

VILLAGE OF HALL SUMMIT, LOUISIANA

FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

VILLAGE OF HALL SUMMIT, LOUISIANA

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VILLAGE OF HALL SUMMIT, LOUISIANA

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Dees Gardner, Certified Public Accountants, LLC

Deborah D. Dees, CPA/CFE
122 Jefferson Street
Mansfield, LA 71052
www.deesgardnercpas.com

Maura Dees Gardner, CPA, CFE
1659 Hwy 171 / P.O. Box 328
Stonewall, LA 71078
Phone: (318) 872-3007

Independent Accountant's Review Report

The Honorable Danny Scott, Mayor
And the Members of the Board of Aldermen
Hall Summit, Louisiana

Report on the Financial Statements

We have reviewed the accompanying financial statements of the governmental activities, the business-type activity, the discretely presented component unit, and the major fund of the Village of Hall Summit, Louisiana, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. A review includes primarily applying procedures to management's financial data and making inquiries of the management of the Village of Hall Summit, Louisiana. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

The Village's management is responsible for the preparation and fair presentation of the 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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with the *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Village of Hall Summit, Louisiana, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements of the Village of Hall Summit, Louisiana, for the year ended December 31, 2023, in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Other Matters Paragraphs

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, 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. The information is the responsibility of management. We have not audited or reviewed the information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers them to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic or historical context.

Other Supplementary Information

The accompanying schedule of compensation, benefits, and other payments to agency head or chief executive officer and the justice system funding schedule collecting/disbursing entity are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with the reporting framework prescribed by Louisiana Revised Statute 24:515.2 and the Louisiana Legislative Auditor. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion on such information.

Report on Other Legal and Regulatory Requirements

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated September 9, 2024 on the results of our agreed-upon procedures. Also presented as required is the Louisiana Attestation Questionnaire.

Dees Gardner, Certified Public Accountants, LLC

Mansfield, Louisiana
September 9, 2024

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VILLAGE OF HALL SUMMIT, LOUISIANA

STATEMENT OF NET POSITION

December 31, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 130,097	\$ 38,069	\$ 168,166
Investments	-	297,842	297,842
Receivables, net	3,178	15,707	18,885
Due from other funds		125,341	125,341
Prepaid expenses	10,023	7,909	17,932
Restricted cash and cash equivalents	-	34,950	34,950
Deposits	450	-	450
Capital assets, net	126,497	599,970	726,467
TOTAL ASSETS	\$ 270,245	\$ 1,119,788	\$ 1,390,033
LIABILITIES			
Accounts, payroll, and other payables	\$ 3,717	\$ 18,774	\$ 22,491
Due to other funds	125,341	-	125,341
Meter Deposits	-	34,950	34,950
TOTAL LIABILITIES	\$ 129,058	\$ 53,724	\$ 182,782
NET POSITION			
Net investment in capital assets	\$ 126,497	\$ 599,970	\$ 726,467
Unrestricted	14,690	466,094	480,784
TOTAL NET POSITION	\$ 141,187	\$ 1,066,064	\$ 1,207,251

See the accompanying notes and independent accountant's review report.

VILLAGE OF HALL SUMMIT, LOUISIANA

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2023

Functions	Expenses	Program Revenues		Net (Expenses), Revenues, and Changes in Net Position			Component Unit Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary Government							
Governmental Activities							
General government	\$ 67,028	\$ -	\$ -	\$ (67,028)	\$ -	\$ (67,028)	
Public safety	18,788	482	-	(18,306)	-	(18,306)	
Public works - Streets	18,132	-	-	(18,132)	-	(18,132)	
Parks and recreation	16,774	10,533	4,210	(2,031)	-	(2,031)	
Total Governmental Activities	120,722	11,015	4,210	(105,497)	-	(105,497)	
Business-Type Activities							
Water and sewer	244,370	174,159	21,429	-	(48,782)	(48,782)	
Total Business-type Activities	244,370	174,159	21,429	-	(48,782)	(48,782)	
Total Primary Government	\$ 365,092	\$ 185,174	\$ 25,639	\$ (105,497)	\$ (48,782)	\$ (154,279)	
Component Unit	\$ 35,188	\$ 44,383					\$ 9,195
General Revenues:							
Sales tax				61,130	-	61,130	-
Franchise taxes				7,575	-	7,575	-
Licenses and permits				7,509	-	7,509	-
Investment earnings				143	2,314	2,457	38
Miscellaneous income				17	283	300	-
Gain/loss on disposal of asset				-	(449)	(449)	-
Transfers				47,274	-	47,274	(47,274)
Total general revenues				123,648	2,148	125,796	(47,236)
Change in Net Position				18,151	(46,634)	(28,483)	(38,041)
Net position - beginning (restated)				123,036	1,112,698	1,235,734	38,041
Net position - ending				\$ 141,187	\$ 1,066,064	\$ 1,207,251	\$ -

See the accompanying notes and independent accountant's review report.

