, Louisiana 71034

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Hall Summit, Louisiana, as of and for the year ended December 31, 2003, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Hall Summit's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Hall Summit, Louisiana as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated February 24, 2004, on our consideration of the Village of Hall Summit, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the budgetary information on pages 4 through 9 and 29, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Hall Summit's basic financial statements. The accompanying supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Hines, Jackson & Hines*  
Natchitoches, Louisiana  
February 24, 2004

VILLAGE OF HALL SUMMIT, LOUISIANA  
MANAGEMENT'S DISCUSSION, AND ANALYSIS  
DECEMBER 31, 2003

The Management's Discussion and Analysis of the Village of Hall Summit's financial performance presents a narrative overview and analysis of Village of Hall Summit's financial activities for the year ended December 31, 2003. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the transmittal letter presented on page 1 and the Village of Hall Summit's financial statements, which begin on page 10.

**FINANCIAL HIGHLIGHTS**

Governmental Activities

- 1) The Village of Hall Summit had cash and investments of \$47,550 at December 31, 2003 which represents an increase of \$141 from prior year end.
- 2) The Village of Hall Summit had accounts receivable of \$4,191 at December 31, 2003 which represents an increase of \$2,903 from prior year end.
- 3) The Village of Hall Summit had accounts payable and accruals of \$1,648 at December 31, 2003 which represents an increase of \$796 from prior year end.
- 4) The Village of Hall Summit had total revenues of \$43,079 for the year ended December 31, 2003 which represents a decrease of \$12,908 from prior year.
- 5) The Village of Hall Summit had total expenses of \$33,693 for the year ended December 31, 2003 which represents an increase of \$3,879 from prior year.
- 6) The Village of Hall Summit had capital asset purchases of \$20,261 for the year ended December 31, 2003 which represents a decrease of \$1,780 from prior year.

