

VILLAGE OF HALL SUMMIT, LOUISIANA
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

MARSHA O. MILLICAN
A PROFESSIONAL ACCOUNTING CORPORATION
SHREVEPORT, LOUISIANA

VILLAGE OF HALL SUMMIT, LOUISIANA

Table of Contents

December 31, 2018

	<u>Page</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-9
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet - Governmental Funds	12
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	13
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Activities	15
Proprietary Fund:	
Statement of Net Position	16
Statement of Revenues, Expenditures and Changes in Net Position	17
Statement of Cash Flows	18
Notes to Financial Statements	19-25
Required Supplementary Information:	
Budgetary Comparison Schedules:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis) - Governmental Funds - General Fund	26

VILLAGE OF HALL SUMMIT, LOUISIANA

Table of Contents (Continued)

December 31, 2018

	<u>Page</u>
Other Supplementary Information:	
Schedule of Mayor and Aldermen's Compensation	27
Schedule of Compensation, Benefits, and Other Payments To Agency Head	28
Component Unit (discretely presented):	
Discretely Presented Component Unit - Statement of Net Position	29
Discretely Presented Component Unit - Statement of Activities	30
Discretely Presented Component Unit - Statement of Cash Flows	31
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	32-33
Corrective Action Taken on Prior Year Findings	34
Schedule of Findings	35



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Village of Hall Summit, Louisiana (the Village), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express my opinion on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my 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 unit, each major fund, and the aggregate remaining fund information of the Village of Hall Summit, Louisiana, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the budgetary information on page 25 be presented to supplement the basic financial statements. Such information is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming my opinion on the financial statements as a whole. The Schedule of compensation paid to the Mayor and Board of Aldermen on page 26, the Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head on page 27, the Component Unit information on pages 28-30 are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated June 7, 2019, on my consideration of Village of Hall Summit, Louisiana's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contract and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal

control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Hall Summit, Louisiana's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Mansha D. Mulica".

Certified Public Accountant

June 7, 2019

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2018

The Management's Discussion and Analysis of the Village of Hall Summit's financial performance presents a narrative overview of the Town of Coushatta's financial activities for the year ended December 31, 2018. The document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the Village's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Governmental Activities

- 1) Village of Hall Summit had cash of \$55,694 at December 31, 2018, which represents a decrease of \$31,915 from prior year end.
- 2) Village of Hall Summit had taxes receivable of \$1,908 at December 31, 2018, which represents a decrease of \$780 from the prior year end
- 3) Village of Hall Summit had accounts payable and accruals of 22,424 at December 31, 2018, which represents an increase of \$18 from the prior year end.
- 4) Village of Hall Summit had total revenues of \$33,049 for the year ended December 31, 2018, which represents an increase of \$4,970 from the prior year end.
- 5) Village of Hall Summit had total expenses of \$44,529 for the year ended December 31, 2018, which represents a decrease of \$12,352 from the prior year end.

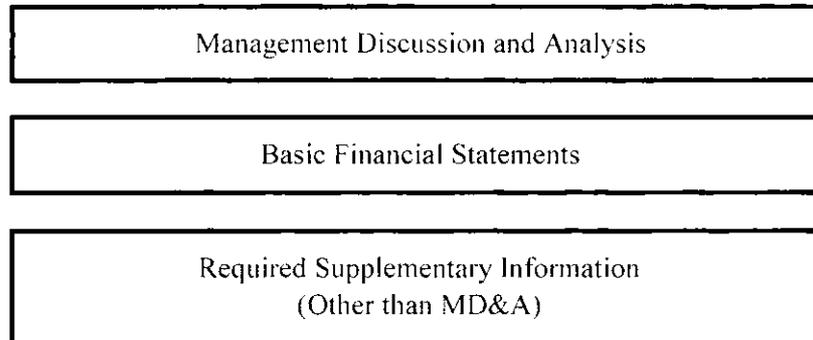
Business-Type Activities

- 1) Village of Hall Summit had cash and investments of \$160,434 for the year ended December 31, 2018 which represents an increase of \$12,205 from the prior year end.
- 2) Village of Hall Summit had accounts receivable of \$15,234 for the year ended December 31, 2018 which represents an increase of \$3,553 from the prior year end.
- 3) Village of Hall Summit had accounts payable and accruals of \$7,235 for the year ended December 31, 2018, which represents an increase of \$2,763 from prior year end.
- 4) Village of Hall Summit had total revenues of \$141,722 for the year ended December 31, 2018, which represents a decrease of \$11,954 from prior year.
- 5) Village of Hall Summit had total expenses of \$186,136 for the year ended December 31, 2018, which represents an increase of \$9,371 from prior year.