FUND FINANCIAL STATEMENTS

VILLAGE OF HALL SUMMIT, LOUISIANA

BALANCE SHEET - GENERAL FUND

December 31, 2023

ASSETS	<u>Total</u>
Cash and cash equivalents	\$ 130,097
Accounts receivable	3,178
Prepaid expenses	10,023
Utility deposits	<u>450</u>
TOTAL ASSETS	\$ <u>143,748</u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts, payroll, and other payables	\$ 3,717
Due to other funds	<u>125,341</u>
Total Liabilities	<u>129,058</u>
Fund Balances:	
Nonspendable	
Prepaid expenses	10,023
Unassigned	<u>4,667</u>
Total Fund Balance	<u>14,690</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>143,748</u>

See the accompanying notes and independent accountant's review report.

VILLAGE OF HALL SUMMIT, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
December 31, 2023

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balance, Total Governmental Funds, Statement C	\$ 14,690
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the government funds	<u>126,497</u>
Net Position of Governmental Activities, Statement A	<u>\$ 141,187</u>

See the accompanying notes and independent accountant's review report.

VILLAGE OF HALL SUMMIT, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

General Fund

For the Year Ended December 31, 2023

Revenues:

Taxes		
Sales taxes	\$	61,130
Franchise taxes		7,575
Fines and penalties		482
Licenses and permits		7,509
Interest		143
Contributions		4,210
Other		10,510
		<u>91,559</u>
Total Revenues		<u>91,559</u>

Expenditures:

General government		67,028
Public safety		18,788
Public works- Streets		5,644
Parks and recreations		16,647
		<u>108,107</u>
Total Expenditures		<u>108,107</u>

Excess (Deficiency) of Revenues over Expenditures		<u>(16,548)</u>
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Other Financing Sources (Uses):

Residual fund balance transfer from component unit		<u>(441)</u>
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Net change in Fund Balances		(16,989)
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Fund balances, beginning of year		<u>31,679</u>
Fund balances, end of year	\$	<u><u>14,690</u></u>

See the accompanying notes and independent accountant's review report.

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, 2023

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

Net Change in Fund Balances, Total Governmental Funds, Statement E	\$ (16,989)
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 depreciation (\$12,575) exceeds the capital outlays (\$0) in the current period.	(12,575)
Transfer of net investment in fixed assets from dissolved component unit	<u>47,715</u>
Change in Net Position of Governmental Activities, Statement B	<u>\$ 18,151</u>

See the accompanying notes and independent accountant's review report.

PROPRIETARY FUND

VILLAGE OF HALL SUMMIT, LOUISIANA

STATEMENT OF NET POSITION
PROPRIETARY FUND

December 31, 2023

ASSETS	<u>Business-Type Activity - Sewer</u>
Current assets:	
Cash and cash equivalents	\$ 38,069
Receivables, net	15,707
Prepaid expenses	7,909
Total current assets	<u>61,685</u>
Restricted assets:	
Restricted cash and cash equivalents	<u>34,950</u>
Non-current assets:	
Investments	297,842
Due from other funds	125,341
Capital assets, net of accumulated depreciation	599,970
Total non-current assets	<u>1,023,153</u>
TOTAL ASSETS	\$ <u>1,119,788</u>
LIABILITIES	
Current liabilities:	
Accounts, payroll, and other payables	\$ 18,774
Payable from restricted assets:	
Customer deposits	<u>34,950</u>
TOTAL LIABILITIES	\$ <u>53,724</u>
NET POSITION	
Net investment in capital assets	\$ 599,970
Unrestricted	<u>466,094</u>
TOTAL NET POSITION	\$ <u><u>1,066,064</u></u>

See the accompanying notes and independent accountant's review report.

