# VILLAGE OF HALL SUMMIT, LOUISIANA FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

MARSHA O. MILLICAN A PROFESSIONAL ACCOUNTING CORPORATION SHREVEPORT, LOUISIANA

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#### INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

I have reviewed the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Village of Hall Summit, as of and for the year ended December 31, 2019, 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 management. 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, I do not express such an opinion.

#### Management's Responsibility for the Financial Statements

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

#### Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am 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. I believe that the results of my procedures provide a reasonable basis for my conclusion.

#### Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3-8 and the budgetary information on page 25 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. I have not audited, reviewed, or compiled the required supplementary information and I do not express an opinion, a conclusion, nor provide any assurance on it.

#### Supplementary Information

My review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the basic financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying Schedule of Compensation Paid to Mayor and Aldermen on page 26 and the Schedule of Compensation, Benefits, and Other Payments to Agency Head on page 27 are presented for purposes of additional analysis and are not a required part of the basic financial statements. I have reviewed the information and based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the information and, accordingly, do not express an opinion on such information.

Certified Public Accountant

Madut. Thillian

June 23, 2020

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

#### Management's Discussion and Analysis

December 31, 2019

The Management's Discussion and Analysis of the Village of Hall Summit's financial performance presents a narrative overview of the Village of Hall Summit's financial activities for the year ended December 31, 2019. The document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the Village's financial statements, which follow this section.

#### FINANCIAL HIGHLIGHTS

#### Governmental Activities

- 1) Village of Hall Summit had cash of \$44,630 at December 31, 2019, which represents a decrease of \$11,064 from prior year end.
- 2) Village of Hall Summit had taxes receivable of \$2,107 at December 31, 2019, which represents an increase of \$199 from the prior year end.
- Village of Hall Summit had accounts payable and accruals of \$1,908 at December 31, 2019, which represents a decrease of \$36 from the prior year end.
- 4) Village of Hall Summit had total revenues of \$27,492 for the year ended December 31, 2019, which represents a decrease of \$5,557 from the prior year end.
- 5) Village of Hall Summit had total expenses of \$69,518 for the year ended December 31, 2019, which represents an increase of \$24,989 from the prior year end.

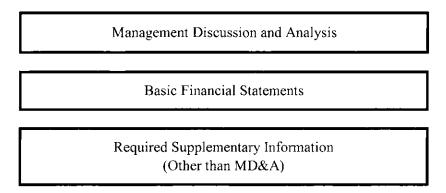
#### **Business-Type Activities**

- 1) Village of Hall Summit had cash and investments of \$149,144 for the year ended December 31, 2019 which represents a decrease of \$11,290 from the prior year end.
- 2) Village of Hall Summit had accounts receivable of \$18,890 for the year ended December 31, 2019 which represents an increase of \$3,656 from the prior year end.
- 3) Village of Hall Summit had accounts payable and accruals of \$14,478 for the year ended December 31, 2019, which represents an increase of \$7,243 from prior year end.
- 4) Village of Hall Summit had total revenues of \$176,902 for the year ended December 31, 2019, which represents an increase of \$35,100 from prior year.
- Village of Hall Summit had total expenses of \$194,070 for the year ended December 31, 2019, which represents an increase of \$7,934 from prior year.

#### VILLAGE OF HALL SUMMIT, LOUISIANA Management's Discussion and Analysis (Continued) December 31, 2019

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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



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

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 8 and 9) provide information about the activities of the Village of Hall Summit as a whole and present a longer-term view of the Village's finances. Fund financial statements start on page 10. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds.

#### Reporting the Village as a Whole

#### The Statement of Net Position and the Statement of Activities

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

Management's Discussion and Analysis (Continued)
December 31, 2019

#### OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

#### Governmental Activities

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

#### **Business-Type Activities**

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

#### Reporting the Village's Most Significant Funds

#### **Fund Financial Statements**

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

#### Governmental Funds

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

#### Proprietary Funds

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

Management's Discussion and Analysis (Continued)
December 31, 2019

#### FINANCIAL ANALYSIS OF THE ENTITY

#### Statement of Net Position at Year End

	Governmental Activities		Business Activities			vernmental Activities	Business Activities
		2019		2019		2018	2018
Current and other assets	\$	232,096		433,636	\$	241,698	\$ 405,394
Capital assets, net		130,655		768,982		145,423	799,427
Total Assets		362,751		1,202,618		387.121	 1,204,821
Accounts Payable and Accruals		165.851		14,478		139.251	7,325
Long-Term Debt		-		-		-	-
Customer Deposits		-		33,375		-	31,800
Total Liabilities		165.851		47,853		139.251	39,125
Net Position							
Investments in capital assets,							
Net of related debt		130,655		768,982		145,423	799,427
Restricted Net Position		-		-		-	-
Unrestricted		69,245		385,783		100,503	 366,359
Total Net Position	\$	199,900	\$	1,154,765	\$	245,926	\$ 1,165,786

Net position of the Village of Hall Summit decreased by \$46,026 and decreased by \$11,021 from the previous fiscal year Governmental Activities and Business-Type Activities, respectively. These changes are the result of operating and other expenses being less than/exceeding operating and nonoperating revenues during the fiscal year ended 2019 (See table below).

