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**VILLAGE OF HALL SUMMIT, LOUISIANA**

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**FINANCIAL STATEMENTS**

**December 31, 1999**

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 08-16-00

VILLAGE OF HALL SUMMIT, LOUISIANA

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

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general purpose financial statements of the Village of Hall Summit, Louisiana, as of and for the year ended December 31, 1999, as listed in the table of contents. These 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 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 general purpose financial statements. An audit 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 respects, the financial position of the Village of Hall Summit, Louisiana, as of December 31, 1999, and the results of its operations and cash flows of its proprietary fund types 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 24, 2000, 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.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The Schedule of Mayor's and Aldermen's Compensation listed in the table of contents is presented for purposes 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 respects, in relation to the general purpose financial statements taken as a whole.

A handwritten signature in cursive script that reads "Smith Pugh Rabinowitz, L.L.P." The signature is written in dark ink and is positioned above the printed name of the firm.

Certified Public Accountants

May 24, 2000

**GENERAL PURPOSE FINANCIAL STATEMENTS**

**VILLAGE OF HALL SUMMIT, LOUISIANA**  
 Combined Balance Sheet - All Fund Types and Account Group  
 December 31, 1999

	Governmental Fund Types			Proprietary	Account	Totals	
	General	Capital Projects	Enterprise	Fund Type	Group	1999	(Memorandum Only) 1998
<u>Assets</u>							
Cash	\$ 16,169	\$ -	\$ 12,320	\$ -	\$ -	\$ 28,489	\$ 38,160
Certificates of deposit	-	-	18,360	-	-	18,360	-
Receivables (net where applicable, Accounts	-	-	5,889	-	-	5,889	5,792
Grants	-	-	11,003	-	-	11,003	15,000
Due from other funds	-	-	848	-	-	848	590
Restricted assets:							
Cash	-	-	11,640	-	-	11,640	12,010
Inventory	-	-	9,411	-	-	9,411	10,645
Property, plant and equipment (net of accumulated depreciation)	-	-	1,180,439	121,726	121,726	1,302,165	1,317,067
Unamortized grant costs	-	-	64,350	-	-	64,350	69,300
<b>Total assets</b>	<b>\$ 16,169</b>	<b>\$ -</b>	<b>\$ 1,314,260</b>	<b>\$ 121,726</b>	<b>\$ 121,726</b>	<b>\$ 1,452,155</b>	<b>\$ 1,468,564</b>
<u>Liabilities</u>							
Accounts payable	\$ 1,508	\$ -	\$ 8,911	\$ -	\$ -	\$ 10,419	\$ 8,204
Accrued payroll liabilities	230	-	295	-	-	525	614
Due to other funds	848	-	-	-	-	848	590
Payable from restricted assets:							
Deposits	-	-	11,640	-	-	11,640	12,010
<b>Total liabilities</b>	<b>2,586</b>	<b>-</b>	<b>20,846</b>	<b>-</b>	<b>-</b>	<b>23,432</b>	<b>21,418</b>
<u>Fund equity</u>							
Contributed capital	-	-	527,773	-	-	527,773	533,763
Investment in general fixed assets	-	-	-	121,726	121,726	121,726	116,339
Retained earnings:							
Unreserved	-	-	765,641	-	-	765,641	776,419
<b>Fund balances:</b>							
Unreserved	13,583	-	-	-	-	13,583	20,625
<b>Total retained earnings/fund balances</b>	<b>13,583</b>	<b>-</b>	<b>765,641</b>	<b>-</b>	<b>-</b>	<b>779,224</b>	<b>797,044</b>
<b>Total fund equity</b>	<b>13,583</b>	<b>-</b>	<b>1,293,414</b>	<b>121,726</b>	<b>121,726</b>	<b>1,428,723</b>	<b>1,447,146</b>
<b>Total liabilities and fund equity</b>	<b>\$ 16,169</b>	<b>\$ -</b>	<b>\$ 1,314,260</b>	<b>\$ 121,726</b>	<b>\$ 121,726</b>	<b>\$ 1,452,155</b>	<b>\$ 1,468,564</b>

**VILLAGE OF HALL SUMMIT, LOUISIANA**

Combined Statement of Revenues, Expenditures, and Changes  
in Fund Balances - All Governmental Fund Types  
Year Ended December 31, 1999