VILLAGE OF HALL SUMMIT, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
For the Year Ended December 31, 2023

Operating Revenues	
Charges for services	
Water and sewer service fees	\$ 174,159
Operating grants	21,429
Total Operating Revenues	<u>195,588</u>
Operating Expenses	
Personnel	20,229
General operating expenses	31,051
Repairs and maintenance	130,225
Depreciation	62,865
Total Operating Expenses	<u>244,370</u>
Operating Loss	(48,782)
Nonoperating Revenues (Expenses)	
Interest income	2,314
Miscellaneous income	283
Gain/loss on disposal of assets	(449)
Total Nonoperating Revenues (Expenses)	<u>2,148</u>
Change in Net Position	(46,634)
Total Net Position, beginning of year (restated)	1,112,698
Total Net Position, end of year	<u>\$ <u>1,066,064</u></u>

See the accompanying notes and independent accountant's review report.

VILLAGE OF HALL SUMMIT, LOUISIANA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND**

For the Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (decrease) in net position	\$ (46,634)
Adjustments to reconcile change in net position to net cash provided by operating activities	
Depreciation	62,865
(Increase) decrease in net position:	
Accounts receivable	(2,624)
Prepaid expenses	(5,976)
Increase(decrease) in liabilities:	
Accounts payable and accrued expenses	3,723
Meter deposits	2,100
Net cash provided by operating activities	<u>13,454</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State operating grant revenue	21,429
Transfer in (out) from (to) general fund and discretely presented component unit	<u>(14,336)</u>
Net cash provided by non capital financing activities	<u>7,093</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>2,314</u>
Net cash provided by investing activities	<u>2,314</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	22,861
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>50,158</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 73,019</u>
Reconciliation of total cash and cash equivalents:	
Current Assets - Cash and cash equivalents	\$ 38,069
Restricted cash and cash equivalents	<u>34,950</u>
	<u>\$ 73,019</u>

See the accompanying notes and independent accountant's review report.

NOTES TO THE FINANCIAL STATEMENTS

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2023

INTRODUCTION

The Village of Hall Summit, Louisiana, was incorporated under the provisions of the Lawrason Act on September 11, 1961. The Village is governed by the mayor – board of aldermen form of government. The mayor and three aldermen are elected and serve four-year terms. The Village's major operations include general administrative services, public safety, and utilities. The Village has a population of approximately 265 and is located in northwest Louisiana in Red River Parish.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Village 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. This report includes all funds that are controlled by or dependent on the Village's executive and legislative branches (The mayor and board of aldermen). The primary government (Village of Hall Summit) is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

B. Basis of Presentation

The Village of Hall Summit's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. GAAP as applicable to governments also conforms to the requirements of Louisiana R.S. 24:517 and the guides set forth in the *Louisiana Municipal Audit and Accounting Guide* and to the industry guide, *Audits of State and Local Government Units*, published by the American Institute of Certified Public Accountants.

C. Fund Accounting

The Village uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Village functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Government funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. The emphasis of fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Village, or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds, or management believes that the fund is particularly important to the financial statement users. The municipality reports the following governmental funds:

- The *General Fund* is the municipality's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The General Fund is always reported as a major governmental fund in governmental fund statements.

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting (continued)

Proprietary funds are used to account for ongoing activities that are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position, and cash flows. Proprietary funds account for operations (a) that are financed and operated in a manner similar to private business—where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis is to be financed or recovered primarily through user charges; or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

- The *Utility Fund* is the Village's business-type fund, which accounts for all assets, liabilities, revenues and expenses related to the operations of the water and sewer system.

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

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Village. Individual funds are not displayed. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) 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 as general revenues.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to the government-wide view of the Village's operations.

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus and Basis of Accounting (continued)

The amounts reflected in the governmental fund financial statements use 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 available 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 modified accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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 revenues of 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 cash is received by the government. Salaries and related benefits are recorded when employee services are provided to the Village.

Proprietary Fund Financial Statements

The financial statements of the proprietary fund are reported using the "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. The amounts reflected in the proprietary fund financial statements use the accrual basis of accounting. All assets and liabilities (whether current or non-current) associated with their activities are reported.

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. The principal operating revenue of the proprietary fund is sewer operating fees. Operating expenses for the proprietary fund 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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exception to this general rule is charges affecting the government's proprietary operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

E. Cash and Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, amounts in demand deposits, interest bearing demand deposits and certificates of deposit. Under state law the Village may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Village may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. These are classified as investments if their original maturities exceed 90 days. All investments are recorded at fair value based on quoted market prices.

F. Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. The receivables for the governmental activities include sales tax. Business-type activities report customer's utility service charges as its major receivable. Allowances are reported when accounts are proven to be uncollectible. At December 31, 2023, \$1,804 of Business-Type Activities receivables were considered to be uncollectible.