#### Statement of Activities As of Year End

	Government		Business	Go	vernment	Business		
		2019	2019		2018		2018	
General Government Expenses	\$	(69.518)	\$ (194,070)	\$	(43,403)	\$	(186,136)	
Program revenues								
Charges for services		-	165,070		-		136,346	
Operating and capital grants and								
Contributions		-	11,400		-		5,000	
Subtotal		(69,518)	(17,600)		(43,403)		(44,790)	
General revenues and transfers		23,492	6,579		4,386		29,039	
Change in net position	\$	(46,026)	\$ (11,021)	\$	(39,017)	\$	(15,751)	

Management's Discussion and Analysis
December 31, 2019

#### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

At the end of 2019, Village of Hall Summit had \$130,655 and \$768,206 net of depreciation in Governmental Activities and Business-Type Activities, respectively, invested in a broad range of capital assets (See table below). This account represents a net decrease (including additions and deductions) of \$14,768 and a decrease of \$30,445 in Governmental and Business-Type Activities, respectively, from the previous year.

#### Capital Assets (Net) at Year End

	vernmental activities	Business-Type Activities 2019			
	2019				
Land	\$ 21,334	\$	30,776		
Buildings and other improvements	109,321		-		
Distribution system	-		738,206		
Equipment and other assets	-		-		
Total	\$ 130,655	\$	768,982		

Additions for the year ended December 31, 2019 are as follows:

This years major additions included:

·	Activ	nmental vities 19	Business-Type Activities 2019		
Distribution system	\$	<u> </u>	\$	25,615	
Land		-		-	
Buildings and other improvements		-		-	
Equipment and other assets		-		_	
Total	\$	-	\$	25,615	

#### Debt

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

#### VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$5,304 more than budgeted amounts.

Actual expenditures were \$29,790 more than budgeted amounts.

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

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

#### VILLAGE OF HALL SUMMIT, LOUISIANA Management's Discussion and Analysis (Continued) December 31, 2019

#### CONTACTING VILLAGE OF HALL SUMMIT'S MANAGEMENT

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

#### Statement of Net Position December 31, 2019

	Governmen	tal Business-type		Component
	Activities	Activities	Total	Unit
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 44,63	0 \$ 14,753	\$ 59,383	\$ 93,647
Investments, at cost	157,33	5 101,016	258,351	36,056
Receivables (net of allowance account)	2,10	18,890	20,997	-
Prepaid expenses	5,60	00 2,800	8,400	3,100
Total current assets	209,67	2 137,459	347,131	132,803
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents		- 33,375	33,375	-
Due from other funds	22,42	4 262,802	285,226	-
Deposits			-	450
Capital assets, net of accumulated depreciation	130,65	5 768,982	899,637	23,771
Total noncurrent assets	153,07	9 1,065,159	1,218,238	24,221
Total assets	362,75	1 1,202,618	1,565,369	157,024
Deferred Outflow of resources				
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	1,90	8 14,478	16,386	629
Payroll taxes payable			-	-
Due to other funds	160,94	3	160,943	124,283
Total current liabilities	162,85	1 14,478	177,329	124,912
Noncurrent liabilities:				
Deposits		- 33,375	33,375	
Total liabilities	162,85	1 47,853	210,704	124,912
Deferred inflows of resources	S		_	<u> </u>
Net Position				
Invested in capital assets, net of related debt	130,65	5 768,982	899,637	23,771
Restricted			-	-
Unrestricted	69,24	5 385,783	455,028	8,341
Total net position	\$ 199,90	0 \$ 1,154,765	\$ 1,354,665	\$ 32,112