	Governmental Fund Types		Totals (Memorandum Only)	
	General	Capital Projects	1999	1998
<b>Revenues:</b>				
Franchise taxes	\$ 3,722	\$ -	\$ 3,722	\$ 4,370
Other taxes	5,580	-	5,580	6,462
Licenses and permits	5,080	-	5,080	4,614
Grant revenue	464	76,699	77,163	53,520
Intergovernmental	1,006	-	1,006	596
Interest	622	-	622	746
Fines and forfeits	6,347	-	6,347	7,593
Total revenues	<u>22,821</u>	<u>76,699</u>	<u>99,520</u>	<u>77,901</u>
<b>Expenditures:</b>				
General government	20,637	-	20,637	19,663
Public safety	3,839	-	3,839	3,039
Grant expenditures	-	76,699	76,699	53,520
Capital outlays	5,387	-	5,387	-
Total expenditures	<u>29,863</u>	<u>76,699</u>	<u>106,562</u>	<u>76,222</u>
Excess (deficiency) of revenues over expenditures	(7,042)	-	(7,042)	1,679
Fund balance at beginning of year	20,625	-	20,625	18,946
Fund balance at end of year	<u>\$ 13,583</u>	<u>\$ -</u>	<u>\$ 13,583</u>	<u>\$ 20,625</u>

VILLAGE OF HALL SUMMIT, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Budget (GAAP Basis) and Actual - All Governmental Fund Types  
Year Ended December 31, 1999

	General Fund			Capital Projects Fund			Variance Favorable (Unfavorable)
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:							
Franchise taxes	\$ 3,800	\$ 3,722	\$ (78)	\$ -	\$ -	\$ -	-
Other taxes	6,500	5,580	(920)	-	-	-	-
Licenses and permits	4,700	5,080	380	-	-	-	-
Grant revenue	-	464	464	75,000	76,699	1,699	1,699
Intergovernmental	600	1,006	406	-	-	-	-
Interest	750	622	(128)	-	-	-	-
Fines and forfeits	7,000	6,347	(653)	-	-	-	-
Total revenues	23,350	22,821	(529)	75,000	76,699	1,699	1,699
Expenditures:							
General government	20,855	20,637	218	-	-	-	-
Public safety	3,205	3,839	(634)	-	-	-	-
Grant expenditures	-	-	-	75,000	76,699	(1,699)	(1,699)
Capital outlays	5,000	5,387	(387)	-	-	-	-
Total expenditures	29,060	29,863	(803)	75,000	76,699	(1,699)	(1,699)
Excess (deficiency) of revenues over expenditures	(5,710)	(7,042)	(1,332)	-	-	-	-
Fund balance at beginning of year	20,625	20,625	-	-	-	-	-
Fund balance at end of year	\$ 14,915	\$ 13,583	\$ (1,332)	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

**VILLAGE OF HALL SUMMIT, LOUISIANA**

Combined Statement of Revenues, Expenses, and  
Changes in Retained Earnings - Proprietary Fund Type - Enterprise Fund  
Year Ended December 31, 1999  
with Comparative Totals for Year Ended December 31, 1998

	Enterprise Fund	
	1999	1998
<b>Operating Revenues:</b>		
Charges for services	\$ 56,508	\$ 59,612
Other	440	40
Total operating revenues	<u>56,948</u>	<u>59,652</u>
<b>Operating Expenses:</b>		
Personal services	10,881	11,004
Contractual services	1,830	2,074
Supplies and materials	10,979	8,459
Utilities	8,209	8,810
Insurance	3,416	3,278
Repairs and maintenance	8,681	14,915
Depreciation	35,698	33,439
Other	1,388	1,625
Total operating expenses	<u>81,082</u>	<u>83,604</u>
Operating loss	<u>(24,134)</u>	<u>(23,952)</u>
<b>Non-operating Revenues (Expenses):</b>		
Interest income	1,314	905
Amortization of grant costs	(4,950)	(4,950)
Total non-operating revenues (expenses)	<u>(3,636)</u>	<u>(4,045)</u>
Net loss	<u>(27,770)</u>	<u>(27,997)</u>
Amount charged to contribution accounts - depreciation	16,992	14,963
Retained earnings at beginning of year	776,419	789,453
Retained earnings at end of year	<u>\$ 765,641</u>	<u>\$ 776,419</u>

See accompanying notes to financial statements.