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2023 are recorded as prepaid expenses.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are, reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost. There are no assets valued at estimated cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives, generally 10 to 40 years for buildings and other improvements, and 5 to 10 years for moveable property.

I. Fund Equity

NET POSITION

In the government-wide financial statements, fund equity (the difference between assets and liabilities) is classified as net position and reported in three components:

- *Net investment in capital assets*—consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted net position*—consists of net position with constraints placed on the use by a) external groups, such as creditors, grantors, or laws or regulations of other government; or b) law through constitutional provisions or enabling legislation.
- *Unrestricted net position*—consists of all other assets that do not meet the definition of “restricted” or “net investment in capital assets”.

The Village of Hall Summit’s policy is to consider restricted net position to have been depleted before unrestricted net position is applied.

FUND BALANCES

As required by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, this statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable* – Amounts that are not in spendable form (such as prepaid expenses) because they are legally or contractually required to be maintained intact.
- *Restricted* – Amounts constrained to specific purposes by their providers (such as grantors of higher levels of government).
- *Committed* – Amounts which are subject to limitations or constraints to specific purposes the Village imposes upon itself as its highest level of decision making, the board of aldermen. These amounts cannot be used for any other purpose unless the Village takes the same highest level of action to remove or change the constraint.

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Fund Equity (continued)

- *Assigned* – Amounts for which the Village has stated intended use as established by the Village council or the mayor.
- *Unassigned* – All amounts not included in one of the other categories.

The Village would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

J. Sales and Use Tax

The Village has a one per cent sales and use tax, for an indefinite period. The tax, after all necessary costs for collection and administration, is authorized to be used by the governing authority of the Village of Hall Summit on behalf of the Village and its residents for any lawful corporate purpose for which any funds of the Village may be expended.

K. Interfund Transactions and Balances

Quasi-external transactions, if any, are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and service type transactions are classified as “due to and due from other funds.” These receivables and payables are classified as internal balances on the statement of net position and as due from/to other funds in the fund financial statements.

L. Estimates

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

M. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss the Village maintains commercial insurance policies and surety bond coverage. There have been no claims filed in the last three years.

N. Adjustments to and Restatements of Beginning Balances

During fiscal year 2023, an error correction resulted in adjustments to and restatements of beginning net position and fund net position. A checking account opened in 2021 in the Utility Fund to deposit American Recovery Plan Act funds had not been recorded. The Village used the funds to update the water and sewer systems. This caused assets, revenues, and expenditures to be understated in the years ending 2021 and 2022. In addition, payroll tax payments in prior years were being expensed instead of posted against the liability overstating accounts payable.

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2023

N. Adjustments to and Restatements of Beginning Balances (continued)

The effect of correcting these errors is shown as follows:

	Governmental Activities	Business-Type Activities	Total
12/31/22, as previously reported	\$ 123,036	\$ 1,015,553	\$ 1,138,589
Addition of unrecorded checking account	-	42,600	42,600
Addition of unrecorded fixed assets	-	45,791	45,791
Reclassification of liability payments	-	8,754	8,754
12/31/22, as restated	<u>\$ 123,036</u>	<u>\$ 1,112,698</u>	<u>\$ 1,235,734</u>

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

At December 31, 2023, the Village had cash and cash equivalent (book balances) totaling \$168,166. These deposits are stated at cost, which approximates market.

	General Fund	Utility Fund	Total
Cash	\$ 591	\$ 741	\$ 1,332
Demand deposits	4,897	14,143	19,040
Interest-bearing demand deposits	124,609	23,185	147,794
Total	<u>\$ 130,097</u>	<u>\$ 38,069</u>	<u>\$ 168,166</u>

At December 31, 2023, the Village had investments (book balances) totaling \$297,842 consisting of two time-deposit CDs in the utility fund.

The cash and cash equivalents and investments of the Village of Hall Summit are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) 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 or exceed the amount on deposit with the fiscal agent. These 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. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Village that the fiscal agent bank has failed to pay deposited funds upon demand. Further Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Village's name.

At December 31, 2023, the Village has collected bank balances of deposits totaling \$501,269. These deposits are fully secured from risk by \$368,414 of federal deposit insurance and by pledged securities held by the custodial bank in the name of the Village (GASB Category 2) with a market value of \$142,035.

Interest Rate Risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. The Village does not have a formal investment policy, however, as a means of offsetting exposure to interest rate risk the Village's certificates of deposit have maturities of one year or less which limits exposure to fair value losses arising from rising interest rates.

Credit Risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of an investment. The Village's investments comply with Louisiana Statutes (LSA R.S. 33:2955).