VILLAGE OF HALL SUMMIT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the Village of Hall Summit as established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 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 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 the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds.

Reporting the Village as a Whole

The Statement of Net Position and the Statement of Activities

One of the most important questions asked about the Village's finances is, "Is the Village as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Village as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

VILLAGE OF HALL SUMMIT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

These two statements report the Village's net position and changes in them. You can think of the Village's net position, the difference between assets and liabilities, as one way to measure the Town's financial health or financial position. Over time, increases or decreases in the Village's net position are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, we divide the Village into two kinds of activities:

Governmental Activities

Most of the Village's basic services are reported here including the police and general administration. Taxes license and permits, fines, interest income and state and federal grants finance most of these activities

Business-Type Activities

The Village charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Village's water and sewer systems are reported here.

Reporting the Village's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the Village as a whole. Some funds are required to be established by State law and by bond covenants. However, the Village Council may establish other funds to help it control the money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The Village's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental Funds

Most of the Village's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Village's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's activities as well as what remains for future spending.

Proprietary Funds

When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. In fact, the Village's enterprise funds are the same as the business-type activities we reported in the government-wide statements but provide more detail and additional information, such as cash flows.

VILLAGE OF HALL SUMMIT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2018

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Position at Year End

	Governmental Activities <u>2018</u>	Business Activities <u>2018</u>	Governmental Activities <u>2017</u>	Business Activities <u>2017</u>
Current and other assets	\$ 241,698	405,394	\$ 227,735	\$ 363,768
Capital assets, net	145,423	799,427	160,539	852,181
Total Assets	387,121	1,204,821	388,274	1,215,949
Accounts Payable and Accruals	139,251	7,325	1,926	4,562
Due to Other Funds	-	-	123,829	-
Customer Deposits	-	31,800	-	29,850
Total Liabilities	139,251	39,125	125,755	34,412
Net Position				
Investments in capital assets, Net of related debt	145,423	799,427	160,539	852,181
Restricted Net Position	-	-	-	-
Unrestricted	100,503	366,359	124,404	329,356
Total Net Position	\$ 245,926	\$ 1,165,786	\$ 284,943	\$ 1,181,537

Net position of the Village of Hall Summit decreased by \$39,019 and by \$15,751 from the previous fiscal year Governmental Activities and Business-Type Activities, respectively. These changes are the result of operating and other expenses being less than/exceeding operating and nonoperating revenues during the fiscal year ended 2018 (See table below).

Statement of Activities As of Year End

	Government <u>2018</u>	Business <u>2018</u>	Government <u>2017</u>	Business <u>2017</u>
General Government Expenses	\$ (43,403)	\$ (186,136)	\$ (56,881)	\$ (176,765)
Program revenues				
Charges for services	-	136,346	2,860	127,959
Operating and capital grants and Contributions	-	5,000	-	25,317
Subtotal	(43,403)	(44,790)	(54,021)	(23,489)
General revenues and transfers	4,386	29,039	(5,468)	30,400
Change in net position	\$ (39,017)	\$ (15,751)	\$ (59,489)	\$ 6,911

VILLAGE OF HALL SUMMIT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2018

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2018, Village of Hall Summit had \$145,423 and \$799,427 net of depreciation in Governmental Activities and Business-Type Activities, respectively, invested in a broad range of capital assets (See table below). This account represents a net decrease (including additions and deductions) of \$15,116 and a decrease of \$52,754 in Governmental and Business-Type Activities, respectively, from the previous year.