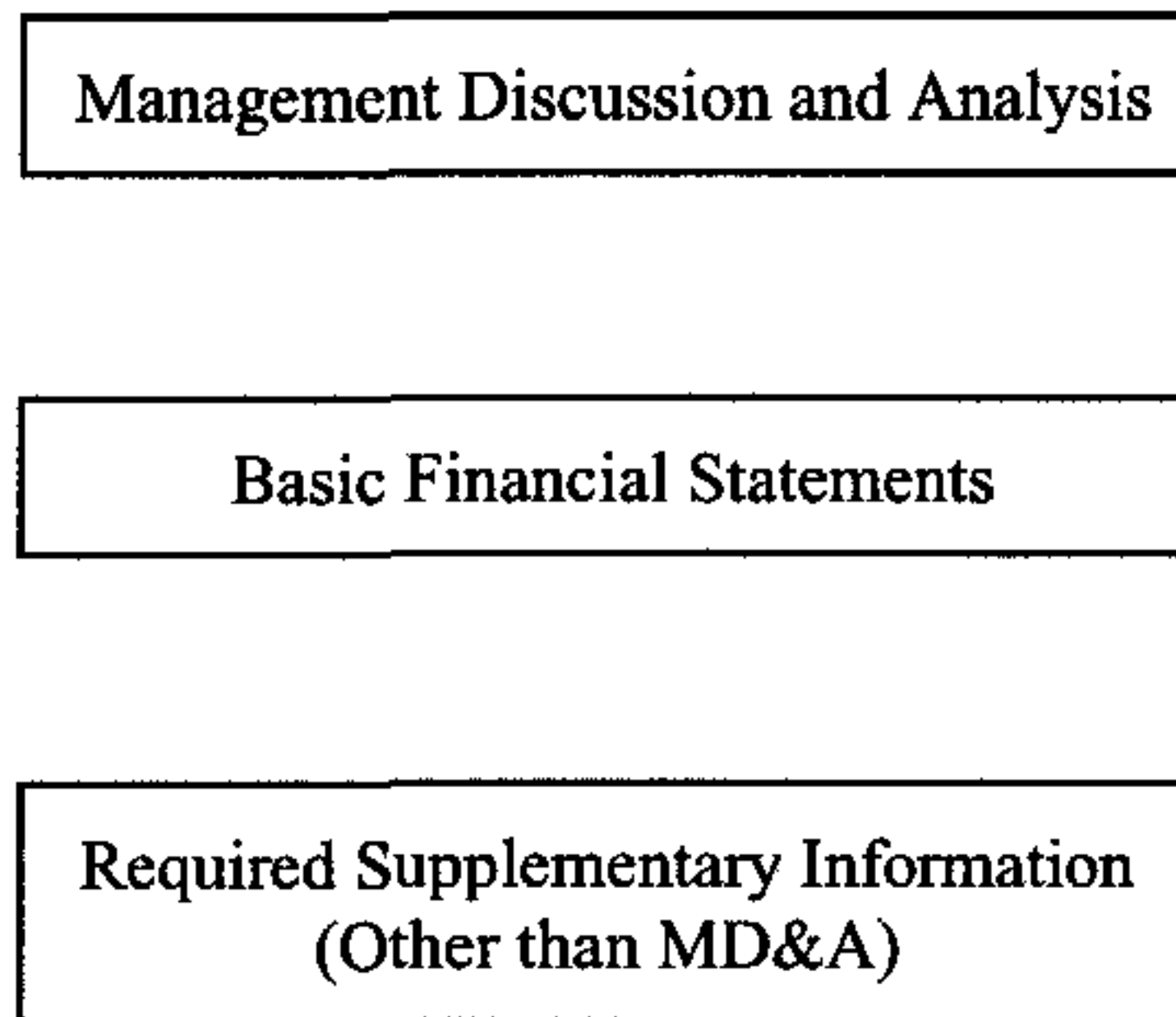
Business-Type Activities

- 1) The Village of Hall Summit had cash and investments of \$82,766 for the year ended December 31, 2003 which represents an increase of \$2,066 from prior year.
- 2) The Village of Hall Summit had accounts receivable of \$13,533 for the year ended December 31, 2003 which represents an increase of \$6,885 from prior year.
- 3) The Village of Hall Summit had accounts payable and accruals of \$8,867 for the year ended December 31, 2003 which represents an increase of \$4,895 from prior year.
- 4) The Village of Hall Summit had total revenues of \$76,757 for the year ended December 31, 2003 which represents an increase of \$4,693 from prior year.
- 5) The Village of Hall Summit had total expenses of \$112,593 for the year ended December 31, 2003 which represents an increase of \$8,244 from prior year.
- 6) The Village of Hall Summit had capital asset purchases of \$9,717 for the year ended December 31, 2003 which represents a decrease of \$735 from prior year.

VILLAGE OF HALL SUMMIT, LOUISIANA  
MANAGEMENT'S DISCUSSION, AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2003

**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 consist of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 10 and 11) 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 12. 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 he 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 Assets and the Statement of Activities

One of the most important questions asked about the Village's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets 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, 2003

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

These two statements report the Village's Net assets and changes in them. You can think of the Village's net assets, 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 assets are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Assets and the Statement of Activities, we divide the Village into three kinds of activities:

Governmental Activities: Most of the Village's basic services are reported here including the police and general administration. Franchise taxes, sales taxes, license and permits, 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 system are reported here.

Component Units: The Village includes one separate legal entity in its report, Development Corporation. Although legally separate, the component unit is important because the Village is financially accountable for it.

**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 Board of Aldermen establishes other funds to help it control and manage 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 kind 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 government 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 Assets 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, 2003**

**FINANCIAL ANALYSIS OF THE ENTITY**

Statement of Net Assets  
As of Year End

	Primary Government					
	Governmental Activities		Business-Type Activities		Component Units	
	2003	2002	2003	2002	2003	2002
Current and other assets	\$ 51,741	\$ 49,197	\$ 149,604	\$ 148,976	\$ 11,001	\$ 10,788
Capital assets, net	<u>102,124</u>	<u>93,701</u>	<u>1,060,625</u>	<u>1,094,554</u>	<u>10,666</u>	<u>10,666</u>
<b>Total Assets</b>	<b><u>\$ 153,865</u></b>	<b><u>\$ 142,898</u></b>	<b><u>\$ 1,210,229</u></b>	<b><u>\$ 1,243,530</u></b>	<b><u>\$ 21,667</u></b>	<b><u>\$ 21,454</u></b>
Other liabilities	\$ 4,583	\$ 3,002	\$ 19,232	\$ 16,697	\$ 0	\$ 0
Compensated absences payable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Liabilities</b>	<b>4,583</b>	<b>3,002</b>	<b>19,232</b>	<b>16,697</b>	<b>0</b>	<b>0</b>
<b>Net assets</b>						
Investment in capital assets, net of related debt	102,124	93,701	1,060,625	1,094,554	10,666	10,666
Unrestricted	<u>47,158</u>	<u>46,195</u>	<u>130,372</u>	<u>132,279</u>	<u>11,001</u>	<u>10,788</u>
<b>Total Net Assets</b>	<b><u>149,282</u></b>	<b><u>139,896</u></b>	<b><u>1,190,997</u></b>	<b><u>1,226,833</u></b>	<b><u>21,667</u></b>	<b><u>21,454</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 153,865</u></b>	<b><u>\$ 142,898</u></b>	<b><u>\$ 1,210,229</u></b>	<b><u>\$ 1,243,530</u></b>	<b><u>\$ 21,667</u></b>	<b><u>\$ 21,454</u></b>

Net assets of the Village of Hall Summit increased by \$9,386 or 6.71%, decreased by \$35,836 or 2.92%, and increased by \$213 or 0.99% from the previous fiscal year in Governmental Activities, Business-Type Activities, and Component Units respectively. These changes are the result of operating and other expenses being less than/exceeding operating and nonoperating revenues during the fiscal year ended 2003 (See table below).

Statement of Activities  
For the Year Ended

	Primary Government					
	Governmental Activities		Business-Type Activities		Component Units	
	2003	2002	2003	2002	2003	2002
General government Expenses	\$ (33,693)	\$ (29,814)	\$ (112,593)	\$ (104,349)	\$ 0	\$ (14)
Program revenues						
Operating grants and contributions	<u>15,000</u>	<u>20,430</u>	<u>75,060</u>	<u>70,386</u>	<u>0</u>	<u>0</u>
<b>Subtotal</b>	<b>(18,693)</b>	<b>(9,384)</b>	<b>(37,533)</b>	<b>(33,963)</b>	<b>0</b>	<b>(14)</b>
General revenues	<u>28,079</u>	<u>35,557</u>	<u>1,697</u>	<u>1,678</u>	<u>213</u>	<u>238</u>
<b>Change in net assets</b>	<b><u>\$ 9,386</u></b>	<b><u>\$ 26,173</u></b>	<b><u>\$ (35,836)</u></b>	<b><u>\$ (32,285)</u></b>	<b><u>\$ 213</u></b>	<b><u>\$ 224</u></b>

The Village of Hall Summit's total revenues decreased by \$12,908 or 23.06%, increased by \$4,693 or 6.51%, and decreased by \$25 or 10.50% from the previous fiscal year in Governmental Activities, Business-Type Activities, and Component Units respectively. The total cost of all programs and services increased by \$3,879 or 13.01%, increased \$8,244 or 7.90%, and decreased by \$14 or 100.0% from the previous fiscal year in Governmental Activities, Business-Type Activities, and Component Units respectively.