### Statement of Activities For the Year Ended December 31, 2019

		Program Revenues			Net (Expense) Revenue and Changes in Net F					Position				
	5 <del></del>			Operating	(	Capital	2000	P	rimar	y Governme	nt	***		
			Charges for	Grants and	Gt	ants and	Gov	ernmental	Bu	siness-type			Cor	nponent
Functions	Е	expenses	Services	Contributions	Cor	tributions	Α	ctivities		Activities		Total		Unit
Primary Government:														
Governmental Activities:														
General government	\$	58,442	\$ -	\$ -	\$		\$	(58,442)	\$	· =	\$	(58,442)	\$	-
Public safety		11,076	1	<b>8</b> (		•		(11,076)	10	-		(11,076)	15	
Total governmental activities		69,518	-					(69,518)		18		(69,518)		<u> </u>
<b>Business-type Activities:</b>										*				
Water		194,070	165,070			11,400		-		(17,600)		(17,600)		-
<b>Total Primary Government</b>	\$	263,588	\$ 165,070	\$ -	\$	11,400	\$	(69,518)	\$	(17,600)	\$	(87,118)	\$	-
Component Unit:	-													
Component Unit:	\$	15,847	\$ 8,932	\$ -	\$	1:0	\$	-	\$	-	\$		\$	6,178
			General Re	venues:										
			Taxes					19,033		-		19,033		-
				and permits				8,662		-		8,662		-
			Interest					605		432		1,037		200
			Intergove	nmental				:*:		_		-		
			Rent					( <del>**</del> )				-		
			Donations	18				-				-		-
			Miscellan	eous				1,339		14		1,339		-
			Transfers					(6,147)		6,147		_		-
			Total ge	neral revenues and	transfe	rs		23,492		6,579	_	30,071		200
			Change in r					(46,026)		(11,021)		(57,047)	-	6,378
			8	, beginning of year	r			245,926		1,165,786		1,411,712		25,734
			57.0	, end of year			\$	199,900	\$	1,154,765	\$	1,354,665	\$	32,112

#### Balance Sheet Governmental Funds For the Year Ended December 31, 2019

		Total
ASSETS		
Cash	\$	44,630
Investments		157,335
Taxes and accounts receivable		2,107
Due from Other Funds		22,424
Prepaid Expenses		5,600
Total Assets		232,096
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable and accruals		1,908
Due to Other Funds	_	160,943
Total Liabilities		162,851
Fund Balance:		
Nonspendable		
Prepaid Expenses		2,107
Unreserved		67,138
Total Fund Balance		69,245
Total Liabilities and Fund Balances	\$	232,096

#### Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Position of Governmental Activities on the Statement of Net Position Year Ended December 31, 2019

Fund Balances - Total Governmental Funds	\$ 69,245
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Add: Capital Assets  Deduct: Accumulated Depreciation	498,475 (367,820)

\$

199,900

Net Position of Governmental Activities

### Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund

#### For the Year Ended December 31, 2019

REVENUES	
Sales Taxes	\$ 13,517
Occupational Licenses	8,662
Franchise Taxes	5,516
Interest	605
Other Income	1,339
Total Revenues	29,639
EXPENDITURES	
General Government	43,674
Public Safety	11,076
Total Expenditures	54,750
Net change in fund balance before other sources (uses)	(25,111)
Other Sources (Uses):	
Transfers to other funds	(6,147)
Net change in fund balance	(31,258)
Fund balance, beginning of year	100,503
Fund balance, end of year	\$ 69,245

# Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Activities For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds

\$ (31,258)

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

Governmental Funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$14,768) exceeds capital outlay (\$-0-) in the current period

(14,768)

Change in Net Position of Governmental Activities

\$ (46,026)