Capital Assets (Net) at Year End

	Governmental Activities	Business-Type Activities
	2018	2018
Land	\$ 21,334	\$ 30,776
Buildings and other improvements	124,089	-
Distribution system	-	768,651
Equipment and other assets	-	-
Total	<u>\$ 145,423</u>	<u>\$ 799,427</u>

Additions for the year ended December 31, 2018 are as follows:

This years major additions included:

	Governmental Activities	Business-Type Activities
	2018	2018
Distribution system	\$ -	\$ 5,600
Land	-	-
Buildings and other improvements	-	-
Equipment and other assets	-	-
Total	<u>\$ -</u>	<u>\$ 5,600</u>

Debt

Village of Hall Summit had no long-term liabilities payable for the Business-Type Activities at year end.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$8,715 more than budgeted amounts.

Actual expenditures were \$3,326 more than budgeted amounts.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Village of Hall Summit's elected officials considered the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

- 1) Taxes
- 2) Intergovernmental revenues (state and local grants)
- 3) License and permits
- 4) Fines

VILLAGE OF HALL SUMMIT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2018

CONTACTING VILLAGE OF HALL SUMMIT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of Village of Hall Summit's finances and to show Village of Hall Summit's accountability for the money it receives. If you have questions about this report or need additional information, contact Danny R. Scott, Mayor of Village of Hall Summit, Post Office Box 98, Hall Summit, Louisiana 71034.

VILLAGE OF HALL SUMMIT, LOUISIANA

Statement of Net Position

December 31, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 55,694	\$ 26,474	\$ 82,168	\$ 70,013
Investments, at cost	156,831	102,160	258,991	35,941
Receivables (net of allowance account)	1,908	15,234	17,142	-
Prepaid expenses	4,841	2,421	7,262	2,720
Total current assets	<u>219,274</u>	<u>146,289</u>	<u>365,563</u>	<u>108,674</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	-	31,800	31,800	-
Due from other funds	22,424	227,305	249,729	-
Deposits	-	-	-	450
Capital assets, net of accumulated depreciation	145,423	799,427	944,850	27,289
Total noncurrent assets	<u>167,847</u>	<u>1,058,532</u>	<u>1,226,379</u>	<u>27,739</u>
Total assets	<u>387,121</u>	<u>1,204,821</u>	<u>1,591,942</u>	<u>136,413</u>
Deferred Outflow of resources	-	-	-	-
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	1,944	7,235	9,179	200
Payroll taxes payable	-	-	-	-
Due to other funds	139,251	-	139,251	110,479
Total current liabilities	<u>141,195</u>	<u>7,235</u>	<u>148,430</u>	<u>110,679</u>
Noncurrent liabilities:				
Deposits	-	31,800	31,800	-
Total liabilities	<u>141,195</u>	<u>39,035</u>	<u>180,230</u>	<u>110,679</u>
Deferred inflows of resources	-	-	-	-
<u>Net Position</u>				
Invested in capital assets, net of related debt	145,423	799,427	944,850	27,289
Restricted	-	-	-	-
Unrestricted	100,503	366,359	466,862	(1,555)
Total net position	<u>\$ 245,926</u>	<u>\$ 1,165,786</u>	<u>\$ 1,411,712</u>	<u>\$ 25,734</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF HALL SUMMIT, LOUISIANA

Balance Sheet
 Governmental Funds
 For the Year Ended December 31, 2018

	<u>Total</u>
ASSETS	
Cash	\$ 55,694
Investments	156,831
Taxes and accounts receivable	1,908
Due from Other Funds	22,424
Prepaid Expenses	<u>4,841</u>
Total Assets	<u><u>241,698</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts payable and accruals	1,944
Due to Other Funds	<u>139,251</u>
Total Liabilities	<u>141,195</u>
Fund Balance:	
Nonspendable	
Prepaid Expenses	4,841
Unreserved	<u>95,662</u>
Total Fund Balance	<u>100,503</u>
Total Liabilities and Fund Balances	<u><u>\$ 241,698</u></u>

The accompanying notes are an integral part of this statement

VILLAGE OF HALL SUMMIT, LOUISIANA

Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Position of
Governmental Activities on the Statement of Net Position
Year Ended December 31, 2018

Fund Balances - Total Governmental Funds	\$ 100,503
--	------------

Amounts reported for governmental activities in the statement of net position
are different because:

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

Add: Capital Assets	498,475
Deduct: Accumulated Depreciation	<u>(353,052)</u>

Net Position of Governmental Activities	<u>\$ 245,926</u>
---	-------------------

The accompanying notes to the financial statements are an integral part of this statement.