**VILLAGE OF HALL SUMMIT, LOUISIANA**  
**MANAGEMENT'S DISCUSSION, AND ANALYSIS (CONTINUED)**  
**DECEMBER 31, 2003**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets

At the end of 2003, the Village of Hall Summit's had \$102,124, \$1,060,625, and \$10,666 net of depreciation, in Governmental Activities, Business-Type Activities, and Component Units, respectively, invested in a broad range of capital assets (See table below). This amount represents a net increase (including additions and deductions) of \$8,423 or 8.99%, decrease of \$33,929 or 3.10% and an increase of \$0 or 0.00% in Governmental Activities, Business-Type Activities, and Component Units, respectively, from the previous year.

	Capital Assets at Year End (Net of Depreciation)					
	Primary Government					
	Governmental Activities		Business-Type Activities		Component Units	
	2003	2002	2003	2002	2003	2002
Land	\$ 21,334	\$ 21,334	\$ 30,776	\$ 30,776	\$ 10,666	\$ 10,666
Buildings and other improvements	63,423	48,536	0	0	0	0
Automobiles	5,905	10,269	0	0	0	0
Equipment, furniture and fixtures	11,462	13,562	4,160	6,544	0	0
Distribution system	0	0	1,025,689	1,057,234	0	0
Total	<u>\$ 102,124</u>	<u>\$ 93,701</u>	<u>\$ 1,060,625</u>	<u>\$ 1,094,554</u>	<u>\$ 10,666</u>	<u>\$ 10,666</u>

The following is the addition and retirements for the Village of Hall Summit as of December 31, 2003:

	Primary Government		
	Governmental Activities	Business-Type Activities	Component Units
This year's major additions included:			
Building and other improvements	\$ 20,261	\$ 0	\$ 0
Equipment, furniture and fixtures	0	2,459	0
Distribution system	0	7,258	0
Total	<u>\$ 20,261</u>	<u>\$ 9,717</u>	<u>\$ 0</u>
This year's major retirements included:			
Equipment, furniture and fixtures	\$ 4,966	\$ 7,037	\$ 0
Distribution system	0	47,811	0
Total	<u>\$ 4,966</u>	<u>\$ 54,848</u>	<u>\$ 0</u>

Debt

The Village of Hall Summit had \$0, \$0 and \$0 in compensated absences payable for Governmental Activities, Business-Type Activities, and Component Units, respectively, outstanding at year end compared to \$0, \$0 and \$0 in Governmental Activities, Business-Type Activities, and Component Units, respectively, at the previous year end, no change as shown in the table below.

	Outstanding Debt at Year End					
	Primary Government					
	Governmental Activities		Business-Type Activities		Component Units	
	2003	2002	2003	2002	2003	2002
Compensated absences payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Totals	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

New debt during the year included:

None.

VILLAGE OF HALL SUMMIT, LOUISIANA  
MANAGEMENT'S DISCUSSION, AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2003

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Actual revenues were \$2,265 more than budgeted amounts due to franchise taxes and fines and forfeitures being more than expected.

Actual expenditures were \$8,494 more than budgeted amounts due to capital outlay and operating services being more than expected.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The 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) License and permits
- 3) Interest income

The Village of Hall Summit does not expect any significant changes in next year's results as compared to the current year.

**CONTACTING THE 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 financial information, contact Paul Snead, Clerk of the Village of Hall Summit, Post Office Box 98, Louisiana 71034.

VILLAGE OF HALL SUMMIT, LOUISIANA  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2003

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Current Assets				
Cash	\$ 20,904	\$ 25,314	\$ 46,218	\$ 3,905
Investments	26,646	57,452	84,098	7,096
Accounts receivable	4,191	13,533	17,724	0
Inventory	0	8,755	8,755	0
Total Current Assets	51,741	105,054	156,795	11,001
Noncurrent Assets				
Capital assets, net	102,124	1,060,625	1,162,749	10,666
Unamortized grant costs	0	44,550	44,550	0
Total Assets	<u>\$ 153,865</u>	<u>\$ 1,210,229</u>	<u>\$ 1,364,094</u>	<u>\$ 21,667</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Current Liabilities				
Accounts payable and accruals	\$ 1,648	\$ 8,867	\$ 10,515	\$ 0
Internal balances	2,935	(2,935)	0	0
Total Current Liabilities	4,583	5,932	10,515	0
Noncurrent Liabilities				
Compensated absences payable	0	0	0	0
Customer deposits	0	13,300	13,300	0
Total Liabilities	4,583	19,232	23,815	0
NET ASSETS				
Investment in capital assets, net of related debt	102,124	1,060,625	1,162,749	10,666
Unrestricted	47,158	130,372	177,530	11,001
Total Net Assets	149,282	1,190,997	1,340,279	21,667
Total Liabilities and Net Assets	<u>\$ 153,865</u>	<u>\$ 1,210,229</u>	<u>\$ 1,364,094</u>	<u>\$ 21,667</u>

The accompanying notes are an integral part of this statement.

