

**VILLAGE OF HALL SUMMIT, LOUISIANA
FINANCIAL STATEMENTS
DECEMBER 31, 2004**

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 3/9/05

VILLAGE OF HALL SUMMIT, LOUISIANA
DECEMBER 31, 2004
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VILLAGE OF HALL SUMMIT, LOUISIANA
FINANCIAL STATEMENTS
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Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

AFFIDAVIT

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, 2004 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 18th day of February, 2005.

 ID# 033769
NOTARY PUBLIC

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INDEPENDENT AUDITORS' REPORT

Village of Hall Summit
P.O. Box 98
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, 2004, 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, 2004, 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 18, 2005, 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 3 through 8 and 28, 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.

The financial information for the year ended December 31, 2003, which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion dated February 24, 2004, on the basic financial statements of the Village of Hall Summit.

Hines, Jackson & Hines
Natchitoches, Louisiana
February 18, 2005

VILLAGE OF HALL SUMMIT, LOUISIANA
MANAGEMENT'S DISCUSSION, AND ANALYSIS
DECEMBER 31, 2004

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, 2004. 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 Village of Hall Summit's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

Governmental Activities

- 1) The Village of Hall Summit had cash and investments of \$51,589 at December 31, 2004 which represents an increase of \$4,039 from prior year end.
- 2) The Village of Hall Summit had accounts receivable of \$3,363 at December 31, 2004 which represents a decrease of \$828 from prior year end.
- 3) The Village of Hall Summit had accounts payable and accruals of \$5,414 at December 31, 2004 which represents an increase of \$3,766 from prior year end.
- 4) The Village of Hall Summit had total revenues of \$67,792 for the year ended December 31, 2004 which represents an increase of \$24,713 from prior year.
- 5) The Village of Hall Summit had total expenses of \$33,360 for the year ended December 31, 2004 which represents a decrease of \$333 from prior year.
- 6) The Village of Hall Summit had capital asset purchases of \$50,355 for the year ended December 31, 2004 which represents an increase of \$30,094 from prior year.

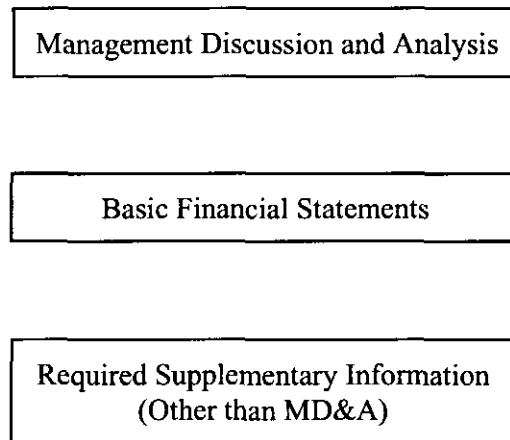
Business-Type Activities

- 1) The Village of Hall Summit had cash and investments of \$92,570 for the year ended December 31, 2004 which represents an increase of \$9,804 from prior year.
- 2) The Village of Hall Summit had accounts receivable of \$5,982 for the year ended December 31, 2004 which represents a decrease of \$7,551 from prior year.
- 3) The Village of Hall Summit had accounts payable and accruals of \$3,735 for the year ended December 31, 2004 which represents a decrease of \$5,132 from prior year.
- 4) The Village of Hall Summit had total revenues of \$77,653 for the year ended December 31, 2004 which represents an increase of \$896 from prior year.
- 5) The Village of Hall Summit had total expenses of \$96,577 for the year ended December 31, 2004 which represents a decrease of \$16,016 from prior year.
- 6) The Village of Hall Summit had capital asset purchases of \$14,667 for the year ended December 31, 2004 which represents an increase of \$4,950 from prior year.