VILLAGE OF HALL SUMMIT, LOUISIANA

Statement of Revenues, Expenditures and Changes in Fund Balance -
 General Fund
 For the Year Ended December 31, 2018

REVENUES

Sales Taxes	\$ 20,368
Occupational Licenses	10,416
Franchise Taxes	1,678
Other Income	<u>587</u>
Total Revenues	<u>33,049</u>

EXPENDITURES

General Government	
Public Safety	26,767
	<u>1,520</u>
Total Expenditures	<u>28,287</u>

Net change in fund balance before other sources (uses)	4,762
--	-------

Other Sources (Uses):

Transfers to other funds	<u>(28,663)</u>
--------------------------	-----------------

Net change in fund balance	(23,901)
----------------------------	----------

Fund balance, beginning of year	<u>124,404</u>
---------------------------------	----------------

Fund balance, end of year	<u><u>\$ 100,503</u></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 Governmental Activities in the Statement of Activities
For the Year Ended December 31, 2018

Net change in fund balances - total governmental funds \$ (23,901)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental Funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$15,116) exceeds capital outlay (\$-0-) in the current period (15,116)

Change in Net Position of Governmental Activities \$ (39,017)

The accompanying notes are an integral part of this statement.

VILLAGE OF HALL SUMMIT, LOUISIANA

Statement of Net Position
 Proprietary Fund
 December 31, 2018

Assets		
Current Assets:		
Cash		\$ 26,474
Accounts receivable		15,234
Prepaid expenses		2,421
Total Current Assets		<u>44,129</u>
Noncurrent Assets:		
Restricted cash		31,800
Investments		102,160
Due from other funds		227,305
Capital Assets, Net		799,427
Total Noncurrent Assets		<u>1,160,692</u>
Total Assets		<u>1,204,821</u>
Deferred Outflows of Resources		<u>-</u>
Liabilities		
Current Liabilities		
Accounts payable and accruals		7,235
Total Current Liabilities		<u>7,235</u>
Noncurrent Liabilities		
Customer deposits		31,800
Total Noncurrent Liabilities		<u>31,800</u>
Total Liabilities		<u>39,035</u>
Deferred inflows of resources		<u>-</u>
Net Position		
Invested in capital assets, net of related debt		799,427
Unrestricted		366,359
Total net position		<u>\$1,165,786</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF HALL SUMMIT, LOUISIANA

Statement of Revenues, Expenses and
Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2018

OPERATING REVENUES

Charges for services	\$ 135,936
Miscellaneous	410
Total operating revenues	<u>136,346</u>

OPERATING EXPENSES

Personal services	20,537
Utilities	20,602
Repairs and maintenance	16,688
Other supplies and expenses	47,877
Insurance	22,078
Depreciation	58,354
Total operating expenses	<u>186,136</u>

Change in Net Position before Other Expenses	<u>(49,790)</u>
--	-----------------

OTHER REVENUE (EXPENSE)

Grants	5,000
Transfers	28,663
Interest Income	376
Interest Expense	<u>-</u>

Change in net position	(15,751)
------------------------	----------

Net position, Beginning of Year	<u>1,181,537</u>
---------------------------------	------------------

Net Position, End of Year	<u><u>\$1,165,786</u></u>
---------------------------	---------------------------

The notes to the financial statements are an integral part of this statement.