EXHIBIT B

VILLAGE OF HALL SUMMIT, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2003

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Units
Primary Government								
Governmental Activities								
General Government	\$ 21,917	\$ 0	\$ 0	\$ 15,000	\$ (6,917)	\$ 0	\$ (6,917)	\$ 0
Public safety	11,776	0	0	0	(11,776)	0	(11,776)	0
Total Governmental Activities	33,693	0	0	15,000	(18,693)	0	(18,693)	0
Business-Type Activities								
Water and sewer	112,593	67,410	0	7,650	0	(37,533)	(37,533)	0
Total Business-Type Activities	112,593	67,410	0	7,650	0	(37,533)	(37,533)	0
Total Primary Government	\$ 146,286	\$ 67,410	\$ 0	\$ 22,650	\$ (18,693)	\$ (37,533)	\$ (56,226)	\$ 0
Component Unit								
Development Corporation	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Component Unit	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
General Revenues								
Taxes								
Franchise					4,700	0	4,700	0
Sales					5,797	0	5,797	0
State revenue sharing					373	0	373	0
License and permits					10,280	0	10,280	0
Fines and forfeitures					5,498	0	5,498	0
Interest income					808	1,697	2,505	213
Miscellaneous					623	0	623	0
Total General Revenues					28,079	1,697	29,776	213
Change in Net Assets					9,386	(35,836)	(26,450)	213
Net Assets, Beginning of year as restated					139,896	1,226,833	1,366,729	21,454
Net Assets, End of year					\$ 149,282	\$ 1,190,997	\$ 1,340,279	\$ 21,667

The accompanying notes are an integral part of this statement.

VILLAGE OF HALL SUMMIT, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2003

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Assets</b>			
Cash	\$ 20,904	\$ 0	\$ 20,904
Investments	26,646	0	26,646
Accounts receivable	<u>4,191</u>	<u>0</u>	<u>4,191</u>
<b>Total Assets</b>	<u>\$ 51,741</u>	<u>\$ 0</u>	<u>\$ 51,741</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ 1,648	\$ 0	\$ 1,648
Internal balances	<u>2,935</u>	<u>0</u>	<u>2,935</u>
<b>Total Liabilities</b>	4,583	0	4,583
<b>Fund Balances</b>			
Unreserved	<u>47,158</u>	<u>0</u>	<u>47,158</u>
<b>Total Net Assets</b>	<u>47,158</u>	<u>0</u>	<u>47,158</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 51,741</u>	<u>\$ 0</u>	<u>\$ 51,741</u>

VILLAGE OF HALL SUMMIT, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
DECEMBER 31, 2003

EXHIBIT D

Total Fund Balances for Governmental Funds (Exhibit C) \$ 47,158

Total Net Assets reported for governmental activities in the statement of net assets is different because:

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

Land	\$ 21,334	
Buildings and other improvements, net of \$51,063 in accumulated depreciation.	63,423	
Automobiles, net of \$17,898 in accumulated depreciation.	5,905	
Equipment, furniture, and fixtures net of \$14,789 in accumulated depreciation.	<u>\$ 11,462</u>	
Total Capital Assets		102,124

Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the fund liabilities. 0

Total Net Assets of Governmental Activities (Exhibit A) \$ 149,282



## EXHIBIT E

VILLAGE OF HALL SUMMIT, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Revenues</b>			
<b>Taxes</b>			
Franchise	\$ 4,700	\$ 0	\$ 4,700
Sales	5,797	0	5,797
State revenue sharing	373	0	373
Intergovernmental	15,000	0	15,000
License and permits	10,280	0	10,280
Fines and forfeitures	5,498	0	5,498
Interest	808	0	808
Miscellaneous	623	0	623
<b>Total Revenues</b>	<u>43,079</u>	<u>0</u>	<u>43,079</u>
<b>Expenditures</b>			
<b>General government</b>			
Personal services	3,230	0	3,230
Operating services	8,148	0	8,148
Supplies	2,065	0	2,065
Professional services	1,000	0	1,000
<b>Public Safety</b>			
Personal services	2,099	0	2,099
Operating services	2,411	0	2,411
Supplies	2,902	0	2,902
Capital outlay	20,261	0	20,261
<b>Total Expenditures</b>	<u>42,116</u>	<u>0</u>	<u>42,116</u>
<b>Excess/(Deficiency) Of Revenues Over Expenditures</b>	963	0	963
<b>Fund Balances, Beginning of year</b>	<u>46,195</u>	<u>0</u>	<u>46,195</u>
<b>Fund Balances, End of year</b>	<u>\$ 47,158</u>	<u>\$ 0</u>	<u>\$ 47,158</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF HALL SUMMIT, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2003

Net Change in Fund Balances-Total Governmental Funds (Exhibit E)	\$	963
The change in Net Assets reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$20,261) exceeds depreciation (\$11,838) in the current period.		8,423
Some expense reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		<u>0</u>
Change in Net Assets of Governmental Activities (Exhibit B)	\$	<u>9,386</u>