**VILLAGE OF HALL SUMMIT, LOUISIANA**

Combined Statement of Cash Flows - Proprietary Fund Type - Enterprise Fund  
Year Ended December 31, 1999  
with Comparative Totals for Year Ended December 31, 1998

	Enterprise Funds	
	1999	1998
Cash flows from operating activities:		
Operating loss	\$ (24,134)	\$ (23,952)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	35,698	33,439
Increase in accounts receivable	(97)	(1,221)
(Increase) decrease in grants receivable	3,997	(15,000)
(Increase) decrease in inventory	1,234	(4,918)
Increase in accounts payable	2,830	1,590
Increase (decrease) in accrued payroll liabilities	(97)	392
Increase (decrease) in customers' deposits	(370)	384
Total adjustments	43,195	14,666
Net cash provided by (used for) operating activities	19,061	(9,286)
Cash flows from capital and related financing activities:		
Contributed capital - proceeds from LCDBG	11,002	25,000
Net cash provided by capital and related financing activities	11,002	25,000
Cash flows from noncapital financing activities:		
Operating transfers in (out), net	(258)	(590)
Net cash used for noncapital financing activities	(258)	(590)
Cash flows from investing activities:		
Interest income received	1,314	906
Payments for investments	(30,000)	(10,000)
Proceeds from investments	10,000	-
Purchase of fixed assets	(15,409)	(17,604)
Net cash used for investing activities	(34,095)	(26,698)
Net decrease in cash	(4,290)	(11,574)
Cash at beginning of year	16,610	28,184
Cash at end of year	\$ 12,320	\$ 16,610

## VILLAGE OF HALL SUMMIT, LOUISIANA

Notes to Financial Statements  
December 31, 1999

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The Village of Hall Summit, Louisiana (Village), was incorporated September 11, 1961, under the provisions of the Lawrason Act. The Village operates under the Mayor-Board of Aldermen form of government.

### 1. Summary of Significant Accounting Policies:

The Village of Hall Summit, Louisiana, complies with Generally Accepted Accounting Principles (GAAP). The Village's reporting entity applies all relevant Government Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. GAAP as applicable to governments also conforms to the requirements of Louisiana R.S. 24:517 and to the guides set forth in the *Louisiana Municipal Audit and Accounting Guide* and to the industry guide, *Audits of State and Local Government Units*, published by the American Institute of Certified Public Accountants.

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 was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general 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, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means 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 general 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 to be used for the rehabilitation of housing.

#### PROPRIETARY FUND

The Proprietary Fund is used to account for the Village's ongoing organizations and activities which are similar to those often found in the private sector. The Proprietary Fund is accounted for on a capital maintenance measurement focus; that is the measurement focus is upon determination of net income.

Enterprise Fund - The Enterprise Fund is used to account for operations (a) that are financed 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 continuing basis are financed through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance public policy, management control, accountability, or other purposes.

## VILLAGE OF HALL SUMMIT, LOUISIANA

Notes to Financial Statements  
December 31, 1999

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### 1. Summary of Significant Accounting Policies (Continued):

#### B. Fund Accounting (Continued)

##### ACCOUNT GROUPS

Account groups are used to establish accounting control and accountability for the Village's general fixed assets. The following is the Village's account group:

General Fixed Assets Account Group – This account group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on general fixed assets.

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

All proprietary funds are accounted for on a flow 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) in net total 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 susceptible to accrual (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 other governmental revenues. Expenditures are recorded when the related fund liability is incurred.

Those revenues susceptible to accrual are franchise taxes, interest revenue and charges for services. Fines, permit and license 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 and disclosure of 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 those estimates.