VILLAGE OF HALL SUMMIT, LOUISIANA
MANAGEMENT'S DISCUSSION, AND ANALYSIS (CONTINUED)
DECEMBER 31, 2004

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 9 and 10) provide information about the activities of the Village of Hall Summit as a whole and present a longer-term view of the Village's finances. Fund financial statements start on page 11. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report 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, 2004

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, 2004

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
As of Year End

	Primary Government					
	Governmental Activities		Business-Type Activities		Component Units	
	2004	2003	2004	2003	2004	2003
Current and other assets	\$ 54,952	\$ 51,741	\$ 146,609	\$ 149,604	\$ 11,187	\$ 11,001
Capital assets, net	<u>140,641</u>	<u>102,124</u>	<u>1,036,859</u>	<u>1,060,625</u>	<u>10,666</u>	<u>10,666</u>
Total Assets	<u>\$ 195,593</u>	<u>\$ 153,865</u>	<u>\$ 1,183,468</u>	<u>\$ 1,210,229</u>	<u>\$ 21,853</u>	<u>\$ 21,667</u>
Other liabilities	\$ 11,879	\$ 4,583	\$ 11,395	\$ 19,232	\$ 0	\$ 0
Compensated absences payable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	11,879	4,583	11,395	19,232	0	0
Net assets						
Investment in capital assets, net of related debt	140,641	102,124	1,036,859	1,060,625	10,666	10,666
Unrestricted	<u>43,073</u>	<u>47,158</u>	<u>135,214</u>	<u>130,372</u>	<u>11,187</u>	<u>11,001</u>
Total Net Assets	<u>183,714</u>	<u>149,282</u>	<u>1,172,073</u>	<u>1,190,997</u>	<u>21,853</u>	<u>21,667</u>
Total Liabilities and Net Assets	<u>\$ 195,593</u>	<u>\$ 153,865</u>	<u>\$ 1,183,468</u>	<u>\$ 1,210,229</u>	<u>\$ 21,853</u>	<u>\$ 21,667</u>

Net assets of the Village of Hall Summit increased by \$34,432 or 23.07%, decreased by \$18,924 or 1.59%, and increased by \$186 or 1.69% 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 2004 (See table below).

Statement of Activities
For the Year Ended

	Primary Government					
	Governmental Activities		Business-Type Activities		Component Units	
	2004	2003	2004	2003	2004	2003
General government Expenses	\$ (33,360)	\$ (33,693)	\$ (96,577)	\$ (112,593)	\$ 0	\$ 0
Program revenues						
Charges for services	16,258	15,778	67,382	67,410	0	0
Capital grants and contributions	<u>40,837</u>	<u>15,000</u>	<u>7,350</u>	<u>7,650</u>	<u>0</u>	<u>0</u>
Subtotal	23,735	(2,915)	(21,845)	(37,533)	0	0
General revenues	<u>10,697</u>	<u>12,301</u>	<u>2,921</u>	<u>1,697</u>	<u>186</u>	<u>213</u>
Change in net assets	<u>\$ 34,432</u>	<u>\$ 9,386</u>	<u>\$ (18,924)</u>	<u>\$ (35,836)</u>	<u>\$ 186</u>	<u>\$ 213</u>

The Village of Hall Summit's total revenues increased by \$24,713 or 57.37%, increased by \$896 or 1.17%, and decreased by \$27 or 12.68% from the previous fiscal year in Governmental Activities, Business-Type Activities, and Component Units respectively. The total cost of all programs and services decreased by \$333 or 0.99%, decreased \$16,016 or 14.22%, and no change 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, 2004

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2004, the Village of Hall Summit's had \$140,641, \$1,036,859, 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 \$38,517 or 37.72%, decrease of \$23,766 or 2.24% and no change 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	
	2004	2003	2004	2003	2004	2003
Land	\$ 21,334	\$ 21,334	\$ 30,776	\$ 30,776	\$ 10,666	\$ 10,666
Construction in progress	50,355	0	0	0	0	0
Buildings and other improvements	58,050	63,423	0	0	0	0
Automobiles	1,540	5,905	0	0	0	0
Equipment, furniture and fixtures	9,362	11,462	2,538	4,160	0	0
Distribution system	0	0	1,003,545	1,025,689	0	0
Total	<u>\$ 140,641</u>	<u>\$ 102,124</u>	<u>\$ 1,036,859</u>	<u>\$ 1,060,625</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, 2004:

	Primary Government		
	Governmental Activities	Business-Type Activities	Component Units
This year's major additions included:			
Construction in progress	\$ 50,355	\$ 0	\$ 0
Equipment, furniture and fixtures	0	0	0
Distribution system	0	14,667	0
Total	<u>\$ 50,355</u>	<u>\$ 14,667</u>	<u>\$ 0</u>
This year's major retirements included:			
Equipment, furniture and fixtures	\$ 8,222	\$ 0	\$ 0
Distribution system	0	0	0
Total	<u>\$ 8,222</u>	<u>\$ 0</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	
	2004	2003	2004	2003	2004	2003
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, 2004

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$5,212 more than budgeted amounts due to intergovernmental revenues and fines and forfeitures being more than expected.