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2023

3. RECEIVABLES

The following is a summary of receivables at December 31, 2023:

	General	Utility	Total
Sales and use tax	\$ 3,178	\$ -	\$ 3,178
Utility Fees	-	17,511	17,511
Allowance for Doubtful Accounts		(1,804)	(1,804)
	\$ 3,178	\$ 15,707	\$ 18,885

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2023, for the primary government is as follows:

Governmental Activities:	Balance 12/31/22	Transfers in from Closed Fund	Reclassifications/ Decreases	Balance 12/31/23
Capital assets, not being depreciated				
Land	\$ 21,334	\$ 15,166	\$ -	\$ 36,500
Capital assets, being depreciated				
Buildings & improvements	398,491	73,171	-	471,662
Equipment	78,650	54,988	(3,957)	129,681
Total capital assets, being depreciated	\$ 477,141	\$ 128,159	\$ (3,957)	\$ 601,343
Less accumulated depreciation for				
Buildings & improvements	\$ 315,640	\$ 84,293	\$ 12,828	\$ 412,761
Equipment	91,478	23,892	(16,785)	98,585
Total accumulated depreciation	407,118	108,185	(3,957)	511,346
Total Capital assets being depreciated net	70,023	19,974	-	89,997
Total Capital assets, Governmental Activities	\$ 91,357	\$ 35,140	\$ -	\$ 126,497
 Business type Activity:				
	Balance 12/31/2022 (restated)	Increases	Reclassifications/ Decreases	Balance 12/31/23
Capital assets, not being depreciated				
Land	\$ 30,776	\$ -	\$ -	\$ 30,776
Capital assets being depreciated				
Water system	940,435	-	(13,909)	926,526
Sewer system	1,164,447	7,005	(27,677)	1,143,775
Buildings & improvements	49,198	-	(1,521)	47,677
Equipment	40,954	-	(21,443)	19,511
Total capital assets being depreciated	\$ 2,195,034	\$ 7,005	\$ (64,550)	\$ 2,137,489
Less accumulated depreciation for				
Water system	601,706	26,248	(13,909)	614,045
Sewer system	898,176	34,906	(27,677)	905,405
Buildings & improvements	29,482	1,559	(1,521)	29,520
Equipment	40,167	152	(20,994)	19,325
Total accumulated depreciation	1,569,531	62,865	(64,101)	1,568,295
Total Capital assets being depreciated net	625,503	(55,860)	(449)	569,194
Total Capital assets, Business type Activity	\$ 656,279	\$ (55,860)	\$ (449)	\$ 599,970

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2023

4. CAPITAL ASSETS (continued)

Depreciation was charged to the programs as follows:

General Fund:	
Public Works	\$ 12,448
Parks and Recreation	<u>3,426</u>
Total General Fund	15,874
Utility Fund	<u>62,865</u>
Total	<u>\$ 78,739</u>

On December 4, 2023, a non-profit component unit was dissolved, and all assets were donated to the General Fund.

5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composite of interfund receivable/payable as of December 31, 2023 was:

	General	Sewer	Total
Due to	\$ -	\$ 125,341	\$ 125,341
Due from	<u>(125,341)</u>	<u>-</u>	<u>(125,341)</u>
	<u>\$ (125,341)</u>	<u>\$ 125,341</u>	<u>\$ -</u>

6. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The following is a summary of payables at December 31, 2023:

	General	Sewer	Total
Trade payables	\$ 3,717	\$ 17,509	\$ 21,226
Accrued payroll taxes	<u>-</u>	<u>1,265</u>	<u>1,265</u>
Total	<u>\$ 3,717</u>	<u>\$ 18,774</u>	<u>22,491</u>

7. PENSION PLAN

All employees of the Village are members of the Social Security System. In addition to the employee contributions withheld at 7.65 percent of gross salary, the Village contributes an equal amount to the Social Security System. The Village does not guarantee the benefits granted by the Social Security System.

8. PAYMENT TO ALDERMEN

	Per Diem
Barbara Perrin	3,000
Kathleen Quick	250
Jason Briggs	3,000
Willie Jites	<u>2,750</u>
Total	<u>\$ 9,000</u>

9. RELATED PARTY TRANSACTIONS

Procedures, observations, and inquiries did not disclose any material related party transactions for the fiscal year ended December 31, 2023.

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2023

10. RESIDUAL NET POSITION/ FUND BALANCE TRANSFERS

The Village dissolved a component unit and transferred residual net position of \$47,274 to the general fund December 31, 2023. This included \$47,715 in investment in fixed assets and a fund balance of (\$441).