VILLAGE OF HALL SUMMIT, LOUISIANA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
DECEMBER 31, 2003

	<u>Water and Sewer</u>	<u>Other Enterprise Funds</u>	<u>Total</u>
<b>Assets</b>			
<b>Current Assets</b>			
Cash	\$ 25,314	\$ 0	\$ 25,314
Investments	57,452	0	57,452
Accounts receivable	13,533	0	13,533
Inventory	8,755	0	8,755
Total Current Assets	<u>105,054</u>	<u>0</u>	<u>105,054</u>
<b>Noncurrent Assets</b>			
Capital assets, net	1,060,625	0	1,060,625
Unamortized grant costs	44,550	0	44,550
Total Assets	<u>\$ 1,210,229</u>	<u>\$ 0</u>	<u>\$ 1,210,229</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable and accruals	\$ 8,867	\$ 0	\$ 8,867
Internal balances	(2,935)	0	(2,935)
Total Current Liabilities	<u>5,932</u>	<u>0</u>	<u>5,932</u>
<b>Noncurrent Liabilities</b>			
Compensated absences payable	0	0	0
Customer deposits	13,300	0	13,300
Total Liabilities	19,232	0	19,232
<b>Net Assets</b>			
Investments in capital assets, net of related debt	1,060,625	0	1,060,625
Unrestricted	130,372	0	130,372
Total Net Assets	<u>1,190,997</u>	<u>0</u>	<u>1,190,997</u>
Total Liabilities and Net Assets	<u>\$ 1,210,229</u>	<u>\$ 0</u>	<u>\$ 1,210,229</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF HALL SUMMIT, LOUISIANA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003

	Water and Sewer	Other Enterprise Funds	Total
<b>OPERATING REVENUES</b>			
Charges for services	\$ 65,054	\$ 0	\$ 65,054
Connect fees	515	0	515
Late fees	1,364	0	1,364
Miscellaneous	477	0	477
Total Operating Revenues	<u>67,410</u>	<u>0</u>	<u>67,410</u>
<b>OPERATING EXPENSES</b>			
Amortization	4,950	0	4,950
Depreciation	37,582	0	37,582
Dues and subscriptions	355	0	355
Insurance	4,999	0	4,999
Licenses and permits	668	0	668
Maintenance and repairs	12,900	0	12,900
Miscellaneous	260	0	260
Office supplies and expense	2,362	0	2,362
Oil and gas	1,198	0	1,198
Operating supplies and tools	7,465	0	7,465
Payroll taxes	1,379	0	1,379
Professional services	1,760	0	1,760
Rental	666	0	666
Salaries	17,587	0	17,587
Telephone	1,549	0	1,549
Utilities	10,849	0	10,849
Total Operating Expenses	<u>106,529</u>	<u>0</u>	<u>106,529</u>
Operating Income/(Loss)	(39,119)	0	(39,119)
<b>Nonoperating Revenues/(Expenses)</b>			
Interest income	1,697	0	1,697
Grants	7,650	0	7,650
Loss on disposition	(6,064)	0	(6,064)
Total Nonoperating Revenues/(Expenses)	<u>3,283</u>	<u>0</u>	<u>3,283</u>
Change in Net Assets	(35,836)	0	(35,836)
Net Assets, Beginning of year	<u>1,226,833</u>	<u>0</u>	<u>1,226,833</u>
Net Assets, End of year	<u>\$ 1,190,997</u>	<u>\$ 0</u>	<u>\$ 1,190,997</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF HALL SUMMIT, LOUISIANA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEARS ENDED DECEMBER 31, 2003

	<u>Water and Sewer</u>	<u>Other Enterprise Funds</u>	<u>Total</u>
Cash Flows From Operating Activities			
Receipts from customers	\$ 68,175	\$ 0	\$ 68,175
Cash payments to suppliers for goods and services	(39,153)	0	(39,153)
Cash payments to employees and board members for services	(18,936)	0	(18,936)
Net Cash From Operating Activities	<u>10,086</u>	<u>0</u>	<u>10,086</u>
Cash Flows From Capital and Related Financing Activities			
Acquisition/construction of capital assets	(9,717)	0	(9,717)
Net Cash From Capital and Related Financing Activities	<u>(9,717)</u>	<u>0</u>	<u>(9,717)</u>
Cash Flows From Investing Activities			
Purchase of investments	(7,127)	0	(7,127)
Interest income	1,697	0	1,697
Cash Flows From Investing Activities	<u>(5,430)</u>	<u>0</u>	<u>(5,430)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(5,061)	0	(5,061)
Cash, Beginning of year	<u>30,375</u>	<u>0</u>	<u>30,375</u>
Cash, End of year	<u>\$ 25,314</u>	<u>\$ 0</u>	<u>\$ 25,314</u>
Reconciliation of Operating Loss to Net Cash From Operating Activities	\$ (39,119)	\$ 0	\$ (39,119)
Operating income/(loss)			
Adjustments to reconcile operating loss to net cash from operating activities	4,950	0	4,950
Amortization expense	37,582	0	37,582
Depreciation expense			
(Increase)/decrease in operating assets	765	0	765
Accounts receivable	223	0	223
Inventory	1,000	0	1,000
Prepaid	(785)	0	(785)
Internal balances			
Increase/(decrease) in operating liabilities	4,895	0	4,895
Accounts payable and accruals	575	0	575
Customer deposits	<u>10,086</u>	<u>0</u>	<u>10,086</u>
Net Cash Flows From Operating Activities			

The accompanying notes are an integral part of this statement.

VILLAGE OF HALL SUMMIT, LOUISIANA  
STATEMENT OF NET ASSETS  
COMPONENT UNITS  
DECEMBER 31, 2003

	<u>Development Corporation</u>	<u>Other Component Units</u>	<u>Total</u>
<b>Assets</b>			
<b>Current Assets</b>			
Cash	\$ 3,905	\$ 0	\$ 3,905
Investments	<u>7,096</u>	<u>0</u>	<u>7,096</u>
<b>Total Current Assets</b>	<b>11,001</b>	<b>0</b>	<b>11,001</b>
<b>Noncurrent Assets</b>			
Capital assets, net	<u>10,666</u>	<u>0</u>	<u>10,666</u>
<b>Total Assets</b>	<b><u>\$ 21,667</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 21,667</u></b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable and accruals	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Assets</b>			
Investments in capital assets, net of related debt	10,666	0	10,666
Unrestricted	<u>11,001</u>	<u>0</u>	<u>11,001</u>
<b>Total Net Assets</b>	<b><u>21,667</u></b>	<b><u>0</u></b>	<b><u>21,667</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 21,667</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 21,667</u></b>

The accompanying notes are an integral part of this statement.