Actual expenditures were \$16,850 more than budgeted amounts due to capital outlay 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) State revenue sharing
- 3) Intergovernmental revenues (federal and state grants)
- 4) License and permits
- 5) Fines and forfeitures

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, 2004

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
ASSETS				
Current Assets				
Cash	\$ 24,341	\$ 33,810	\$ 58,151	\$ 3,925
Investments	27,248	58,760	86,008	7,262
Accounts receivable	3,363	5,982	9,345	0
Inventory	<u>0</u>	<u>8,457</u>	<u>8,457</u>	<u>0</u>
Total Current Assets	54,952	107,009	161,961	11,187
Noncurrent Assets				
Capital assets, net	140,641	1,036,859	1,177,500	10,666
Unamortized grant costs	<u>0</u>	<u>39,600</u>	<u>39,600</u>	<u>0</u>
Total Assets	<u>\$ 195,593</u>	<u>\$ 1,183,468</u>	<u>\$ 1,379,061</u>	<u>\$ 21,853</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Current Liabilities				
Accounts payable and accruals	\$ 5,414	\$ 3,735	\$ 9,149	\$ 0
Internal balances	<u>6,465</u>	<u>(6,465)</u>	<u>0</u>	<u>0</u>
Total Current Liabilities	11,879	(2,730)	9,149	0
Noncurrent Liabilities				
Compensated absences payable	0	0	0	0
Customer deposits	<u>0</u>	<u>14,125</u>	<u>14,125</u>	<u>0</u>
Total Liabilities	11,879	11,395	23,274	0
NET ASSETS				
Investment in capital assets, net of related debt	140,641	1,036,859	1,177,500	10,666
Unrestricted	<u>43,073</u>	<u>135,214</u>	<u>178,287</u>	<u>11,187</u>
Total Net Assets	<u>183,714</u>	<u>1,172,073</u>	<u>1,355,787</u>	<u>21,853</u>
Total Liabilities and Net Assets	<u>\$ 195,593</u>	<u>\$ 1,183,468</u>	<u>\$ 1,379,061</u>	<u>\$ 21,853</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF HALL SUMMIT, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

	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	\$ 20,956	\$ 9,433	\$ 0	\$ 40,837	\$ 29,314	\$ 0	\$ 29,314	\$ 0
Public safety	12,404	6,825	0	0	(5,579)	0	(5,579)	0
Total Governmental Activities	33,360	16,258	0	40,837	23,735	0	23,735	0
Business-Type Activities								
Water and sewer	96,577	67,382	0	7,350	0	(21,845)	(21,845)	0
Total Business-Type Activities	96,577	67,382	0	7,350	0	(21,845)	(21,845)	0
Total Primary Government	\$ 129,937	\$ 83,640	\$ 0	\$ 48,187	23,735	(21,845)	1,890	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					4,481	0	4,481	0
Sales					5,042	0	5,042	0
State revenue sharing					316	0	316	0
Interest income					765	1,460	2,225	186
Miscellaneous					93	1,461	1,554	0
Total General Revenues					10,697	2,921	13,618	186
Change in Net Assets					34,432	(18,924)	15,508	186
Net Assets, Beginning of year					149,282	1,190,997	1,340,279	21,667
Net Assets, End of year					\$ 183,714	\$ 1,172,073	\$ 1,355,787	\$ 21,853

The accompanying notes are an integral part of this statement.