11. SUBSEQUENT EVENT

Management has performed an evaluation of the Village of Hall Summit's activities through September 9, 2024, and has concluded that there are no significant events requiring recognition or disclosure through that date and time these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF HALL SUMMIT, LOUISIANA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes				
Sales taxes	\$ 19,000	\$ 19,000	\$ 61,130	\$ 42,130
Franchise taxes	7,500	7,500	7,575	75
Fines and penalties	1,500	1,500	482	(1,018)
Licenses and permits	9,000	9,000	7,509	(1,491)
Interest	300	300	143	(157)
Contributions	-	-	4,210	
Other	-	-	10,510	10,510
Total Revenues	<u>37,300</u>	<u>37,300</u>	<u>91,559</u>	<u>50,049</u>
Expenditures:				
General government	71,880	71,880	67,028	4,852
Public safety	875	875	18,788	(17,913)
Public works- Streets	-	-	5,644	-
Parks and recreations	-	-	16,647	-
Total Expenditures	<u>72,755</u>	<u>72,755</u>	<u>108,107</u>	<u>(13,061)</u>
Other Financing Sources (Uses):				
Residual fund balance transfer from component unit	-	-	(441)	
Excess (Deficiency) of Revenues over Expenditures/ Net change in Fund Balances	<u>(35,455)</u>	<u>(35,455)</u>	<u>(16,989)</u>	<u>36,988</u>
Fund balance, beginning of year	<u>31,679</u>	<u>31,679</u>	<u>31,679</u>	
Fund balance, end of year	<u>\$ (3,776)</u>	<u>\$ (3,776)</u>	<u>\$ 14,690</u>	

See the accompanying notes and independent accountant's review report

VILLAGE OF HALL SUMMIT, LOUISIANA

NOTES TO BUDGETARY COMPARISON SCHEDULES

As of and for the Year Ended December 31, 2023

Budgetary Information

The Village of Hall Summit, Louisiana's budget is prepared in accordance with accounting principles generally accepted in the United States of America on a cash basis.

The Mayor and Village Clerk prepare a proposed budget and submit the same to the Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year. The proposed budget is reviewed by the board of aldermen and made available to the public. At least ten days after publication of the call for a public hearing, the Village holds a public hearing on the proposed budget in order to receive comments from citizens. Changes are made to the proposed budget based on the public hearing and the desires of the Board of Aldermen as whole. The budget is then adopted through the passage of an ordinance during the June meeting.

During the year, the Board of Aldermen should receives monthly budget comparison statements, which are used as tools to control the operations of the Village. The Village Clerk presents necessary budget amendments to the board when she determines that actual operations are differing materially from those anticipated in the original budget. The board in regular session reviews the proposed amendments, makes necessary changes, and formally adopts the amendments. The Mayor and Board of Aldermen must approve all changes in the budget. The Village does not use encumbrance accounting in its accounting system.

The budget comparison schedule included in the accompanying financial statements present the original adopted budget and the final amended budget

The Louisiana Local Government Budget Act provides that the governing authority must adopt a budget amendment if there is a 5% or greater shortage in revenue or a 5% or greater overage in expenditures.

In the General Fund, actual revenues were more than budgeted revenues. Actual expenditures were more than budgeted expenditures by 18%. The budget was not amended during the year ended December 31, 2023. The original budget was passed February 6, 2023. The Village is not in compliance with the Louisiana Local Government Budget Act.

OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF HALL SUMMIT, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEADS OR CHIEF EXECUTIVE OFFICER
 For the Year Ended December 31, 2023

	Danny Scott Mayor
Purpose:	
Salary	2,400
Benefits-insurance (Medicare)	35
Benefits- retirement (Social Security)	149
Cell phone	600
Total	3,184

See accompanying independent accountant's review report.

Village of Hall Summit, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session
For the year ended December 31, 2023

Cash Basis Presentation	First Six Month Period Ended 06/30/23	Second Six Month Period Ended 12/31/23
Beginning Balance of Amounts Collected	\$ -	\$ -
Add: Collections		
Criminal Fines - Other	-	482
Subtotal Collections	<u>-</u>	<u>482</u>
Less: Disbursements To Governments & Nonprofits:		
North Louisiana Crime Fund - Criminal Court Costs/Fees	-	60
Louisiana Supreme Court - Criminal Court Costs/Fees	-	1
State of Louisiana - CMIS Assessment	-	4
Louisiana Commission on Law Enforcement - Court Costs	-	19
La DHH - TH/SCI Trust Fund - Criminal Courts Costs/Fees	-	10
Ware Youth Center	<u>-</u>	<u>15</u>
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency	-	373
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies	-	-
Subtotal Disbursements/Retainage	<u>-</u>	<u>373</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ -</u>	<u>\$ -</u>
Ending Balance of "Partial Payments" Collected but not Disbursed - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.	-	-

Supplemental information.