VILLAGE OF HALL SUMMIT, LOUISIANA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
COMPONENT UNITS  
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Development Corporation</u>	<u>Other Component Units</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Miscellaneous	\$ 0	\$ 0	\$ 0
Total Operating Revenues	0	0	0
<b>OPERATING EXPENSES</b>			
Miscellaneous	0	0	0
Total Operating Expenses	0	0	0
Operating Income/(Loss)	0	0	0
<b>Nonoperating Revenues/(Expenses)</b>			
Interest income	213	0	213
Total Nonoperating Revenues/(Expenses)	213	0	213
Change in Net Assets	213	0	213
Net Assets, Beginning of year	21,454	0	21,454
Net Assets, End of year	<u>\$ 21,667</u>	<u>\$ 0</u>	<u>\$ 21,667</u>



VILLAGE OF HALL SUMMIT, LOUISIANA  
STATEMENT OF CASH FLOWS  
COMPONENT UNITS  
FOR THE YEARS ENDED DECEMBER 31, 2003

	<u>Development Corporation</u>	<u>Other Component Units</u>	<u>Total</u>
Cash Flows From Operating Activities			
Cash payments to suppliers for goods and services	\$ 0	\$ 0	\$ 0
Net Cash From Operating Activities	0	0	0
Cash Flows From Investing Activities			
Purchase of investments	(279)	0	(279)
Interest income	213	0	213
Cash Flows From Investing Activities	(66)	0	(66)
Net Increase/(Decrease) in Cash and Cash Equivalents	(66)	0	(66)
Cash and Cash Equivalents, Beginning of year	3,971	0	3,971
Cash and Cash Equivalents, End of year	<u>\$ 3,905</u>	<u>\$ 0</u>	<u>\$ 3,905</u>
Reconciliation Of Operating Income To Net Cash From Operating Activities			
Operating income	\$ 0	\$ 0	\$ 0
Net Cash Flows From Operating Activities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

VILLAGE OF HALL SUMMIT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003

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

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

**NOTE 1            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A.            Basis of Accounting**

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This Codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles. The accompanying financial statements of the Village of Hall Summit, Louisiana present information only as to the transactions of the programs of the Village of Hall Summit as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Village of Hall Summit are maintained in accordance with applicable statutory provisions:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

**B.            Budgetary Accounting**

Formal budgetary accounting is employed as a management control. The Village of Hall Summit prepares and adopts a budget each year for its general fund 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 and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

VILLAGE OF HALL SUMMIT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2003

**NOTE 1            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C.            Cash and Cash Equivalents**

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, the Village of Hall Summit, Louisiana 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.

**D.            Receivables**

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

**E.            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 uncollectibility of the particular receivable. At December 31, 2003, \$0 and \$0 of Governmental and Business-Type Activities receivables, respectively, were considered to be uncollectible.

**F.            Capital Assets**

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Village of Hall Summit are charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. 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, 10 to 50 years for the distribution system 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.

**G.            Compensated Absences**

The Village of Hall Summit, Louisiana does not have any full time employees; Therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

**H.            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 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.

**VILLAGE OF HALL SUMMIT, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2003**

**NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

**A. Deposits with Financial Institutions**

For reporting purposes, deposits with financial institutions including savings, demand deposits, time deposits, and certificates of deposit. Under state law the Village of Hall Summit may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further the Fund may invest in time certificates of deposit 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 in 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 deposits at December 31, 2003 were secured as follows:

	Cash	Certificates of Deposit	Total
Deposits in bank accounts per balance sheet	<u>\$ 49,423</u>	<u>\$ 91,194</u>	<u>\$ 140,617</u>
	Cash	Certificates of Deposit	Total
Bank Balances:			
1. Insured or collateralized with securities held by the entity or its agency in the entity's name	\$ 49,460	\$ 91,194	\$ 140,654
2. Collateralized with securities held by the pledging institution's trust department or agent in the entity's name	0	0	0
3. Uncollateralized, including any securities held for the entity but not in entity's name	<u>0</u>	<u>0</u>	<u>0</u>
Total Bank Balances	<u>\$ 49,460</u>	<u>\$ 91,194</u>	<u>\$ 140,654</u>

The following is a breakdown by banking institution and amount of the balances shown above:

Banking Institution	Amount
Sabine State Bank	\$ 22,446
American Bank & Trust Co	27,014
Bank of Coushatta	<u>91,194</u>
Total	<u>\$ 140,654</u>

**B. Investments**

At December 31, 2003, the Village of Hall Summit had investments of \$0.