#### Statement of Net Position Proprietary Fund December 31, 2019

#### Assets

Cash         \$ 14,753           Accounts receivable         18,890           Prepaid expenses         2,800           Total Current Assets         36,443           Noncurrent Assets:         ***           Restricted cash         33,375           Investments         101,016           Due from other funds         262,802           Capital Assets, Net         768,982           Total Noncurrent Assets         1,166,175           Total Assets         1,202,618           Deferred Outflows of Resources         -           Liabilities         1           Accounts payable and accruals         14,478           Total Current Liabilities         14,478           Noncurrent Liabilities         33,375           Total Noncurrent Liabilities         33,375           Total Noncurrent Liabilities         47,853           Deferred inflows of resources         -           Feerred inflows of resources         -           Invested in capital assets, net of related debt         768,982           Urnestricted         335,783           Total net position         51,154,765	Current Assets:	
Prepaid expenses         2,800           Total Current Assets         36,443           Noncurrent Assets:         **** Restricted cash** 101,016           Due from other funds         262,802           Capital Assets, Net         768,982           Total Noncurrent Assets         1,166,175           Total Assets         1,202,618           Deferred Outflows of Resources         ***           Current Liabilities         ***           Current Liabilities         14,478           Total Current Liabilities         14,478           Noncurrent Liabilities         33,375           Total Noncurrent Liabilities         33,375           Total Liabilities         47,853           Deferred inflows of resources         ***           Net Position         ***           Invested in capital assets, net of related debt         768,982           Unrestricted         385,783	Cash	\$ 14,753
Noncurrent Assets:         36,443           Restricted cash         33,375           Investments         101,016           Due from other funds         262,802           Capital Assets, Net         768,982           Total Noncurrent Assets         1,166,175           Total Assets         1,202,618           Deferred Outflows of Resources         -           Liabilities         -           Current Liabilities         14,478           Total Current Liabilities         14,478           Noncurrent Liabilities         33,375           Total Noncurrent Liabilities         33,375           Total Noncurrent Liabilities         47,853           Deferred inflows of resources         -           Net Position         -           Invested in capital assets, net of related debt         768,982           Unrestricted         385,783	Accounts receivable	18,890
Noncurrent Assets:         33,375           Restricted cash         33,375           Investments         101,016           Due from other funds         262,802           Capital Assets, Net         768,982           Total Noncurrent Assets         1,166,175           Total Assets         1,202,618           Deferred Outflows of Resources         -           Liabilities         -           Current Liabilities         14,478           Total Current Liabilities         14,478           Noncurrent Liabilities         33,375           Total Noncurrent Liabilities         33,375           Total Noncurrent Liabilities         47,853           Deferred inflows of resources         -           Net Position         -           Invested in capital assets, net of related debt         768,982           Unrestricted         385,783	Prepaid expenses	2,800
Restricted cash         33,375           Investments         101,016           Due from other funds         262,802           Capital Assets, Net         768,982           Total Noncurrent Assets         1,166,175           Total Assets         1,202,618           Deferred Outflows of Resources           Liabilities           Current Liabilities           Accounts payable and accruals         14,478           Total Current Liabilities         14,478           Noncurrent Liabilities         33,375           Total Noncurrent Liabilities         33,375           Total Noncurrent Liabilities         47,853           Deferred inflows of resources         -           Net Position         -           Invested in capital assets, net of related debt         768,982           Unrestricted         385,783	Total Current Assets	36,443
Investments         101,016           Due from other funds         262,802           Capital Assets, Net         768,982           Total Noncurrent Assets         1,166,175           Total Assets         1,202,618           Liabilities           Current Liabilities           Accounts payable and accruals         14,478           Total Current Liabilities         14,478           Noncurrent Liabilities         33,375           Total Noncurrent Liabilities         33,375           Total Liabilities         47,853           Deferred inflows of resources         -           Net Position         -           Invested in capital assets, net of related debt         768,982           Unrestricted         385,783	Noncurrent Assets:	
Due from other funds         262,802           Capital Assets, Net         768,982           Total Noncurrent Assets         1,166,175           Total Assets         1,202,618           Liabilities           Current Liabilities           Accounts payable and accruals         14,478           Total Current Liabilities         14,478           Noncurrent Liabilities         33,375           Total Noncurrent Liabilities         33,375           Total Liabilities         47,853           Deferred inflows of resources         -           Net Position         -           Invested in capital assets, net of related debt         768,982           Unrestricted         385,783	Restricted cash	33,375
Capital Assets, Net         768,982           Total Noncurrent Assets         1,166,175           Total Assets         1,202,618           Deferred Outflows of Resources         -           Liabilities         -           Current Liabilities         14,478           Total Current Liabilities         14,478           Noncurrent Liabilities         33,375           Total Noncurrent Liabilities         33,375           Total Noncurrent Liabilities         47,853           Deferred inflows of resources         -           Net Position         -           Invested in capital assets, net of related debt         768,982           Unrestricted         385,783		101,016
Total Noncurrent Assets         1,166,175           Total Assets         1,202,618           Deferred Outflows of Resources         -           Liabilities           Current Liabilities           Accounts payable and accruals         14,478           Total Current Liabilities         14,478           Noncurrent Liabilities         33,375           Total Noncurrent Liabilities         33,375           Total Liabilities         47,853           Deferred inflows of resources         -           Net Position         -           Invested in capital assets, net of related debt         768,982           Unrestricted         385,783	Due from other funds	262,802
Total Assets         1,202,618           Deferred Outflows of Resources         -           Liabilities           Current Liabilities           Accounts payable and accruals         14,478           Total Current Liabilities         14,478           Noncurrent Liabilities         33,375           Total Noncurrent Liabilities         33,375           Total Liabilities         47,853           Deferred inflows of resources         -           Net Position         -           Invested in capital assets, net of related debt         768,982           Unrestricted         385,783		768,982
Deferred Outflows of Resources  Liabilities  Current Liabilities  Accounts payable and accruals Accounts payable and accruals Total Current Liabilities  Noncurrent Liabilities  Customer deposits Customer deposits 33,375  Total Noncurrent Liabilities  Total Liabilities  Arrotal Liabilities  Total Liabilities  Net Position  Invested in capital assets, net of related debt Unrestricted  768,982 Unrestricted		1,166,175
Liabilities  Current Liabilities  Accounts payable and accruals Total Current Liabilities  Noncurrent Liabilities  Customer deposits Customer deposits Total Noncurrent Liabilities  Total Liabilities  Total Liabilities  Total Liabilities  At 7,853  Deferred inflows of resources  Net Position  Invested in capital assets, net of related debt Unrestricted  768,982  Unrestricted	Total Assets	1,202,618
Current LiabilitiesAccounts payable and accruals14,478Total Current Liabilities14,478Noncurrent Liabilities33,375Customer deposits33,375Total Noncurrent Liabilities33,375Total Liabilities47,853Deferred inflows of resources-Net Position768,982Unrestricted385,783	Deferred Outflows of Resources	
Accounts payable and accruals Total Current Liabilities  Noncurrent Liabilities  Customer deposits Total Noncurrent Liabilities  Total Liabilities  Total Liabilities  At 7,853  Deferred inflows of resources  Net Position  Invested in capital assets, net of related debt Unrestricted  14,478  33,375  47,853  768,982  47,853	Liabilities	
Total Current Liabilities  Noncurrent Liabilities  Customer deposits 33,375  Total Noncurrent Liabilities 33,375  Total Liabilities 47,853  Deferred inflows of resources  Net Position  Invested in capital assets, net of related debt 768,982  Unrestricted 385,783	Current Liabilities	
Noncurrent Liabilities Customer deposits 33,375 Total Noncurrent Liabilities 33,375  Total Liabilities 47,853  Deferred inflows of resources -  Net Position Invested in capital assets, net of related debt 768,982 Unrestricted 385,783		14,478
Customer deposits Total Noncurrent Liabilities  Total Liabilities  47,853  Deferred inflows of resources  Net Position  Invested in capital assets, net of related debt  Unrestricted  33,375  47,853  768,982  385,783	Total Current Liabilities	14,478
Total Noncurrent Liabilities 33,375  Total Liabilities 47,853  Deferred inflows of resources -  Net Position  Invested in capital assets, net of related debt 768,982  Unrestricted 385,783	Noncurrent Liabilities	
Total Liabilities 47,853  Deferred inflows of resources -  Net Position  Invested in capital assets, net of related debt 768,982  Unrestricted 385,783		33,375
Deferred inflows of resources	Total Noncurrent Liabilities	33,375
Net Position Invested in capital assets, net of related debt 768,982 Unrestricted 385,783	Total Liabilities	47,853
Invested in capital assets, net of related debt Unrestricted 768,982 385,783	Deferred inflows of resources	
Unrestricted	Net Position	
	Invested in capital assets, net of related debt	768,982
Total net position \$1,154,765	Unrestricted	385,783
	Total net position	\$1,154,765

#### Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Fund For the Year Ended December 31, 2019

OPERATING REVENUES	
Charges for services	\$ 165,070
Miscellaneous	-
Total operating revenues	165,070
OPERATING EXPENSES	
Personal services	29,854
Utilities	13,257
Repairs and maintenance	22,282
Other supplies and expenses	64,450
Insurance	8,167
Depreciation	56,060
Total operating expenses	194,070
Change in Net Position before Other Expenses	(29.000)
OTHER REVENUE (EXPENSE)	
Grants	11,400
Transfers	6,147
Interest Income	432
Interest Expense	
Change in net position	(11,021)
Net position, Beginning of Year	1,165,786
Net Position, End of Year	\$1,154,765

## Statement of Cash Flows Proprietary Fund For the Year Ended December 31, 2019

	Business-type Activities Enterprise Fund
	Water Fund
Cash Flows from Operating Activities:	rund
Receipts from customers and users	\$161,414
•	
Payments to suppliers	(165,068)
Net Cash Used by Operating Activities	(3,654)
Cash Flows from Noncapital Financing Activities:	
Transfers from other funds	6,147
Net Cash Provided by Noncapital Financing Activities	6,147
Cash Flows from Capital and Related Financing Activities:	
Capital grants	11,400
Acquisition and construction of capital assets	(25,615)
Net Cash Provided by Capital and Related Financing Activities	(14,215)
Cash Flows from Investing Activities:	
Net change in investments	1,144
Interest received	432
Net Cash Provided by Investing Activities	1,576
Net Increase (Decrease) in Cash and Cash Equivalents:	(10,146)
Cash and Cash Equivalents, Beginning of Year (including restricted cash of \$31,800)	58,274
Cash and Cash Equivalents, End of Year (including restricted cash of \$33,375)	\$ 48,128

## Statement of Cash Flows (Continued) Proprietary Fund For the Year Ended December 31, 2019

	Business-type Activities
	Enterprise Fund
	Water
	Fund
Reconciliation of Operating Income to Net Cash Provided (Used) by	
Operating Activities:	
Operating income	\$ (29,000)
Adjustments to reconcile operating loss to net cash provided by	
operating activities:	
Depreciation expense	56,060
Increase in customer deposits	1,575
Increase in accounts receivable	(3,656)
Increase in prepaid expenses	(379)
Increase in accounts payable	7,243
Increase in due to other funds	(35,497)
Decrease in due from other funds	
Total adjustments	25,346
Net Cash Provided (Used) by Operating Activities	\$ (3,654)

Notes to Financial Statements December 31, 2019

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

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

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Basis of Accounting

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

#### B. Reporting Entity

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

#### C. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

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

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

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of capital assets, debt extinguishment, long-term proceeds, et cetera0 are accounted for as other financing sources/ (uses). These other financing sources/(uses) are recognized at the time the underlying events occur.

