

VILLAGE OF HALL SUMMIT, LOUISIANA

FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

VILLAGE OF HALL SUMMIT, LOUISIANA

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VILLAGE OF HALL SUMMIT, LOUISIANA

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Dees Gardner, Certified Public Accountants, LLC

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Independent Accountant's Review Report

The Honorable Jason Briggs, 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, and the major fund of the Village of Hall Summit, Louisiana, as of and for the year ended December 31, 2025, 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 analytical 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, 2025, 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 on page 29 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 is 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 other supplementary information and, accordingly, do not express an opinion on such information.

Dees Gardner, Certified Public Accountants, LLC

Mansfield, Louisiana
June 30, 2026

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VILLAGE OF HALL SUMMIT, LOUISIANA

STATEMENT OF NET POSITION

December 31, 2025

ASSETS	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Cash and cash equivalents	\$ 54,223	\$ 71,792	\$ 126,015
Receivables, net	-	23,241	23,241
Investments	-	321,171	321,171
Prepaid expenses	9,523	5,388	14,911
Restricted cash and cash equivalents	-	8,734	8,734
Restricted investments	-	29,341	29,341
Internal balances	(161,927)	161,927	-
Deposits	450	-	450
Capital assets, net	202,723	513,944	716,667
TOTAL ASSETS	\$ 104,992	\$ 1,135,538	\$ 1,240,530
LIABILITIES			
Current liabilities:			
Accounts, payroll, and other payables	\$ 2,823	\$ 5,371	\$ 8,194
Meter Deposits	-	38,075	38,075
Total Current liabilities	2,823	43,446	46,269
Noncurrent liabilities:			
Long-term debt due within one year	14,154	-	14,154
Long-term debt	37,146	-	37,146
Total Noncurrent liabilities	51,300	-	51,300
TOTAL LIABILITIES	\$ 54,123	\$ 43,446	\$ 97,569
NET POSITION			
Net investment in capital assets	\$ 151,423	\$ 513,944	\$ 665,367
Unrestricted	(100,554)	578,148	477,594
TOTAL NET POSITION	\$ 50,869	\$ 1,092,092	\$ 1,142,961

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

VILLAGE OF HALL SUMMIT, LOUISIANA

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2025

Functions	Expenses	Program Revenues			Net (Expenses), Revenues, and Changes in Net Position			
		Charges for Services	Operating	Capital	Primary Government		Total	
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-Type Activities		
Primary Government								
Governmental Activities								
General government	\$ 113,397	\$ -	\$ -	\$ -	\$ (113,397)	\$ -	\$ (113,397)	
Public safety	8,121	-	-	-	(8,121)	-	(8,121)	
Public works - Streets	-	-	-	-	-	-	-	
Parks and recreation	26,193	45,528		-	19,335	-	19,335	
Total Governmental Activities	147,711	45,528	-	-	(102,183)	-	(102,183)	
Business-Type Activities								
Water and sewer	181,371	165,507	-	-	-	(15,864)	(15,864)	
Total Business-type Activities	181,371	165,507	-	-	-	(15,864)	(15,864)	
Total Primary Government	\$ 329,082	\$ 211,035	\$ -	\$ -	\$ (102,183)	\$ (15,864)	\$ (118,047)	
General Revenues:								
Sales tax					26,092	-	26,092	
Franchise taxes					6,850	-	6,850	
Licenses and permits					7,253	-	7,253	
Investment earnings					121	10,291	10,412	
Miscellaneous income					39,848	587	40,435	
Total general revenues					80,164	10,878	91,042	
Change in Net Position					(22,019)	(4,986)	(27,005)	
Net position - beginning					72,888	1,097,078	1,169,966	
Net position - ending					\$ 50,869	\$ 1,092,092	\$ 1,142,961	