VILLAGE OF HALLISUMMIT, LOUISIANA

Statement of Cash Flows
 Proprietary Fund
 For the Year Ended December 31, 2018

	Business-type Activities Enterprise Fund
	<u>Water Fund</u>
Cash Flows from Operating Activities:	
Receipts from customers and users	\$ 132,793
Payments to suppliers	<u>(149,027)</u>
Net Cash Used by Operating Activities	<u>(16,234)</u>
Cash Flows from Noncapital Financing Activities:	
Transfers from other funds	<u>28,663</u>
Net Cash Provided by Noncapital Financing Activities	<u>28,663</u>
Cash Flows from Capital and Related Financing Activities:	
Capital grants	5,000
Acquisition and construction of capital assets	<u>(5,600)</u>
Net Cash Provided by Capital and Related Financing Activities	<u>(600)</u>
Cash Flows from Investing Activities:	
Net change in investments	1,576
Interest received	<u>376</u>
Net Cash Provided by Investing Activities	<u>1,952</u>
Net Increase (Decrease) in Cash and Cash Equivalents:	13,781
Cash and Cash Equivalents, Beginning of Year (including restricted cash of \$29,850)	<u>44,493</u>
Cash and Cash Equivalents, End of Year (including restricted cash of \$31,800)	<u><u>\$ 58,274</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA

Statement of Cash Flows (Continued)
 Proprietary Fund
 For the Year Ended December 31, 2018

	Business-type Activities Enterprise Fund
	Water Fund
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating income	\$ (49,790)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation expense	58,354
Increase in customer deposits	1,950
Increase in accounts receivable	(3,553)
Increase in prepaid expenses	(495)
Increase in accounts payable	2,673
Increase in due from other funds	<u>(25,373)</u>
Total adjustments	<u>33,556</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (16,234)</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF HALL SUMMIT, LOUISIANA

Notes to Financial Statements

December 31, 2018

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accompanying financial statements of Village of Hall Summit have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June, 1999.

B. Reporting Entity

GASB Statement 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, Village of Hall Summit is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that Village of Hall Summit may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bond debt.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position page 10, and the Statement of Activities, (page 11) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from the business-type activities, which rely, to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function

or segment. Program revenues include a) charges to customers or applicants who purchase, use or directly benefit from goods, services privileges provided by a given function or segment, and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

Ad valorem taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue in the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Sales and use tax revenues are recorded in the month collected by the tax collector. All other revenue items are considered to be measurable and available only when the cash is received by the government.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of capital assets, debt extinguishment, long-term proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources/(uses) are recognized at the time the underlying events occur.

Village of Hall Summit reports the following governmental and proprietary funds:

Governmental Funds

Governmental funds account for all or most of Village of Hall Summit's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of general long-term obligations.

General Fund - is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. General tax revenues and other sources of revenue used to finance the fundamental operations of the Village are included in this fund. The fund is charged with all cost of operating the government for which a separate fund has not been established.

Proprietary Funds

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Village of Hall Summit applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Enterprise Fund - is used to account for operations a) that are financed/operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or b) where the governing body has decided the periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that these standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following the subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of those charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include a) charges to customers or applicants for goods, services, or privileges provided, b) operating grants and contributions, and c) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Formal budgetary accounting is employed as a management control. Village of Hall Summit prepares and adopts a budget each year for its general and utility funds in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The Village amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more. All budget appropriations lapse at year end.

E. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, the Village defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short-term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

F. Receivables

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

G. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2018, \$1,024 of Business-Type Activities receivables were considered to be uncollectible.

H. Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been purchased that have a useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the Government-Wide Statement of Net Position. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of that provided the resources to acquire the asset. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation.

Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and other improvements, and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

I. Sales Taxes

The Village collects a one (1) percent sales and use tax with the net proceeds, after deducting costs of collection and administration, dedicated to construction, acquiring, extending, improving and/or maintaining drainage facilities, streets, street lighting facilities, bridges, sidewalks, waterworks, sewers and sewer disposal works, recreational facilities, public parks, public buildings and equipment, payment of salaries of municipal employees, maintaining and operating the municipal police department including the purchase of equipment thereof, or for any one or more said purposes, title to which improvements shall be in the public.