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

#### **Governmental Funds**

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

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

#### **Proprietary Funds**

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

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

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

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

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

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

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

#### E. Cash and Cash Equivalents

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

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

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

#### F. Receivables

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

#### G. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the collectability of the particular receivable. At December 31, 2019, \$1,626 of Business-Type Activities receivables were considered to be uncollectible.

#### H. Capital Assets

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

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

#### I. Sales Taxes

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

#### J. Compensated Absences

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

#### K. Estimates

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

#### NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

#### A. Deposits with Financial Institutions

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

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The carrying amount of the Village's deposits at December 31, 2019 including petty cash of \$700 was as follows:

Cash in Banks	\$ 186,405
Investments	 294,407
Total	\$ 480,812

Deposits at banks on December 31, 2019 totaled \$486,586. Deposits of \$250,000 were collateralized by FDIC insurance. Deposits of \$236,586 were collateralized by securities held by the bank in the Village's name. Investments consist of certificates of deposit.

#### NOTE 3 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2019:

		rnmental tivities			ss-Type vities			Total
Franchise	\$	2,107	\$			_	\$	2,107
Grants		-				-		-
Charges for services Total.	-\$	2,107	\$		18,89		\$	18,890 20,997
i otai.	<b>D</b>	2,107	Φ	*	10,0	90	<u> </u>	20,997
NOTE 4 CAPITAL ASSETS								
A summary of Village of Hall Summit's capital asso	ets at D	ecember 31	, 20	9 follows:				
		Salance /1/2019	A	Additions	Retiremen	nts_		Balance /31/2019
Government Activities Capital Assets, not being depreciated Land Total Capital Assets, not being depreciated	\$	21,334 21,334	\$	<u></u>	\$	-	\$	21,334 21,334
Capital Assets, being depreciated Buildings and other improvements Less accumulated depreciation Total Buildings and other improvements		398,491 (274,402) 124,089		(14,768) (14,768)	P	-	(	398,491 (289,170) 109,321
Equipment and other assets  Less accumulated depreciation  Total Equipment, Furniture & Fixtures		78,650 (78,650)	_	-		-		78,650 (78,650)
Total Capital Assets, being depreciated		124,089	-	(14,768)	*	-		109,321
Governmental Activities Total Capital Assets, net	\$	145,423	\$	(14,768)	\$	-	\$	130,655
Business-Type Activities Capital Assets, not being depreciated Land Total Capital Assets, not being depreciated	\$	30,776 30,776	\$		\$	<u>-</u>	\$	30,776 30,776
Capital Assets, being depreciated Distribution System Less accumulated depreciation Total Distribution System		,072,971 ,304,320) 768,651		25,615 (56,060) (30,445)		- - -	(1,	098,586 360,380) 738,206
Equipment, furniture & fixtures Less accumulated depreciation Total Equipment, Furniture & Fixtures	_	33,599 (33,599)		0 <b>+</b> V <u>u</u>		- -		33,599 (33,599)
Total Capital Assets, being depreciated		768,651		(30,445)		-		738,206
Business-Type Activities Total Capital Assets, net	\$	799,427	\$	(30,445)	\$	_	\$	768,982
Primary Government Total Capital Assets, net	\$	944,850	\$	(45,213)	\$	-	\$	899,637

#### NOTE 5 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at December 31, 2019:

	Gove	ernmental	Business-Type	
	Ac	etivities	 Activities	Total
Vendor	\$	1,908	\$ 12,750	\$ 14,658
Payroll taxes		-	1,728	1,728
Construction		<u>.</u>	 -	
Total	\$	1,908	\$ 14,478	\$ 16,386

#### NOTE 6 LEASES

Village of Hall Summit was not obligated under any operating lease commitments at December 31, 2019.

#### NOTE 7 RISK MANAGEMENT

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

#### NOTE 8 PENDING LITIGATION AND CONTINGENT LIABILITIES

The Village is not party to any lawsuits at December 31, 2019.

#### NOTE 9 OTHER MATTERS

On March 13, 2020, President Trump declared a national emergency relating to the COVID-19 virus. As of the date of this report, the pandemic is ongoing. Future potential impacts may include disruptions or restrictions on employees' ability to work. The future effects of this issue are unknown.

#### Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds - Budget (GAAP) and Actual - General Fund For the Year Ended December 31, 2019

	Budgeted	Amounts		Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:			·	
Taxes	\$ 15,563	\$ 15,563	\$ 19,033	\$ 3,470
Licenses & Permits	6,117	6,117	8,662	2,545
Intergovernmental	-	_	-	_
Miscellaneous	2,655	2,655	1,944	(711)
Total revenues	24,335	24,335	29,639	5,304
Expenditures:				
General government	5,856	5,856	43,674	(37,818)
Public Safety	19,104	19,104	11,076	8,028
Total Expenditures	24,960	24,960	54,750	(29,790)
Net Change in Fund Balances before				-
Other Financing Sources	(625)	(625)	(25,111)	(24,486)
Other Financing Sources				
Proceeds from borrowing	-	-	-	-
Transfers (to)/from Other Funds	(30,000)	(30,000)	(6,147)	23,853
Net Change in Fund Balance	(30,625)	(30,625)	(31,258)	633
Fund Balances, Beginning	100,503	100,503	100,503	-
Fund Balances, Ending	\$ 69,878	\$ 69,878	\$ 69,245	\$ 633

#### Schedule of Mayor and Aldermen's Compensation For the Year Ended December 31, 2019

The schedule of compensation paid to the mayor and the aldermen is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the mayor and aldermen is included in the general government expenditures of the General Fund. During 2019, the following amounts were paid to the Mayor and Aldermen:

\$	200
	2,200
00	
00	
00	
	8,400
\$	10,800
ļ	\$ 800 800 800

## Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head For the Year Ended December 31, 2019

Agency Head: Mayor	Danny Scott		7. L.
Salary	\$ 2,200	\$	200
Payroll Taxes	\$ 168	\$	15
Reimbursements	\$ 1,100	\$	100

#### Discretely Presented Component Unit -Hall Summit Development Corporation Statement of Net Position December 31, 2019

#### <u>Assets</u>

Current assets:	
Cash	\$ 93,647
Investments, at cost	36,056
Prepaid expenses	3,100
Total current assets	132,803
Noncurrent assets:	
Property, plant and equipment (net of accumulated	
depreciation)	23.771
Deposits	450
Total assets	157.024
Liabilities and Net Position	
Liabilities:	
Accounts payable	629
Due to other funds	124,283
Total liabilities	124,912
Net Position	
Invested in capital assets, net of related debt	23,771
Unrestricted	8,341
Total net position	\$ 32,112

# Discretely Presented Component Unit Coushatta Industrial Development Corporation Statement of Activities For the Year Ended December 31, 2019

Program expenses	\$ 17,372
Total expenses	17,372
Program Revenues:	
Other income	1,280
Net Revenues	(16,092)
General Revenues:	
Rents	22,270
Interest	200
Total General Revenues	22,470
Change in Net Position	6,378
Net position, beginning of year,	25,734
Net position, end of year	\$ 32,112

# Discretely Presented Component Unit Coushatta Industrial Development Corporation Statement of Cash Flows For the Year Ended December 31, 2019

Cash flows from operating activities:	
Cash received from customers	\$ 22,270
Cash payments to suppliers and employees	(13,805)
Other operating income	1,480
Net cash provided by operating activities	 9,945
Cash flows from capital and related financing activities	
Purchase of fixed assets	-
Borrowing from other funds	 13,804
Transfers from other funds	 -
Net cash provided by capital and related financing activities	13,804
Cash flows from investing activities	115
Net change in investments	115
Net increase in cash	 23,634
Cash, beginning of year	 70,013
Cash, December 31, 2019	\$ 93,647
Reconciliation of changes in net position to net cash	
provided by operating activities:	
Changes in net position before transfers:	\$ 6,378
Adjustments to reconcile net income to net cash	
provided by operating activities:	
Depreciation	3,518
Changes in assets and liabilities	
Increase in prepaid expenses	(380)
Increase in accounts payable	 429
Net cash provided by operating activities	\$ 9,945

#### Corrective Action Taken on Prior Year Findings Year Ended December 31, 2019

#### FINDING #2018-1:

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

#### STATUS:

Unresolved.

#### FINDING #2018-2:

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

#### **STATUS**:

Unresolved.



#### Independent Accountant's Report on Applying Agreed-Upon Procedures

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

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Hall Summit, Louisiana (the Village) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village's compliance with certain laws and regulations during the year ended December 31, 2019 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

#### Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000 and determine whether such purchases were made in accordance with LSA-RS 38:221-2296.(the public bid law).

The Village did not make expenditures in excess of \$30,000 for material and supplies or for public works exceeding \$150,000.

#### Code of Ethics for Public Officials and Public Employees

- Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124, and a list of outside business interests of all board members and employees, as well as their immediate families.
  - Management provided the required list including the noted information.
- 3. Obtain from management a listing of all employees paid during the period under examination.
  - Management provided me with the required list.
- 4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreedupon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management appeared on the list provided by management in agreed-upon procedure (2).

#### Budgeting

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

Management provided a copy of the original budget.

6. Trace the budget adoption and amendments to the minute book.

I traced the adoption of the original budget to the minutes of a meeting held on December 3, 2018. The budget was not amended for the year ended December 31, 2019.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

I compared the revenues and expenditures of the amended budget to actual revenues and expenditures. Actual expenses exceeded budgeted amounts by more than 5%. The budget was not amended.