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

FUND FINANCIAL STATEMENTS

VILLAGE OF HALL SUMMIT, LOUISIANA**BALANCE SHEET - GENERAL FUND**

December 31, 2025

ASSETS		<u>Total</u>
Cash and cash equivalents	\$	54,223
Accounts receivable		-
Prepaid expenses		9,523
Utility deposits		<u>450</u>
TOTAL ASSETS	\$	<u>64,196</u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts, payroll, and other payables	\$	2,823
Due to other funds		<u>161,927</u>
Total Liabilities		<u>164,750</u>
Fund Balances:		
Nonspendable		
Prepaid expenses		9,523
Unassigned		<u>(110,077)</u>
Total Fund Balance		<u>(100,554)</u>
TOTAL LIABILITIES AND FUND BALANCE	\$	<u>64,196</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, 2025

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

Fund Balance, Total Governmental Funds, Statement C	\$ (100,554)
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds	202,723
Long-term liabilities are not due and payable from current financial resources and therefore, are not reported in the governmental funds	<u>(51,300)</u>
Net Position of Governmental Activities, Statement A	<u>\$ 50,869</u>

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

VILLAGE OF HALL SUMMIT, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE

General Fund

For the Year Ended December 31, 2025

Revenues:

Taxes		
Sales taxes	\$	26,092
Franchise taxes		6,850
Fines and penalties		-
Licenses and permits		7,253
Interest		121
Contributions		-
RV Park fees		34,186
Other		51,191
Total Revenues		<u>125,693</u>

Expenditures:

Current:		
General government		105,535
Public safety		8,121
Parks and recreations		9,621
Debt Service		
Principal		12,028
Interest		7,863
Capital outlays		6,685
Total Expenditures		<u>149,853</u>
Excess (Deficiency) of Revenues over Expenditures		(24,160)
Fund balance, beginning of year		(76,394)
Fund balance, end of year	\$	<u><u>(100,554)</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 CHANGE IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

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

Net Change in Fund Balance, Total Governmental Funds, Statement E	\$ (24,160)
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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 (\$16,572) exceeds the capital outlays (\$6,685) in the current period.	(9,887)
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The issuance of long-term debt provides current financial resources to government while the repayment of principal of long-term debt consumes financial resources.

Debt Service - Principal	<u>12,028</u>
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Change in Net Position of Governmental Activities, Statement B	<u><u>\$ (22,019)</u></u>
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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, 2025

	Business-Type Activity - Sewer
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 71,792
Receivables, net	23,241
Prepaid expenses	5,388
Total current assets	<u>100,421</u>
Restricted assets:	
Restricted cash and cash equivalents	8,734
Restricted investments	29,341
Total restricted assets	<u>38,075</u>
Non-current assets:	
Investments	321,171
Due from other funds	161,927
Capital assets, net of accumulated depreciation	513,944
Total non-current assets	<u>997,042</u>
TOTAL ASSETS	\$ <u>1,135,538</u>
LIABILITIES	
Current liabilities:	
Accounts, payroll, and other payables	\$ 5,371
Payable from restricted assets:	
Customer deposits	<u>38,075</u>
TOTAL LIABILITIES	\$ <u>43,446</u>
NET POSITION	
Net investment in capital assets	\$ 513,944
Unrestricted	<u>578,148</u>
TOTAL NET POSITION	\$ <u><u>1,092,092</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, 2025

Operating Revenues

Charges for services	
Water and sewer service fees	\$ 165,507
Operating grants	-
Miscellaneous income	587
Total Operating Revenues	<u>166,094</u>

Operating Expenses

Personnel	9,905
General operating expenses	39,595
Repairs and maintenance	74,524
Depreciation	57,347
Total Operating Expenses	<u>181,371</u>

Operating Gain (Loss) (15,277)

Nonoperating Revenues (Expenses)

Interest income	<u>10,291</u>
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Change in Net Position (4,986)

Total Net Position, beginning of year	1,097,078
Total Net Position, end of year	\$ <u><u>1,092,092</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, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Operating Gain	\$ (15,277)
Adjustments to reconcile change in net position to net cash provided by operating activities	
Depreciation	57,347
(Increase) decrease in net position:	
Accounts receivable	(7,793)
Due from other funds	(38,833)
Prepaid expenses	(23)
Increase(decrease) in liabilities:	
Accounts payable and accrued expenses	(4,270)
Meter deposits	2,942
Net cash provided (used) by operating activities	<u>(5,907)</u>

CASH FLOWS FROM CAPITAL ACTIVITIES

Purchase of capital assets	<u>(16,049)</u>
Net cash provided (used) by non capital financing activities	<u>(16,049)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investments purchased	(2,866)
Interest received	10,291
Net cash provided (used) by investing activities	<u>7,425</u>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (14,531)

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 95,057

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 80,526

Reconciliation of total cash and cash equivalents:

Current Assets - Cash and cash equivalents	\$ 71,792
Restricted cash and cash equivalents	8,734
	<u>\$ 80,526</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, 2025

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, 2025

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, 2025

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, 2025, \$23,989 of Proprietary Fund 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, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2025, 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, 2025

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.