## VILLAGE OF HALL SUMMIT, LOUISIANA

Notes to Financial Statements  
December 31, 1999

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### 1. Summary of Significant Accounting Policies (Continued):

- 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 proposed budget and submits same to the Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
  2. If applicable, 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 principle object of expenditure. The Board of Aldermen may revise or amend the budget at its discretion during legally convened sessions. Management may amend the budget only below the department level. There were no amendments made to the budget for 1998. The 1999 budget will be amended in July 2000, to decrease fines and forfeits and grant budgeted revenues in the General and Capital Projects Funds. The 1999 budget will also be amended to increase the public safety, capital outlays, and grant budgeted expenditures in those same funds.
  6. The Village utilizes formal budgetary integration as a management control device for all funds.
- E. Investments - All investments are interest-bearing deposits with original maturity dates in excess of three months and are stated at cost which approximates market value. The Village's investments comply with Louisiana Statutes (L.S.A. - R.S. 33:2955).
- F. Inventories - 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.
- G. Restricted Assets - The Enterprise Fund restricts operating cash for customer deposits.
- H. Bad Debts - Uncollectible amounts due for the customers' utility receivables, 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 1999 and 1998.

VILLAGE OF HALL SUMMIT, LOUISIANA

Notes to Financial Statements  
December 31, 1999

1. Summary of Significant Accounting Policies (Continued):

1. Property, Plant, and Equipment

GENERAL FIXED ASSETS ACCOUNT GROUP

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

WATER AND SEWER SYSTEM

Additions to the utility plant in service are recorded at cost or, if contributed property, at their estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation has been calculated on each class of depreciable property using the straight-line basis, with one-half year's depreciation calculated in the year of acquisition. The estimated service lives by asset type are as follows:

Water System.....	20-50 Years
Sewer System.....	20-50 Years
Other Equipment.....	5-10 Years

- J. Compensated Absences - The Village has only part-time employees and does not grant vacation or sick pay benefits.
- K. Comparative Data - Comparative totals for the prior year have been presented 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 inclusions would make the statements unduly complex and difficult to read.
- L. Total Columns on Combined Statements - Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position 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.
- M. Statements of Cash Flows - For the purposes of the statement of cash flows, the Village considers all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.
- N. Refundable Deposits - The Enterprise Fund of the Village requires customers to place a deposit before service is rendered. The monies are considered restricted and are held until the customer discontinues service.

**VILLAGE OF HALL SUMMIT, LOUISIANA**

Notes to Financial Statements  
December 31, 1999

**1. Summary of Significant Accounting Policies (Continued):**

- O. Reclassifications – Certain 1998 amounts were reclassified to conform to 1999 presentation. This did not affect the presentation of the 1998 financial statements taken as a whole.
- P. Fund Equity - 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. In 1999, the Village received a \$15,000 rural development grant for the purpose of reimbursing the Village for the purchase of generators for the Village in 1998.

**2. Cash and Cash Equivalents:**

For reporting purposes, cash equivalents include cash, demand deposits and certificates of deposit. Cash and cash equivalents are stated at cost, which approximates market. At December 31, 1999, the Village's cash deposits were \$58,037 and the bank balance was \$58,174. At December 31, 1999, all deposits were insured by federal depository insurance. In accordance with GASB No. 3, all of the Village's bank balances are classified as Category 1.

The carrying amount of the Village's deposits of each fund are comprised of the following:

	Cash	Investments	Total
General Fund	\$ 16,063	\$ -	\$ 16,169
Enterprise Fund	11,974	30,000	41,974
<b>Total</b>	<b>\$ 28,037</b>	<b>\$ 30,000</b>	<b>\$ 58,143</b>

**3. Grant Receivable:**

The Village received a \$11,002 sewer grant in January, 2000, from the State of Louisiana for reimbursement of a 2000 Toyota truck that was purchased for the water department in December, 1999.

**4. Changes in Fixed Assets:**

A summary of changes in general fixed assets is as follows:

	Balance December 31, 1998	Additions	Deletions	Balance December 31, 1999
Land - Park Commission	\$ 21,334	\$ -	\$ -	\$ 21,334
Improvements - Park Commission	-	4,375	-	4,375
Building	77,676	-	-	77,676
Equipment	17,329	1,012	-	18,341
<b>Total</b>	<b>\$ 116,339</b>	<b>\$ 5,387</b>	<b>\$ -</b>	<b>\$ 121,726</b>