J. Compensated Absences

Leave cannot be accumulated or carried over from one year to the next. Therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

K. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions includes savings, demand deposits, time deposits, and certificates of deposit. Under state law the Village may deposit funds within a fiscal agent bank selected and designated by the Village Council. Further, the fund may invest in time certificates of deposits of state banks organized laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The carrying amount of the Village's deposits at December 31, 2018 including petty cash of \$700 was as follows:

Cash in Banks	\$	183,981
Investments		<u>294,932</u>
Total	\$	<u><u>478,913</u></u>

NOTE 3 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2018:

	Governmental Activities	Business-Type Activities	Total
Franchise	\$ 1,908	\$ -	\$ 1,908
Grants	-	-	-
Charges for services	-	15,234	15,234
Total.	<u>\$ 1,908</u>	<u>\$ 15,234</u>	<u>\$ 17,142</u>

NOTE 4 CAPITAL ASSETS

A summary of Village of Hall Summit's capital assets at December 31, 2018 follows:

	Balance 1/1/2018	Additions	Retirements	Balance 12/31/2018
Government Activities				
Capital Assets, not being depreciated				
Land	\$ 21,334	\$ -	\$ -	\$ 21,334
Total Capital Assets, not being depreciated	<u>21,334</u>	<u>-</u>	<u>-</u>	<u>21,334</u>
Capital Assets, being depreciated				
Buildings and other improvements	398,491	-	-	398,491
Less accumulated depreciation	(260,503)	(13,899)	-	(274,402)
Total Buildings and other improvements	<u>137,988</u>	<u>(13,899)</u>	<u>-</u>	<u>124,089</u>
Equipment and other assets	78,650	-	-	78,650
Less accumulated depreciation	(77,433)	(1,217)	-	(78,650)
Total Equipment , Furniture & Fixtures	<u>1,217</u>	<u>(1,217)</u>	<u>-</u>	<u>-</u>
Total Capital Assets, being depreciated	<u>139,205</u>	<u>(15,116)</u>	<u>-</u>	<u>124,089</u>
Governmental Activities				
Total Capital Assets, net	<u>\$ 160,539</u>	<u>\$ (15,116)</u>	<u>\$ -</u>	<u>\$ 145,423</u>
Business-Type Activities				
Capital Assets, not being depreciated				
Land	\$ 30,776	\$ -	\$ -	\$ 30,776
Total Capital Assets, not being depreciated	<u>30,776</u>	<u>-</u>	<u>-</u>	<u>30,776</u>
Capital Assets, being depreciated				
Distribution System	2,067,371	5,600	-	2,072,971
Less accumulated depreciation	(1,245,966)	(58,354)	-	(1,304,320)
Total Distribution System	<u>821,405</u>	<u>(52,754)</u>	<u>-</u>	<u>768,651</u>
Equipment, furniture & fixtures	33,599	-	-	33,599
Less accumulated depreciation	(33,599)	-	-	(33,599)
Total Equipment , Furniture & Fixtures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Assets, being depreciated	<u>821,405</u>	<u>(52,754)</u>	<u>-</u>	<u>768,651</u>
Business-Type Activities				
Total Capital Assets, net	<u>\$ 852,181</u>	<u>\$ (52,754)</u>	<u>\$ -</u>	<u>\$ 799,427</u>
Primary Government				
Total Capital Assets, net	<u>\$ 1,012,720</u>	<u>\$ (67,870)</u>	<u>\$ -</u>	<u>\$ 944,850</u>

NOTE 5 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at December 31, 2018:

	Governmental Activities	Business-Type Activities	Total
Vendor	\$ 1,944	\$ 7,235	\$ 9,179
Payroll taxes	-	-	-
Construction	-	-	-
Total	<u>\$ 1,944</u>	<u>\$ 7,235</u>	<u>\$ 9,179</u>

NOTE 6 LEASES

Village of Hall Summit was not obligated under any operating lease commitments at December 31, 2018.

NOTE 7 RISK MANAGEMENT

Village of Hall Summit is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village.

NOTE 8 PENDING LITIGATION AND CONTINGENT LIABILITIES

The Village is not party to any lawsuits at December 31, 2018.