See the accompanying independent auditor's report.

DISCRETELY PRESENTED COMPONENT UNIT

VILLAGE OF HALL SUMMIT, LOUISIANA
DISCRETELY PRESENTED COMPONENT UNIT -
HALL SUMMIT DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

Operating Revenues	
Rents	\$ 42,420
Washateria income	1,963
Total Program Revenues	44,383
 Operating Expenses	
Personnel	2,318
General operating expenses	24,868
Repairs and maintenance	4,703
Depreciation	3,299
Total Program Expenses	35,188
Net Program Income	9,195
 Non-operating Revenues and Expenses	
Interest income	38
Residual fund balance transfer to General Fund	(47,274)
Total Non-operating Revenues and Expenses	(47,236)
Change in Net Position	(38,041)
Total Net Position, beginning of year	38,041
Total Net Position, end of year	\$ -

See the accompanying notes and independent accountant's review report.

OTHER REPORTS REQUIRED BY LOUISIANA STATE
AUDIT LAW



Dees Gardner, Certified Public Accountants, LLC

Deborah D. Dees, CPA/CFF
122 Jefferson Street
Mansfield, LA 71052
www.deesgardnercpas.com

Maura Dees Gardner, CPA, CFE
1659 Hwy 171 / P.O. Box 328
Stonewall, LA 71078
Phone: (318) 872-3007

Independent Accountant's Report on Applying Agreed-Upon Procedures

The Honorable Danny Scott, Mayor
And the Members of the Board of Aldermen
Hall Summit, Louisiana

We have performed the procedures enumerated below on the Village of Hall Summit's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2023, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Village of Hall Summit's management is responsible for its financial records and compliance with applicable laws and regulations.

The Village of Hall Summit has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the Village's compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2023. Additionally, the Louisiana Legislative Auditor has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$60,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

No expenditures were made during the year for materials and supplies exceeding \$30,000 or public works exceeding \$250,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics).

Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the fiscal year.

Management provided us with the required list.

4. Report whether any employees' names appear on both lists obtained Procedures 2 and 3.

None of the employees included on the list of employees provided by management (agreed-upon procedure No. 3) appeared on the list provided by management in agreed-upon procedure No. 2.

5. Obtain a list of all disbursements made during the year, and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

A list of disbursements was obtained. One payment was made to the clerk's daughter to reimburse her for tires for the lawn mower used at the park purchased through the daughter's Amazon account.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and all amendments to the original budget.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

The Board adopted the original budget on February 6, 2023. It was not amended.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more.

In the General Fund, we compared the revenues and expenditures of the final budget to actual revenue and expenditures. Budgeted revenues for the year exceeded actual amounts. Total actual expenditures were more than budgeted amounts by 18%. Actual expenditure exceeded budgeted expenditures by 5% or more.

Recommendation: Management should be diligent about making sure the budget is passed in a timely manner. They should also be more watchful in comparing budget to actual during the year.

Management response: We agree with the recommendation.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and

- (a) Report whether the six disbursements agree to the amount and payee in the supporting documentation.

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) Report whether the six disbursements are coded to the correct fund and general ledger account

All payments were properly coded to the correct fund and general ledger account.

- (c) Report whether the six disbursements were approved in accordance with policies and procedures

Documentation supporting each of the six selected disbursements included approval.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by RS 42:11 through 42:28 (the open meeting law) and report whether there are any exceptions.

The Village of Hall Summit, Louisiana is only required to post a notice of each meeting and the accompanying agenda on the door of Village Hall. There is a vote to accept the agenda as posted at the beginning of each meeting.

Debt

11. Obtain bank deposit slips for the fiscal year and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We inspected deposits for the period under examination and found no indication of new bank loans, bonds, or like indebtedness in 2023.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

We inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The report was not filed timely.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A(2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Management did not enter into any contracts that utilized state funds.

Recommendation: The financial statements took longer to complete by the accountant due to increase accounting procedures necessary to complete prior period adjustments for an unrecorded checking account, correct due to/ from accounts, and to close a proprietary component unit into a governmental fund.

Management response: We agree with the recommendation.