VILLAGE OF HALL SUMMIT, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Assets		
Cash	\$ 24,341	\$ 20,904
Investments	27,248	26,646
Accounts receivable	<u>3,363</u>	<u>4,191</u>
Total Assets	<u>\$ 54,952</u>	<u>\$ 51,741</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable and accruals	\$ 5,414	\$ 1,648
Internal balances	<u>6,465</u>	<u>2,935</u>
Total Liabilities	11,879	4,583
Fund Balances		
Unreserved	<u>43,073</u>	<u>47,158</u>
Total Net Assets	<u>43,073</u>	<u>47,158</u>
Total Liabilities and Fund Balances	<u>\$ 54,952</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, 2004

EXHIBIT D

Total Fund Balances for Governmental Funds (Exhibit C) \$ 43,073

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	
Construction in progress	50,355	
Buildings and other improvements, net of \$56,436 in accumulated depreciation.	58,050	
Automobiles, net of \$22,263 in accumulated depreciation.	1,540	
Equipment, furniture, and fixtures net of \$8,667 in accumulated depreciation.	<u>9,362</u>	
Total Capital Assets		140,641

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) \$ 183,714

EXHIBIT E

VILLAGE OF HALL SUMMIT, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	2004	2003
Revenues		
Taxes		
Franchise	\$ 4,481	\$ 4,700
Sales	5,042	5,797
State revenue sharing	316	373
Intergovernmental revenues	40,837	15,000
License and permits	9,433	10,280
Fines and forfeitures	6,825	5,498
Interest	765	808
Miscellaneous	93	623
Total Revenues	67,792	43,079
Expenditures		
General government		
Personal services	3,230	3,230
Operating services	6,647	8,148
Supplies	1,669	2,065
Professional services	1,937	1,000
Public safety		
Personal services	3,875	2,099
Operating services	2,085	2,411
Supplies	2,079	2,902
Capital outlay	50,355	20,261
Total Expenditures	71,877	42,116
Excess/(Deficiency) Of Revenues Over Expenditures	(4,085)	963
Fund Balances, Beginning of year	47,158	46,195
Fund Balances, End of year	\$ 43,073	\$ 47,158

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, 2004

Net Change in Fund Balances-Total Governmental Funds (Exhibit E)	\$	(4,085)
--	----	---------

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 (\$50,355) exceeds depreciation (\$11,838) in the current period.		38,517
--	--	--------

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>
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Change in Net Assets of Governmental Activities (Exhibit B)	\$	<u>34,432</u>
---	----	---------------

VILLAGE OF HALL SUMMIT, LOUISIANA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2004 AND 2003

	2004	2003
Assets		
Current Assets		
Cash	\$ 33,810	\$ 25,314
Investments	58,760	57,452
Accounts receivable	5,982	13,533
Inventory	8,457	8,755
Total Current Assets	107,009	105,054
Noncurrent Assets		
Capital assets, net	1,036,859	1,060,625
Unamortized grant costs	39,600	44,550
Total Assets	\$ 1,183,468	\$ 1,210,229
Liabilities and Fund Balances		
Liabilities		
Accounts payable and accruals	\$ 3,735	\$ 8,867
Internal balances	(6,465)	(2,935)
Total Current Liabilities	(2,730)	5,932
Noncurrent Liabilities		
Compensated absences payable	0	0
Customer deposits	14,125	13,300
Total Liabilities	11,395	19,232
Net Assets		
Investments in capital assets, net of related debt	1,036,859	1,060,625
Unrestricted	135,214	130,372
Total Net Assets	1,172,073	1,190,997
Total Liabilities and Net Assets	\$ 1,183,468	\$ 1,210,229