**VILLAGE OF HALL SUMMIT, LOUISIANA**

Notes to Financial Statements  
December 31, 1999

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**4. Changes in Fixed Assets (continued):**

A summary of enterprise fund-type property, plant, and equipment at December 31, 1999, is as follows:

Land	\$ 30,776
Water System	682,847
Sewer System	914,230
	<u>1,627,853</u>
Less: accumulated depreciation	<u>(447,414)</u>
Property, plant and equipment-net	<u>\$ 1,180,439</u>

**5. Interfund Receivables, Payables:**

A summary of interfund receivables and payables is as follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ -	\$ 848
Enterprise	848	-
Totals	<u>\$ 848</u>	<u>\$ 848</u>

**6. Sales and Use Tax:**

A one percent sales and use tax is in effect in the Village. The proceeds are dedicated to any lawful purposes of the Village.

**7. Commitments and Contingencies:**

The Village 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 carries commercial insurance for all risks of loss, including workers' compensation. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

The Village participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

The Village is not a defendant in any known lawsuits arising principally in the normal course of operations as of December 31, 1999, and accordingly, no provision of losses has been recorded.

VILLAGE OF HALL SUMMIT, LOUISIANA

Notes to Financial Statements  
December 31, 1999

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**8. Compliance Stewardship, and Accountability:**

Excess of Expenditures over Revenues – For those funds for which a budget to actual comparison was made, 1999 actual expenditures exceeded budgeted expenditures on a departmental basis as follows:

General Fund	Expenditure		Unfavorable Variance
	Budget	Actual	
Public safety	\$ 3,205	\$ 3,839	\$ 634
Capital outlay	\$ 5,000	\$ 5,387	\$ 387



**SUPPLEMENTARY INFORMATION**

VILLAGE OF HALL SUMMIT, LOUISIANA

Schedule of Mayor's and Aldermen's  
Compensation and Reimbursed Expenses  
For the Year Ended December 31, 1999

During 1999, the following amounts were paid to the Mayor and Aldermen:

	<u>Compensation</u>	<u>Reimbursed Expenses</u>	<u>Total</u>
Mayor Wimberly	\$ 1,200	\$ -	\$ 1,200
Alderman Moore	600	-	600
Alderman Ayres	200	-	200
Alderman Tidwell	600	-	600
Alderman Hagan	400	-	400
Totals	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 3,000</u>

**ADDITIONAL REPORT REQUIRED BY  
*GOVERNMENT AUDITING STANDARDS***



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

610 MARSHALL STREET SUITE 800 • SHREVEPORT, LOUISIANA • 71101-5332 • TELEPHONE 318 222 5701 • FAX 318 424 4736  
401 HAMILTON ROAD SUITE 112 • BOSSIER CITY, LOUISIANA 71111 • TELEPHONE 318 742 4935 • FAX 318 742 4989

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable W. L. Wimberly, 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, 1999, and have issued our report thereon dated May 24, 2000. We conducted our audit in accordance with generally accepted auditing standards 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, Louisiana's general purpose 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 (1) instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 99-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Hall Summit, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose 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 misstatements in amounts that 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 noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management and the Board of Aldermen, and is not intended to be and should not be used by anyone other than these specified parties.

*Smith Pugh Rabinowitz LLP*

Certified Public Accountants

May 24, 2000

## AUDIT FINDINGS

**VILLAGE OF HALL SUMMIT**

**SCHEDULE OF AUDIT FINDINGS**

December 31, 1999

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**FINDING RELATED TO COMPLIANCE**

**Finding 99-1:**

*Criteria:* Article VII, Section 14 of the Louisiana State Constitution prohibits funds of any political subdivision to be loaned, pledge, or donated to or for any person, association, or corporation, public or private.

*Condition:* During our review of the Village minutes and during our testing of various disbursements and subsequent event transactions, we found that the Village of Hall Summit, Louisiana contributed \$50 (fifty dollars) in December 1999 and another \$50 (fifty dollars) in February 2000 to the Alzheimer's Association for a memorial.

*Recommendation:* The Village should strictly abide by the Expenditure Restriction Laws.