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

At December 31, 2025, the Village had cash and cash equivalents and restricted cash and cash equivalents (book balances) totaling \$134,749.

	General Fund	Utility Fund	Total
Cash	\$ 1,665	\$ 741	\$ 2,406
Demand deposits	1,873	12,978	14,851
Interest-bearing demand deposits	50,685	66,807	117,492
Total	\$ 54,223	\$ 80,526	\$ 134,749

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2025

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

At December 31, 2025, the Village had investments and restricted investments (book balances) totaling \$350,512 consisting of two CDs in the utility fund. These deposits are stated at cost, which approximates market.

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, 2025, the Village has collected bank balances of deposits totaling \$485,769. These deposits are fully secured from risk by \$328,206 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 \$297,621.

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).

3. RECEIVABLES

The following is a summary of receivables at December 31, 2025:

	General	Utility	Total
Sales and use tax	\$ -	\$ -	\$ -
Accrued Interest	-	8,268	8,268
Utility Fees	-	38,962	38,962
Allowance for Doubtful Accounts	-	(23,989)	(23,989)
	<u>\$ -</u>	<u>\$ 23,241</u>	<u>\$ 23,241</u>

4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composite of interfund receivable/payable as of December 31, 2025 was:

	General	Sewer	Total
Due to	\$ -	\$ 161,927	\$ 161,927
Due from	(161,927)	-	(161,927)
	<u>\$ (161,927)</u>	<u>\$ 161,927</u>	<u>\$ -</u>

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2025

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2025, for the primary government is as follows:

Governmental Activities:	Balance 12/31/24	Increases	Reclassifications/ Decreases	Balance 12/31/25
Capital assets, not being depreciated				
Land	\$ 36,500	\$ -	\$ -	\$ 36,500
Capital assets, being depreciated				
Buildings & improvements	496,462	-	(6,307)	490,155
Equipment	210,082	6,685	(6,899)	209,868
Total capital assets, being depreciated	<u>\$ 706,544</u>	<u>\$ 6,685</u>	<u>\$ (13,206)</u>	<u>\$ 700,023</u>
Less accumulated depreciation for				
Buildings & improvements	\$ 426,661	\$ 1,653	\$ (6,307)	\$ 422,007
Equipment	103,773	14,919	(6,899)	111,793
Total accumulated depreciation	<u>530,434</u>	<u>16,572</u>	<u>(13,206)</u>	<u>533,800</u>
Total Capital assets being depreciated net	<u>176,110</u>	<u>(9,887)</u>	<u>-</u>	<u>166,223</u>
Total Capital assets, Governmental Activities	<u>\$ 212,610</u>	<u>\$ (9,887)</u>	<u>\$ -</u>	<u>\$ 202,723</u>
Business type Activity:	Balance 12/31/24	Increases	Reclassifications/ Decreases	Balance 12/31/25
Capital assets, not being depreciated				
Land	\$ 30,776	\$ -	\$ -	\$ 30,776
Capital assets being depreciated				
Water system	924,787	\$ 16,049	\$ (6,838)	933,998
Sewer system	1,123,022	-	(22,488)	1,100,534
Buildings & improvements	47,677	-	(2,464)	45,213
Equipment	19,511	-	-	19,511
Total capital assets being depreciated	<u>\$ 2,114,997</u>	<u>\$ 16,049</u>	<u>\$ (31,790)</u>	<u>\$ 2,099,256</u>
Less accumulated depreciation for				
Water system	627,829	24,991	(6,838)	645,982
Sewer system	913,857	30,757	(22,488)	922,126
Buildings & improvements	29,520	1,559	(2,464)	28,615
Equipment	19,325	40	-	19,365
Total accumulated depreciation	<u>1,590,531</u>	<u>57,347</u>	<u>(31,790)</u>	<u>1,616,088</u>
Total Capital assets being depreciated net	<u>524,466</u>	<u>(41,298)</u>	<u>-</u>	<u>483,168</u>
Total Capital assets, Business type Activity	<u>\$ 555,242</u>	<u>\$ (41,298)</u>	<u>\$ -</u>	<u>\$ 513,944</u>