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 YEARS ENDED DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
OPERATING REVENUES		
Charges for services	\$ 65,518	\$ 65,054
Connect fees	510	515
Late fees	1,354	1,364
Miscellaneous	<u>1,461</u>	<u>477</u>
Total Operating Revenues	68,843	67,410
OPERATING EXPENSES		
Amortization	4,950	4,950
Depreciation	38,433	37,582
Dues and subscriptions	525	355
Insurance	4,381	4,999
Licenses and permits	2,183	668
Maintenance and repairs	1,755	12,900
Miscellaneous	443	260
Office supplies and expense	2,447	2,362
Oil and gas	937	1,198
Operating supplies and tools	5,677	7,465
Payroll taxes	1,377	1,379
Professional services	1,838	1,760
Rental	1,432	666
Salaries	17,726	17,587
Telephone	1,681	1,549
Utilities	<u>10,792</u>	<u>10,849</u>
Total Operating Expenses	<u>96,577</u>	<u>106,529</u>
Operating Income/(Loss)	(27,734)	(39,119)
Nonoperating Revenues/(Expenses)		
Interest income	1,460	1,697
Grants	7,350	7,650
Loss on disposition	<u>0</u>	<u>(6,064)</u>
Total Nonoperating Revenues/(Expenses)	<u>8,810</u>	<u>3,283</u>
Change in Net Assets	(18,924)	(35,836)
Net Assets, Beginning of year	<u>1,190,997</u>	<u>1,226,833</u>
Net Assets, End of year	<u>\$ 1,172,073</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, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Cash Flows From Operating Activities		
Receipts from customers	\$ 68,744	\$ 68,175
Cash payments to suppliers for goods and services	(41,829)	(39,153)
Cash payments to employees and board members for services	(18,904)	(18,936)
Net Cash From Operating Activities	<u>8,011</u>	<u>10,086</u>
Cash Flows From Capital and Related Financing Activities		
Capital grant proceeds	15,000	0
Acquisition/construction of capital assets	(14,667)	(9,717)
Net Cash From Capital and Related Financing Activities	<u>333</u>	<u>(9,717)</u>
Cash Flows From Investing Activities		
Purchase of investments	(1,308)	(7,127)
Interest income	1,460	1,697
Cash Flows From Investing Activities	<u>152</u>	<u>(5,430)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	8,496	(5,061)
Cash, Beginning of year	<u>25,314</u>	<u>30,375</u>
Cash, End of year	<u>\$ 33,810</u>	<u>\$ 25,314</u>
Reconciliation of Operating Loss to Net Cash From Operating Activities		
Operating income/(loss)	\$ (27,734)	\$ (39,119)
Adjustments to reconcile operating loss to net cash from operating activities		
Amortization expense	4,950	4,950
Depreciation expense	38,433	37,582
(Increase)/decrease in operating assets		
Accounts receivable	(99)	765
Inventory	298	223
Prepaid	0	1,000
Internal balances	(3,530)	(785)
Increase/(decrease) in operating liabilities		
Accounts payable and accruals	(5,132)	4,895
Customer deposits	825	575
Net Cash Flows From Operating Activities	<u>\$ 8,011</u>	<u>\$ 10,086</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF HALL SUMMIT, LOUISIANA
STATEMENT OF NET ASSETS
COMPONENT UNITS
DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Assets		
Current Assets		
Cash	\$ 3,925	\$ 3,905
Investments	<u>7,262</u>	<u>7,096</u>
Total Current Assets	11,187	11,001
Noncurrent Assets		
Capital assets, net	<u>10,666</u>	<u>10,666</u>
Total Assets	<u>\$ 21,853</u>	<u>\$ 21,667</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable and accruals	<u>\$ 0</u>	<u>\$ 0</u>
Total Liabilities	0	0
Net Assets		
Investments in capital assets, net of related debt	10,666	10,666
Unrestricted	<u>11,187</u>	<u>11,001</u>
Total Net Assets	<u>21,853</u>	<u>21,667</u>
Total Liabilities and Net Assets	<u>\$ 21,853</u>	<u>\$ 21,667</u>

The accompanying notes are an integral part of this statement.

EXHIBIT K

VILLAGE OF HALL SUMMIT, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
COMPONENT UNITS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
OPERATING REVENUES		
Miscellaneous	\$ <u>0</u>	\$ <u>0</u>
Total Operating Revenues	0	0
OPERATING EXPENSES		
Miscellaneous	<u>0</u>	<u>0</u>
Total Operating Expenses	<u>0</u>	<u>0</u>
Operating Income/(Loss)	0	0
Nonoperating Revenues/(Expenses)		
Interest income	<u>186</u>	<u>213</u>
Total Nonoperating Revenues/(Expenses)	<u>186</u>	<u>213</u>
Change in Net Assets	186	213
Net Assets, Beginning of year	<u>21,667</u>	<u>21,454</u>
Net Assets, End of year	<u>\$ 21,853</u>	<u>\$ 21,667</u>

The accompanying notes are an integral part of this statement.