#### Accounting and Reporting

- 8. Randomly select 6 disbursements made during the period under examination and:
  - (a) trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for six selected disbursements and found that payments were for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account; and

The six selected disbursements were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the proper authorities.

#### Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12.

10. The Village is only required to post a notice of each meeting and the accompanying agenda on the door of the building where the meeting is held. Management has informed me that these documents were properly posted.

#### Debt

11. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

I inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds or like indebtedness.

#### Advances and Bonuses

12. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the Village for the year indicated no approval for the payments noted. I also inspected payroll records for the year and noted no instances which would indicate payment to employees which would constitute bonuses, advances, or gifts.

#### Prior Comments and Recommendations

13. Review any prior year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

There were two findings for the year ended December 31, 2018:

Finding # 2018-1 - The segregation of duties is inadequate to provide effective internal control. No action was recommended and none was taken.

Finding # 2018-2 - The Village is not in compliance with the state budget law. This finding was not resolved.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Village of Hall Summit and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

May On Milliem Certified Public Accountant

June 21, 2020

### VILLAGE OF HALL SUMMIT, LOUISIANA SCHEDULE OF FINDINGS FOR THE YEAR ENDED DECEMBER 31, 2019

Finding #2019-1: The segregation of duties is inadequate.

Criteria: Effective internal control requires the segregation of duties.

<u>Condition:</u> The segregation of duties is inadequate to provide effective internal control. This is a repeat finding.

<u>Cause:</u> The condition is due to space and economic limitations.

Effect: Unknown.

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

<u>Management's Response and Corrective Action Plan:</u> We agree with the finding. We will make every effort to segregate duties as allowed by space and economic limitations.

Finding #2019-2: The Village is not in compliance with the state budget law.

<u>Criteria:</u> State law requires the budget be amended when actual expenses exceed budgeted expenses by 5% or more.

<u>Condition:</u> Actual expenses exceeded budgeted amounts by more that 5%. The Village did not amend the budget.

Cause: Unknown.

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

Recommendation: I recommend the Village comply with state law.

<u>Management's Response and Corrective Action Plan</u>: We agree with the finding. We will amend the budget as required by state law in the future.

### VILLAGE OF HALL SUMMIT, LOUISIANA SCHEDULE OF FINDINGS FOR THE YEAR ENDED DECEMBER 31, 2019

Finding #2019-3: The Village is not in compliance with R.S. 42:1121.

<u>Criteria:</u> State law prohibits payment of contract services to a former employee for a period of two years following termination of the employee.

<u>Condition:</u> The Village paid the former clerk \$750 on a contractual basis following the termination of the clerk.

Cause: Lack of knowledge of the requirement of R.S. 42:1121 by Village officials.

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

Recommendation: I recommend the Village comply with state law.

Management's Response and Corrective Action Plan: We agree with the finding. We will comply with R.S. 42:1121 in the future.

### LOUISIANA ATTESTATION QUESTIONNAIRE (For Attestation Engagements of Government)

June 21, 2020

Marsha O. Millican, APAC

810 Wilkinson
Shreveport, Louisiana 71104
(Auditors)
In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2019 and for the year then ended, an a required by Louisiana Revised Statute (R.S.) 24:513 and t/he Louisiana Governmental Aud Guide, we make the following representations to you.
Public Bid Law
It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, when applicable, the regulations of the Division of Administration, State Purchasing Office.  Yes [ X ] No [
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 service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.  Yes [ X ] No [
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 LSA-RS 42:1119.  Yes [X] No [ ]
Budgeting
We have complied with the state budgeting requirements of the Local Government Budget Ac (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34 Yes [ ] No [X]
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 LSA-RS 44:1, 44:7, 44:31, and 44:36. Yes [X ] No [
We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/o 39:92, as applicable. Yes [X ] No [
We have had our financial statements reviewed in accordance with LSA-RS 24:513.
Yes [ X ] No [ ]

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1A.(2); and that were subject to the public bid law (R.S.38:221, et seq.) While the agency was not in compliance with R.S.24:513 (the audit law).

Yes [X] No [ ]

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

Yes [X ] No [ ]

#### Meetinas

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:28. Yes [X ] No [ ]

#### 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 LSA-RS 39:1410.60-1410.65.

Yes [X] No []

#### **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, LSA-RS 14:138, and AG opinion 79-729.

Yes [X ] No [ ]

#### **Prior Year Comments**

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

Yes [ ] No [X ]

#### General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [X ] No [ ]

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

Yes [X ] No [ ]

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

Yes [X ] No [ ]

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [X] No []

We have provided 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 this report.

Yes [X ] No [ ]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [X ] No [ ]

The previous responses have been made to the best of our belief and knowledge.	
Danny Kx Drit	Mayor 6-22-30 Date
Harling Terri	Alderman _ 6 b400 Date
Prilin	Alderman 6/22/26 Date