NOTE 9 SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 7, 2019, the date the financial statements were available to be issued, and determined no additional disclosures are warranted.

VILLAGE OF HALL SUMMIT, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balance of
 Governmental Funds - Budget (GAAP) and Actual - General Fund
 For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 14,521	\$ 15,563	\$ 22,046	\$ 6,483
Licenses & Permits	6,117	6,117	10,416	4,299
Miscellaneous	2,619	2,654	587	(2,067)
Total revenues	<u>23,257</u>	<u>24,334</u>	<u>33,049</u>	<u>8,715</u>
Expenditures:				
General government	11,932	12,833	26,767	(13,934)
Law Enforcement	11,684	12,128	1,520	10,608
Capital Outlay	-	-	-	-
Total Expenditures	<u>23,616</u>	<u>24,961</u>	<u>28,287</u>	<u>(3,326)</u>
Net Change in Fund Balances before Other Financing Sources	(359)	(627)	4,762	5,389
Other Financing Sources				
Proceeds from borrowing	-	-	-	-
Transfers (to)/from Other Funds	<u>(30,000)</u>	<u>(30,000)</u>	<u>(28,663)</u>	<u>1,337</u>
Net Change in Fund Balance	(30,359)	(30,627)	(23,901)	6,726
Fund Balances, Beginning	<u>124,404</u>	<u>124,404</u>	<u>124,404</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 94,045</u>	<u>\$ 93,777</u>	<u>\$ 100,503</u>	<u>\$ 6,726</u>

VILLAGE OF HALL SUMMIT, LOUISIANA

Schedule of Mayor and Aldermen's Compensation
For the Year Ended December 31, 2018

The schedule of compensation paid to the mayor and the aldermen is presented in compliance with Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the aldermen is included in the general government expenditures of the General Fund. During 2018, the amounts were paid to the Mayor and Aldermen:

Honorable W. L. Wimberly, Mayor	\$ 2,400
Aldermen per diem:	
Barbara Perrin	1,800
Kathleen Quick	1,800
Anthony Thomas	1,800
	<u>5,400</u>
	<u>\$ 7,800</u>

VILLAGE OF HALL SUMMIT, LOUISIANA

Schedule of Compensation, Reimbursements, Benefits, and Other Payments
to Agency Head
For the Year Ended December 31, 2018

Agency Head: Honorable W. L. Wimberly, Mayor

Salary	\$ 2,400
Payroll Taxes	\$ 184
Reimbursements	\$ -

VILLAGE OF HALL SUMMIT, LOUISIANA

Discretely Presented Component Unit -
Hall Summit Development Corporation
Statement of Net Position
December 31, 2018

<u>Assets</u>	
Current assets:	
Cash	\$ 70,013
Investments, at cost	35,941
Prepaid expenses	<u>2,720</u>
Total current assets	<u>108,674</u>
Noncurrent assets:	
Property, plant and equipment (net of accumulated depreciation)	27,289
Deposits	<u>450</u>
Total assets	<u>136,413</u>
 <u>Liabilities and Net Position</u>	
Liabilities:	
Accounts payable	200
Due to other funds	<u>110,479</u>
Total liabilities	110,679
 <u>Net Position</u>	
Invested in capital assets, net of related debt	27,289
Unrestricted	<u>(1,555)</u>
Total net position	<u>\$ 25,734</u>

VILLAGE OF HALL SUMMIT, LOUISIANA

Discretely Presented Component Unit -
Coushatta Industrial Development Corporation
Statement of Activities
For the Year Ended December 31, 2018

Program Expenses:	
Cemetery operation and maintenance	\$ 8,666
Depreciation	<u>5,856</u>
Total expenses	14,522
Program Revenues:	
Operating contributions	<u>16,868</u>
Net Revenues	2,346
General Revenues:	
Lot sales	-
Interest	<u>165</u>
Total General Revenues	165
Change in Net Position	2,511
Net position, beginning of year.	<u>23,223</u>
Net position, end of year	<u>\$ 25,734</u>