EXHIBIT L

VILLAGE OF HALL SUMMIT, LOUISIANA
STATEMENT OF CASH FLOWS
COMPONENT UNITS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Cash Flows From Operating Activities		
Cash payments to suppliers for goods and services	\$ <u>0</u>	\$ <u>0</u>
Net Cash From Operating Activities	0	0
Cash Flows From Investing Activities		
Purchase of investments	(166)	(279)
Interest income	<u>186</u>	<u>213</u>
Cash Flows From Investing Activities	<u>20</u>	<u>(66)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	20	(66)
Cash and Cash Equivalents, Beginning of year	<u>3,905</u>	<u>3,971</u>
Cash and Cash Equivalents, End of year	<u>\$ 3,925</u>	<u>\$ 3,905</u>
Reconciliation Of Operating Income To Net Cash From Operating Activities		
Operating income	\$ <u>0</u>	\$ <u>0</u>
Net Cash Flows From Operating Activities	<u>\$ 0</u>	<u>\$ 0</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

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, 2004

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, 2004, \$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, 2004

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, 2004 were secured as follows:

	Cash	Certificates of Deposit	Total
Deposits in bank accounts per balance sheet	\$ 62,076	\$ 93,270	\$ 155,346
	Cash	Certificates of Deposit	Total
Bank Balances (Category 3 Only, If Any)			
a. Uninsured and uncollateralized	\$ 0	\$ 0	\$ 0
b. Uninsured and uncollateralized with securities held by the pledging institution	0	0	0
c. Uninsured and uncollateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	0	0	0
Total Category 3 Bank Balances	\$ 0	\$ 0	\$ 0
Total Bank Balances (All Categories Including Category 3 Reported Above)	\$ 104,038	\$ 93,270	\$ 197,308

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

Banking Institution	Amount
American Bank & Trust Co	\$ 79,067
Bank of Coushatta	93,270
Sabine State Bank	24,971
Total	\$ 197,308

B. Investments

At December 31, 2004, the Village of Hall Summit had investments of \$0.

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2004

NOTE 3 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2004:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Taxes			
Franchise	\$ 1,407	\$ 0	\$ 1,407
Sales	231	0	231
Fines and forfeitures	1,725	0	1,725
Charges for services	0	5,982	5,982
Other	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 3,363</u>	<u>\$ 5,982</u>	<u>\$ 9,345</u>

NOTE 4 CAPITAL ASSETS

A summary of the Village of Hall Summit's capital assets at December 31, 2004 follows:

	<u>Balance December 31, 2003</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2004</u>
Primary Government				
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$ 21,334	\$ 0	\$ 0	\$ 21,334
Construction in progress	<u>0</u>	<u>50,355</u>	<u>0</u>	<u>50,355</u>
Total Capital Assets, not being depreciated	21,334	50,355	0	71,689
Capital Assets, being depreciated				
Buildings and other improvements	114,486	0	0	114,486
Less accumulated depreciation	<u>(51,063)</u>	<u>(5,373)</u>	<u>0</u>	<u>(56,436)</u>
Total Buildings and building improvements	63,423	(5,373)	0	58,050
Automobiles	23,803	0	0	23,803
Less accumulated depreciation	<u>(17,898)</u>	<u>(4,365)</u>	<u>0</u>	<u>(22,263)</u>
Total Automobiles	5,905	(4,365)	0	1,540
Equipment, furniture and fixtures	26,251	0	(8,222)	18,029
Less accumulated depreciation	<u>(14,789)</u>	<u>(2,100)</u>	<u>8,222</u>	<u>(8,667)</u>
Total Equipment, furniture and fixtures	<u>11,462</u>	<u>(2,100)</u>	<u>0</u>	<u>9,362</u>
Total Capital Assets, being depreciated	<u>80,790</u>	<u>(11,838)</u>	<u>0</u>	<u>68,952</u>
Governmental Activities				
Total Capital Assets, net	<u>\$ 102,124</u>	<u>\$ 38,517</u>	<u>\$ 0</u>	<u>\$ 140,641</u>