Depreciation was charged to the programs as follows:

General Fund:	
Parks and Recreation	16,572
Utility Fund:	57,347
Total	<u>\$ 73,919</u>

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2025

6. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The following is a summary of payables at December 31, 2025:

	General	Sewer	Total
Trade payables	\$ 2,048	\$ 5,115	\$ 7,163
Accrued payroll taxes	775	256	1,031
Total	<u>\$ 2,823</u>	<u>\$ 5,371</u>	<u>8,194</u>

7. LONG-TERM DEBT

On April 2, 2024, the Village Council approved a five year financed purchase agreement dated May 8, 2024, with Bank of Coushatta for the purchase of a Kooler Ice House delivered 11 November 2024. The principal amount is \$70,145 with an interest rate of 12.759%. The agreement calls for monthly payments of \$1,658.

The following is a summary of long-term debt transactions for the year ended December 31, 2025:

Long-term debt payable at December 31, 2024	\$ 63,328
New debt issued	-
Less payments made during year	(12,028)
Long-term debt payable at December 31, 2025	<u>\$ 51,300</u>
Amount of long-term debt due within one year	\$ 14,154

The future minimum debt payments and interest required under the above referenced financed purchase agreement are.

Due	Principal	Interest	Total
2026	14,154	5,737	19,891
2027	16,070	3,821	19,891
2028	18,244	1,647	19,891
2029	2,832	30	2,862
	<u>51,300</u>	<u>11,235</u>	<u>62,535</u>

8. 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.

9. PAYMENTS TO ALDERMEN

	Per Diem
Barbara Perrin	3,000
Willie Jiles	3,000
Amelia Dyer	3,000
Total	<u>\$ 9,000</u>

10. RELATED PARTY TRANSACTIONS

Procedures, observations, and inquiries did not disclose any material related party transactions for the fiscal year ended December 31, 2025.

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2025

11. GENERAL FUND DEFICIT

At December 31, 2025, the General Fund reported a total fund balance deficit of \$(100,554), including an unassigned fund balance deficit of \$(110,077). The deficit exceeds 5% of General Fund revenues for the year ended December 31, 2025 (5% of \$125,693 equals \$6,285) and is considered a significant deficit under Louisiana Legislative Auditor reporting guidance. The deficit resulted primarily from expenditures exceeding revenues during the current and prior fiscal years. Management plans to eliminate the deficit through a combination of reducing or controlling operating expenditures where feasible, monitoring the budget more closely throughout the fiscal year, and implementing cost-saving measures and improved financial controls. Management expects that these measures will improve the General Fund's financial position and eliminate the deficit over the next few fiscal years.

12. SUBSEQUENT EVENT

Management has performed an evaluation of the Village of Hall Summit's activities through June 30, 2026, 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, 2025

	Budgeted Amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes				
Sales taxes	\$ 30,000	\$ 30,000	\$ 26,092	\$ (3,908)
Franchise taxes	4,800	4,800	6,850	2,050
Fines and penalties	600	600	-	(600)
Licenses and permits	12,000	12,000	7,253	(4,747)
Interest	180	180	121	(59)
Contributions	-	-	-	-
RV Park fees	26,100	26,100	34,186	8,086
Other	4,300	4,300	51,191	46,891
Total Revenues	<u>77,980</u>	<u>77,980</u>	<u>125,693</u>	<u>47,713</u>
Expenditures:				
Current:				
General government	59,170	59,170	105,535	(46,365)
Public safety	13,572	13,572	8,121	5,451
Public works- Streets	-	-	-	-
Parks and recreations	7,838	7,838	9,621	(1,783)
Debt Service				
Principal	-	-	12,028	(12,028)
Interest	-	-	7,863	(7,863)
Capital outlays	-	-	6,685	(6,685)
Total Expenditures	<u>80,580</u>	<u>80,580</u>	<u>149,853</u>	<u>(69,273)</u>
Excess (Deficiency) of Revenues over Expenditures/ Net change in Fund Balances	<u>(2,600)</u>	<u>(2,600)</u>	<u>(24,160)</u>	<u>116,986</u>
Fund balance, beginning of year	<u>(76,394)</u>	<u>(76,394)</u>	<u>(76,394)</u>	
Fund balance, end of year	<u>\$ (78,994)</u>	<u>\$ (78,994)</u>	<u>\$ (100,554)</u>	