Other Matters, Concerns, Suggestions, Recommendations, and/ or Comments

15. Discuss any other matters, concerns, suggestions, recommendations and/ or comments determined during the performance of attestation procedures.
 - a. During prior years, tax liability payments were posted to a payroll tax expense instead of the payroll tax liability. This resulted in overstated tax liability and overstated payroll expenses. The correction resulted in a prior period adjustment. The issue is resolved
 - b. During fieldwork, it was discovered that a checking account was opened in 2021 to deposit and expense ARP funds. Over a two-year period, \$106,234 in ARP revenue and \$63,635 in disbursements were not recorded in the Village's financial statements. This included \$24,232 of unrecorded fixed assets. The issue is partially resolved.
 - c. Louisiana state law requires that the annual reviewed financial statements should be submitted to the Legislative Auditor within six months after the close of the fiscal year end. Due to the two items found in a and b above the financial statements took longer to complete that expected. The Village did not submit the annual review within six months after the close of the fiscal year.

Prior-Year Comments and Recommendations

16. Review any prior-year suggestions, recommendations, and or comments to determine the extent to which such matters have been resolved.
 - a. The Village has a continued finding for an inadequate segregation of duties that management does not see as cost beneficial to correct. The segregation of duties continues to be unresolved.
 - b. Budget violation for failure to amend the budget when revenues fail to meet budgeted amounts by 5% or more and when actual expenditures exceed budgeted amounts by 5% or more. The matter continues to be unresolved.
 - c. The Utility Fund checking account has over 30 outstanding items dating as far back as 2012. The Village needs to review old outstanding item to ensure the account is fairly stated. The matter continues to be unresolved.
 - d. The Utility Fund has a designated checking account for customer meter deposits. The account balance is not sufficient to cover the meter liability. The matter continues to be unresolved.
 - e. All Village expenses are paid from the Utility Fund checking account. This results in convoluted, complex transactions to maintain the accuracy of the due to/ from accounts. The due to/from balances between the accounts are not reconciled. Not all expenses paid by the Utility Fund for the General Fund and Development Corporation were posted to the accounting system for those respective funds. The council was not reviewing financial statements for those funds. The matter is partially resolved.

We were engaged by the Village to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Village's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely to describe the scope of testing performed on the Village's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Dees Gardner, Certified Public Accountants, LLC

Dees Gardner, Certified Public Accountants, LLC
Mansfield, Louisiana
September 9, 2024

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)**

May 15, 2024 (Date Transmitted)

Dees Gardner, CPAs, LLC
122 Jefferson Street
Mansfield, LA 71052

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2023, (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the state procurement code (R.S. 39:1551 – 39:1755); the public bid law (R.S. 38:2211-2296), and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes No [] N/A []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes No [] N/A []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes No [] N/A []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes No [] N/A []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes No [] N/A []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes No [] N/A []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No [] N/A []

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No [] N/A []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No [] N/A []

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes No [] N/A []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes No [] N/A []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [] No N/A []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes No [] N/A []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [] No [] N/A []

General

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No [] N/A []

We acknowledge that we are responsible for determining that the procedures performed are appropriate for the purposes of this engagement.

Yes No [] N/A []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes No [] N/A []

We have provided you with all relevant information and access under the terms of our agreement.

Yes No [] N/A []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes No [] N/A []

We are not aware of any material misstatements in the information we have provided to you.

Yes No [] N/A []


We have disclosed to you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes No N/A

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes No N/A

The previous responses have been made to the best of our belief and knowledge.

 _____ Mayor 6-4-24 Date
Rachael Henry _____ Town Clerk 6-4-24 Date

VILLAGE OF HALL SUMMIT, LOUISIANA

Schedule of Findings

For the year ended December 31, 2023

FINDINGS RELATED TO COMPLIANCE

2023-01. Late Submission of Report

Criteria: Louisiana state law requires that the Village have an annual review performed and submitted to the Legislative auditor within six (6) months after the close of the fiscal year.

Condition: For the year ended December 31, 2023, the Village did not submit the annual audit within six months after the close of their fiscal year.

Cause: Issues were discovered during fieldwork that resulted in prior period adjustments and caused the preparation of the financial statements to take longer. The primary was a checking account opened in 2021 to deposit ARP funds that had not been recorded in the Village's accounting system. Various depreciable fixed assets had been purchased from the account over a two year period. Additional invoices and accounting records had to be pulled from prior years to correct the misstatement.

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

Recommendation: The Village should ensure that the annual audit is performed and submitted to the Legislative Auditor within six (6) months after the close of the fiscal year.