VILLAGE OF HALL SUMMIT, LOUISIANA

Discretely Presented Component Unit -
 Coushatta Industrial Development Corporation
 Statement of Cash Flows
 For the Year Ended December 31, 2018

Cash flows from operating activities:	
Cash received from customers	\$ 8,932
Cash payments to suppliers and employees	<u>(7,071)</u>
Net cash provided by operating activities	<u>7,479</u>
Cash flows from capital and related financing activities	
Purchase of fixed assets	(696)
Borrowing from other funds	<u>9,952</u>
Transfers from other funds	<u>-</u>
Net cash provided by capital and related financing activities	<u>9,256</u>
Cash flows from investing activities	
Net change in investments	(101)
Interest income	<u>156</u>
Net cash provided for investing activities	<u>55</u>
Net increase in cash	16,790
Cash, beginning of year	<u>53,223</u>
Cash, end of year	<u>\$ 70,013</u>
Reconciliation of changes in net position to net cash provided by operating activities:	
Changes in net position before transfers:	\$ 2,511
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	5,856
Changes in assets and liabilities	
Increase in prepaid expenses	(795)
Decrease in accounts payable	<u>(93)</u>
Net cash provided by operating activities	<u>\$ 7,479</u>



Marsha O. Millican
A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

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

I have audited, in accordance with the 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, the financial statements of the governmental activities of Village of Hall Summit as of December 31, 2018, and related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued my report thereon dated June 7, 2019

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Villlage of Hall Summit's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village 's internal control. Accordingly, I do not express an opinion on the effectiveness of the Village 's internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, I identified a certain deficiency in internal control that I consider to be a material weakness.

A deficiency in internal control exists when the design or operation a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village 's financial statements will not be prevented, or detected and corrected on a timely basis. I consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness and is reported as Finding #2018-1.

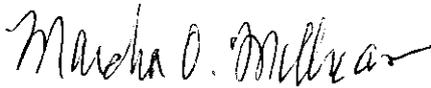
810 WILKINSON
SHREVEPORT, LA 71104-3036
(318) 221-3881
FAX: (318) 221-4641

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of Hall Summitt's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is reported in the schedule of findings as Finding #2018-2.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statutes, it is issued by the Legislative Auditor as a public document.



Certified Public Accountant
June 7, 2019

VILLAGE OF HALL SUMMIT, LOUISIANA

**Corrective Action Taken on Prior Year Findings
Year Ended December 31, 2018**

FINDING #2017-1:

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

STATUS:

Unresolved.

FINDING #2017-2:

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

STATUS:

Unresolved.

VILLAGE OF HALL SUMMIT, LOUISIANA

Schedule of Findings

For the Year Ended December 31, 2018

1. The auditor's report expresses an unmodified opinion on the financial statements.
2. One significant deficiency which is considered to be a material weakness in internal control over financial reporting was disclosed during the audit.
3. One instance of noncompliance material to the financial statements of the Village was disclosed during the audit.

FINDING# 2018-1

Criteria: Effective internal control requires segregation of duties.

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

Cause: The condition is due to economic and space limitations.

Effect: Unknown.

Recommendation: Whether or not it would be cost effective to correct a deficiency is not a factor in reporting requirements under accounting standards generally accepted in the United States of America. Because prudent management requires that the potential benefit from an internal control must exceed its costs, it may not be practical to correct all deficiencies reported under accounting standards generally accepted in the United States of American. In this case, both management and the auditor do not believe that correcting the material weakness described above is cost effective or practical, and, accordingly, do not believe that any corrective action is necessary.

Management's Response and Corrective Action Plan:

We agree with the finding. We will make every effort to segregate duties whenever possible.

FINDING# 2018-2:

Criteria: State Law requires the budget be amended whenever actual revenues fail to meet budgeted amounts by 5% or more and when actual expenditures exceed budgeted amounts by 5% or more.

Condition: Although the budget was amended, actual expenses exceeded budgeted expenses by 5% or more.

Cause: Unknown.

Effect: The Village is not in compliance with state law.

Recommendation: I recommend the Village comply with state law.

Management's Response and Corrective Action Plan:

We agree with the finding. We will comply with state law in the future.