See the accompanying notes and independent accountant's review report

VILLAGE OF HALL SUMMIT, LOUISIANA

NOTES TO BUDGETARY COMPARISON SCHEDULE

As of and for the Year Ended December 31, 2025

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 receive 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 85.97%. The budget was not amended during the year ended December 31, 2025. The original budget was passed November 12, 2024. 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, 2025

	Jason Briggs Mayor
Purpose:	
Salary	4,200
Benefits-insurance (Medicare)	61
Benefits- retirement (Social Security)	260
Cell phone	-
Total	<u>4,521</u>

See accompanying independent accountant's review report.

OTHER REPORTS REQUIRED BY LOUISIANA STATE
AUDIT LAW



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Independent Accountant's Report on Applying Agreed-Upon Procedures

The Honorable Jason Briggs, 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, 2025, 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, 2025. 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 on materials and supplies exceeding \$60,000. No expenditures were made during the year for 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. No payments were made to any related parties.

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 November 12, 2024. 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 85.97%.

Recommendation: It is recommended that management review a budget-to-actual comparison at regular meetings and make timely updates to the budget as needed to keep it aligned with actual activity.

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 2025.

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 filed timely for fiscal year end December 31, 2025.

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.

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. Meeting minutes do not indicate that budget to actual comparisons financial statements are being reviewed at each village hall meeting.

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 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.
- d. During fieldwork for fiscal year end June 30, 2023, it was discovered that a checking account was opened in 2021 to deposit and expense ARP funds. Over a three-year period, \$106,234 in ARP revenue and \$101,991 in disbursements were not recorded in the Village's financial statements. This included \$24,232 of unrecorded fixed assets. The issue is partially resolved.
- e. 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. The Village did not submit the December 31, 2024 annual review within six months after the close of the fiscal year. The issue is resolved
- f. The Village entered into a finance purchase agreement for an Ice House in the amount of \$70,145 in year ended December 31, 2024. The Village did not receive approval from the State Bond Commission for the financed purchase. The issue has been 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
June 30, 2026

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

May 14, 2026 (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, 2025_(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 ☐

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

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.

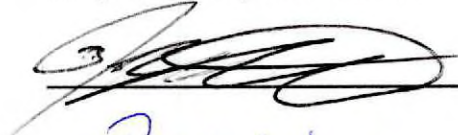
Yes ☒ No ☐ N/A ☐

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

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 5-29-26 Date
Rachael Huxley _____ Town Clerk 5-29-26 Date
Amelia Dyer _____ Alderman 5-29-26 Date

Village of Hall Summit, Louisiana

Schedule of Findings and Response
For the Year ended December 31, 2025

FINDINGS RELATED TO COMPLIANCE

2025-01. Noncompliance with the Local Government Budget Act.

Criteria: The Louisiana Local Government Budget Act R.S. 39:1310 states a governing authority shall adopt a budget amendment in an open meeting for the general fund and any special revenue funds when: 1) Total revenues and other sources plus projected revenues and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent (5%) or more or 2) Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent (5%) or more.

Condition: Total actual expenditures of the Village were \$69,273 (85.97%) more than budgeted amounts.

Cause: Unknown.

Effect: The Village is not in compliance with the Local Government Budget Act.

Recommendation: The Council should ensure that the Louisiana Local Government Budget Act requirements are followed and budget amendments are adopted in an open meeting when required.