**VILLAGE OF HALL SUMMIT, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2003**

**NOTE 3      ACCOUNTS RECEIVABLE**

The following is a summary of accounts receivable at December 31, 2003:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Taxes			
Franchise	\$       1,593	\$           0	\$       1,593
Sales	322	0	322
Fines and forfeitures	2,276	0	2,276
Charges for services	0	5,883	5,883
Capital grants	0	7,650	7,650
Other	0	0	0
	<u>          0</u>	<u>          0</u>	<u>          0</u>
Total	<u>\$       4,191</u>	<u>\$      13,533</u>	<u>\$      17,724</u>

**NOTE 4      CAPITAL ASSETS**

A summary of the Village of Hall Summit's capital assets at December 31, 2003 follows:

	<u>Balance December 31, 2002</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2003</u>
Primary Government				
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$       21,334	\$           0	\$           0	\$       21,334
Total Capital Assets, not being depreciated	21,334	0	0	21,334
Capital Assets, being depreciated				
Buildings and other improvements	94,225	20,261	0	114,486
Less accumulated depreciation	(45,689)	(5,374)	0	(51,063)
Total Buildings and building improvements	48,536	14,887	0	63,423
Automobiles	23,803	0	0	23,803
Less accumulated depreciation	(13,534)	(4,364)	0	(17,898)
Total Automobiles	10,269	(4,364)	0	5,905
Equipment, furniture and fixtures	31,217	0	(4,966)	26,251
Less accumulated depreciation	(17,655)	(2,100)	4,966	(14,789)
Total Equipment, furniture and fixtures	13,562	(2,100)	0	11,462
Total Capital Assets, being depreciated	<u>72,367</u>	<u>8,423</u>	<u>0</u>	<u>80,790</u>
Total Capital Assets, net	<u>\$       93,701</u>	<u>\$       8,423</u>	<u>\$           0</u>	<u>\$      102,124</u>

**VILLAGE OF HALL SUMMIT, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2003**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

	Balance December 31, 2002	Additions	Retirements	Balance December 31, 2003
<b>Business-Type Activities</b>				
Capital Assets, not being depreciated				
Land	\$ 30,776	\$ 0	\$ 0	\$ 30,776
Total Capital Assets, not being depreciated	30,776	0	0	30,776
<b>Capital Assets, being depreciated</b>				
Distribution system	1,609,521	7,258	(47,811)	1,568,968
Less accumulated depreciation	(552,287)	(34,981)	43,989	(543,279)
Total Distribution system	1,057,234	(27,723)	(3,822)	1,025,689
Equipment, furniture and fixtures	19,425	2,459	(7,037)	14,847
Less accumulated depreciation	(12,881)	(2,601)	4,795	(10,687)
Total Equipment, furniture and fixtures	6,544	(142)	(2,242)	4,160
Total Capital Assets, being depreciated	1,063,778	(27,865)	(6,064)	1,029,849
<b>Business-Type Activities</b>				
Total Capital Assets, net	<u>\$ 1,094,554</u>	<u>\$ (27,865)</u>	<u>\$ (6,064)</u>	<u>\$ 1,060,625</u>
<b>Primary Government</b>				
Total Capital Assets, net	<u>\$ 1,188,255</u>	<u>\$ (19,442)</u>	<u>\$ (6,064)</u>	<u>\$ 1,162,749</u>
<b>Component Units</b>				
Capital Assets, not being depreciated				
Land	\$ 10,666	\$ 0	\$ 0	\$ 10,666
Total Capital Assets, not being depreciated	<u>\$ 10,666</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,666</u>
<b>Component Units</b>				
Total Capital Assets, net	<u>\$ 10,666</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,666</u>

**NOTE 5 ACCOUNTS PAYABLE AND ACCRUALS**

The following is a summary of accounts payable at December 31, 2003:

	Governmental Activities	Business-Type Activities	Total
Vendor	\$ 1,648	\$ 7,597	\$ 9,245
Salaries and related benefits	0	1,270	1,270
Other	0	0	0
Total	<u>\$ 1,648</u>	<u>\$ 8,867</u>	<u>\$ 10,515</u>

**VILLAGE OF HALL SUMMIT, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2003**

**NOTE 6 INTERNAL BALANCES**

A summary of internal balances at December 31, 2003, is as follows:

	Due To	Due From
Governmental Activities	\$ 2,935	\$ 0
Business-Type Activities	0	2,935
Totals	\$ 2,935	\$ 2,935

**NOTE 7 LEASES**

The Village of Hall Summit was not obligated under any capital or operating lease commitments at December 31, 2003.

**NOTE 8 SALES AND USE TAX**

The Village of Hall Summit has a one percent sales tax. Sales tax revenues for the year ended December 31, 2003 were \$5,797. The proceeds are dedicated to any lawful purpose of the Village.

**NOTE 9 RISK MANAGEMENT**

The 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 those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village.

**NOTE 10 LITIGATION**

There was no outstanding litigation against the Village of Hall Summit at December 31, 2003.

**NOTE 11 CLAIMS AND JUDGMENTS**

The Village of Hall Summit participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Village may be required to reimburse the grantor government. The Village believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Village.

**NOTE 12 PRIOR YEAR RESTATEMENT OF NET ASSETS**

The following adjustments were made to restate beginning net assets of Government Activities for December 31, 2003:

Fund Balance, beginning of year as previously reported	\$ 46,195
Adjustments:	
Investments in Capital Assets, beginning of year	170,579
Accumulated Depreciation, beginning of year	(76,878)
Net Assets, beginning of year as restated	\$ 139,896



**REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE 1

**VILLAGE OF HALL SUMMIT, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**- BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Fav./Unfav.)</u>
<b>REVENUES</b>				
Taxes				
Franchise	\$ 4,100	\$ 4,072	\$ 4,700	\$ 628
Sales	7,000	6,254	5,797	(457)
State revenue sharing	300	350	373	23
Intergovernmental	36,000	15,000	15,000	0
License and permits	10,000	9,985	10,280	295
Fines and forfeitures	3,120	4,553	5,498	945
Interest	700	600	808	208
Miscellaneous	<u>1,500</u>	<u>0</u>	<u>623</u>	<u>623</u>
Total Revenues	62,720	40,814	43,079	2,265
<b>EXPENDITURES</b>				
General government				
Personal services	3,267	2,900	3,230	(330)
Operating services	6,720	7,062	8,148	(1,086)
Supplies	1,650	1,895	2,065	(170)
Professional services	1,980	1,780	1,000	780
Public Safety				
Personal services	1,900	1,285	2,099	(814)
Operating services	2,900	1,700	2,411	(711)
Supplies	750	2,000	2,902	(902)
Capital Outlay	<u>36,000</u>	<u>15,000</u>	<u>20,261</u>	<u>(5,261)</u>
Total Expenditures	55,167	33,622	42,116	(8,494)
Excess/(Deficiency) Of Revenues Over Expenditures	7,553	7,192	963	(6,229)
Fund Balance, Beginning of year	<u>46,195</u>	<u>46,195</u>	<u>46,195</u>	<u>0</u>
Fund Balance, End of year	<u>\$ 53,748</u>	<u>\$ 53,387</u>	<u>\$ 47,158</u>	<u>\$ (6,229)</u>

**OTHER SUPPLEMENTARY INFORMATION**

SCHEDULE 2

VILLAGE OF HALL SUMMIT, LOUISIANA  
SCHEDULE OF COMPENSATION PAID TO THE  
MAYOR AND MEMBERS OF THE BOARD OF ALDERMEN  
YEAR ENDED DECEMBER 31, 2003

	<u>Compensation</u>
Mayor Wimberly	\$ 1,200
Alderman Moore	600
Alderman Tidwell	600
Alderman Hagan	<u>600</u>
 Total	 <u>\$ 3,000</u>

Compensation Paid Board Members

The schedule of compensation paid to the Mayor and members of the Board of Aldermen of the Village of Hall Summit 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 Governmental Activities expenses.

VILLAGE OF HALL SUMMIT, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**SECTION #1**

**SUMMARY OF AUDITORS' RESULTS**

FINANCIAL STATEMENTS

1.	Type of auditors' report issued.	Unqualified
2.	Internal control over financial reporting:	
	a) Material weaknesses identified?	None
	b) Reportable conditions identified not considered to be material weaknesses?	None
	c) Noncompliance material to the financial statements noted?	None

**SECTION #2**

FINANCIAL STATEMENT FINDINGS

2003-01	Actual expenditures of the general fund were \$8,494 (25.26 percent) greater than budgeted amounts in 2003.
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## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Village of Hall Summit  
Hall Summit, Louisiana 71034

We have audited the basic financial statements of the Village of Hall Summit, Louisiana, as of and for the year ended December 31, 2003, and have issued our report thereon dated February 24, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Village of Hall Summit's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards. A description of the finding can be found in findings 2003-01 of the accompanying Corrective Action Plan For Current Year Audit Findings, Schedule 5.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Hall Summit's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatement in amounts that would be material in relation to the 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 noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended solely for the information and use of the Village of Hall Summit, Louisiana and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than the specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

### *Hines, Jackson & Hines*

Natchitoches, Louisiana  
February 24, 2004

SCHEDULE 4

VILLAGE OF HALL SUMMIT, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2003

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
2002-01	12/31/2002	Actual revenues of the general fund were \$24,564 (30.49 percent) less than budgeted amounts.	Partially	The management of the Village of Hall Summit will closely monitor its budget and make amendments to it as necessary to accurately reflect expected revenues and expenditures and to satisfy legal requirements.



SCHEDULE 5

VILLAGE OF HALL SUMMIT, LOUISIANA  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2003

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Correct Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
2003-01	Actual expenditures of the general fund were \$8,494 (25.26 percent) greater than budgeted amounts in 2003.	The management of the Village of Hall Summit will closely monitor its budget and make amendments to it as necessary to accurately reflect expected revenues and expenditures and to satisfy legal requirements.	Paul Snead, Village Clerk	4/30/2004

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Honorable W. L. Wimberly, Mayor  
and Members of the Board of Aldermen  
Village of Hall Summit  
Hall Summit, Louisiana 71034

We are writing this letter as a follow-up to our recent audit of the basic financial statements of the Village of Hall Summit, Louisiana as of December 31, 2003, and for the year then ended. We offer the following observations and recommendations, which are intended to help improve record keeping procedures and general operations of the Village and are intended to be constructive in nature:

#### Existing Conditions:

We noted that actual expenditures of the general fund were \$8,494 (25.26 percent) more than budgeted amounts in 2003.

LSA-R.S. 39:1310 requires the Village to amend its budget whenever actual revenues and expenditures are projected to be less than or exceed budgeted amounts by more than five percent.

#### Recommended Action:

We suggest the Village's adopted budget be closely monitored and amended whenever there has been a change in operations upon which the original adopted budget was developed. Care should be exercised to maintain actual revenues and expenditures within the five percent limit established by statute.

#### Management's Response:

The management of the Village of Hall Summit will closely monitor the its budget and make amendments to it as necessary to accurately reflect expected revenues and expenditures and to satisfy legal requirements.

These comments and recommendations are not all inclusive and are not intended to be critical of anyone. We would like to thank the Village's management and staff for their courtesy and cooperation during our engagement. If you have any questions or concerns, please let us know.

***Hines, Jackson & Hines***  
Natchitoches, Louisiana  
February 24, 2004