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2004

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Balance December 31, 2003	Additions	Retirements	Balance December 31, 2004
Business-Type Activities				
Capital Assets, not being depreciated				
Land	\$ 30,776	\$ 0	\$ 0	\$ 30,776
Total Capital Assets, not being depreciated	30,776	0	0	30,776
Capital Assets, being depreciated				
Distribution system	1,568,968	14,667	0	1,583,635
Less accumulated depreciation	(543,279)	(36,811)	0	(580,090)
Total Distribution system	1,025,689	(22,144)	0	1,003,545
Equipment, furniture and fixtures	14,847	0	0	14,847
Less accumulated depreciation	(10,687)	(1,622)	0	(12,309)
Total Equipment, furniture and fixtures	4,160	(1,622)	0	2,538
Total Capital Assets, being depreciated	1,029,849	(23,766)	0	1,006,083
Business-Type Activities				
Total Capital Assets, net	<u>\$ 1,060,625</u>	<u>\$ (23,766)</u>	<u>\$ 0</u>	<u>\$ 1,036,859</u>
Primary Government				
Total Capital Assets, net	<u>\$ 1,162,749</u>	<u>\$ 14,751</u>	<u>\$ 0</u>	<u>\$ 1,177,500</u>
Component Units				
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>
Component Units				
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, 2004:

	Governmental Activities	Business-Type Activities	Total
Vendor	\$ 5,414	\$ 2,266	\$ 7,680
Salaries and related benefits	0	1,469	1,469
Other	0	0	0
Total	<u>\$ 5,414</u>	<u>\$ 3,735</u>	<u>\$ 9,149</u>

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2004

NOTE 6 INTERNAL BALANCES

A summary of internal balances at December 31, 2004, is as follows:

	<u>Due To</u>	<u>Due From</u>
Governmental Activities	\$ 6,465	\$ 0
Business-Type Activities	0	6,465
Totals	<u>\$ 6,465</u>	<u>\$ 6,465</u>

NOTE 7 LEASES

The Village of Hall Summit was not obligated under any capital or operating lease commitments at December 31, 2004.

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, 2004 were \$5,042. 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, 2004.

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.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE I

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, 2004

	<u>Original/Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Fav./Unfav.)</u>
REVENUES			
Taxes			
Franchise	\$ 4,100	\$ 4,481	\$ 381
Sales	6,860	5,042	(1,818)
State revenue sharing	300	316	16
Intergovernmental revenues	36,000	40,837	4,837
License and permits	10,000	9,433	(567)
Fines and forfeitures	3,120	6,825	3,705
Interest	700	765	65
Miscellaneous	<u>1,500</u>	<u>93</u>	<u>(1,407)</u>
Total Revenues	62,580	67,792	5,212
EXPENDITURES			
General government			
Personal services	3,229	3,230	(1)
Operating services	5,730	6,647	(917)
Supplies	1,800	1,669	131
Professional services	1,780	1,937	(157)
Public safety			
Personal services	1,938	3,875	(1,937)
Operating services	3,200	2,085	1,115
Supplies	1,350	2,079	(729)
Capital outlay	<u>36,000</u>	<u>50,355</u>	<u>(14,355)</u>
Total Expenditures	55,027	71,877	(16,850)
Excess/(Deficiency) Of Revenues Over Expenditures	7,553	(4,085)	(11,638)
Fund Balance, Beginning of year	<u>47,158</u>	<u>47,158</u>	<u>0</u>
Fund Balance, End of year	<u>\$ 54,711</u>	<u>\$ 43,073</u>	<u>\$ (11,638)</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, 2004

	<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, 2004

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

None reported.

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

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NATCHITOCHE, LA 71457

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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
P.O. Box 98
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, 2004, and have issued our report thereon dated February 18, 2005. 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

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 18, 2005

VILLAGE OF HALL SUMMIT, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2004

<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>
2003-01	2002	Actual expenditures of the general fund were \$8,494 (25.26 percent) greater than budgeted amounts in 2003.	Yes	This finding has been resolved.

VILLAGE OF HALL SUMMIT, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2004

<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>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.