# VILLAGE OF HALL SUMMIT

W. L. Wimberly, Mayor  
Paul Snead, Clerk

Johnny Hagan, Alderman  
Wynell Tidwell, Alderman  
Barbara A. Moore, Alderman  
Billy J. Gay, Chief of Police  
Mary Jo Chreene, Utility Clerk  
Telephone: (318) 932-5355

P.O. Box 98  
**HALL SUMMIT, LA 71034**  
*Incorporated: Sept. 11, 1961*

Hall Summit Development Corp.  
Hall Summit Utilities Collection  
Hall Summit Water Department  
Hall Summit Sewer Department  
Bruce Chreene, Water Supt.  
Ron Pullig, Sewer Supt.

## CORRECTIVE ACTION PLAN

May 24, 2000

Mr. Daniel G. Kyle, CPA  
Legislative Auditor, State of Louisiana  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Kyle:

The Village of Hall Summit, Louisiana, respectfully submits the following corrective action plan for the year ended December 31, 1999, for the Schedule of Findings. The finding is numbered consistently with the number assigned in the schedule.

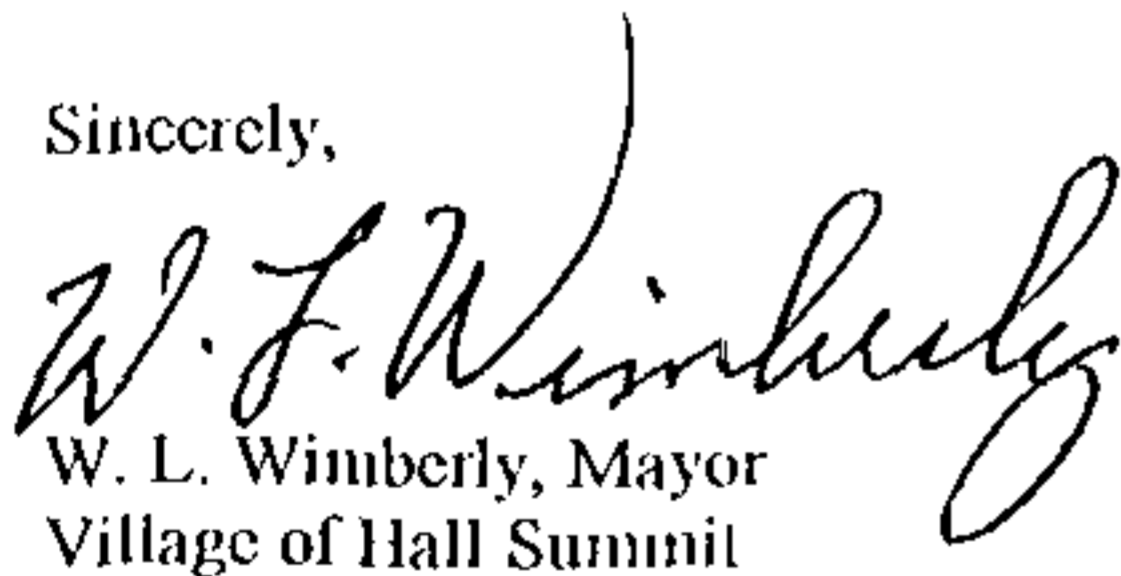
### FINDING RELATED TO COMPLIANCE

#### Finding 99-1:

*Recommendation:* The Village should strictly abide by the Expenditures Restriction Laws concerning the issue of donating funds.

*Action Taken:* These two incidents were innocent oversights by the Village not being fully aware of the specific laws of the Expenditures Restriction Laws. The Village will strictly comply with these laws in the future.

Sincerely,

  
W. L. Wimberly, Mayor  
Village of Hall Summit

**VILLAGE OF HALL SUMMIT**  
**SCHEDULE OF PRIOR AUDIT FINDINGS**  
December 31, 1999

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**FINDING RELATED TO COMPLIANCE**

**Finding 98-1:**

*Condition:* The Village did not comply with Louisiana R.S. 39:1304 and R.S. 39:1305 concerning procedures in preparing, completing, and submitting budgets.

*Recommendation:* The Village should abide by this statute for future budget preparations.

*Current Status:* Budget preparation procedures were changed for the 2000 budget which contained a budget message and was approved at the December 6, 1999, council meeting. No similar audit findings were noted in the audit for the year ended December 31, 1999.