

TOWN OF BERWICK, LOUISIANA

Financial Report

Year Ended September 30, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3.31.04

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-2
PRIMARY GOVERNMENT FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)	
Combined balance sheet - all fund types and account groups	4-7
Combined statement of revenues, expenditures, and changes in fund balances - all governmental fund types and expendable trust fund	8-9
Statements of revenues, expenditures, and changes in fund balances - budget (GAAP basis) and actual - general and special revenue funds	10-11
Combined statement of revenues, expenditures, and changes in retained earnings - proprietary fund type and nonexpendable trust fund	12
Combined statement of cash flows - proprietary fund type and nonexpendable trust fund	13
Notes to financial statements	14-33
SUPPLEMENTAL INFORMATION	
SCHEDULES OF INDIVIDUAL FUNDS AND ACCOUNT GROUPS	
General Fund:	
Comparative balance sheets	37
Statement of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual	38
Statement of revenues compared to budget (GAAP basis)	39
Statement of expenditures compared to budget (GAAP basis)	40-41
Special Revenue Funds:	
Combining balance sheet	43-44
Combining statement of revenues, expenditures, and changes in fund balances	45-46
1% sales tax fund -	
Statement of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual	47
3/4% sales tax liquid and solid waste fund -	
Statement of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual	48
Recreation facilities maintenance fund -	
Statement of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual	49
LCDBG Grant Fund -	
Statement of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual	50
Public Improvement Management Fund	51
Fire Improvement Fund	52
Debt Service Funds:	
Combining balance sheet	54-55
Combining statement of revenues, expenditures, and	

	<u>Page</u>
changes in fund balances	56-57
Capital Projects Funds:	
Combining balance sheet	59
Combining statement of revenues, expenditures, and changes in fund balances	60-61
Enterprise Funds:	
Combining balance sheet	63-64
Combining statement of revenues, expenses, and changes in retained earnings	65
Combining statement of cash flows	66-67
Schedule of changes in assets for restricted revenue bond debt service	68
Fiduciary Funds:	
Combining balance sheet	70
Expendable Trust Fund - Comparative statement of revenues, expenditures, and changes in fund balance	71
Nonexpendable Trust Fund - Comparative statement of revenues, expenditures, and changes in fund balance	72
General Fixed Assets Account Group:	
Comparative statement of general fixed assets	74
Statement of changes in general fixed assets	75
General Long-Term Debt Account Group:	
Statement of general long-term debt	77
INTERNAL CONTROL, COMPLIANCE AND OTHER GRANT INFORMATION	
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	79-80
Summary schedule of prior year findings	81
Schedule of findings and questioned costs	82-85
Management's corrective action plan for current year findings	86
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	87-88
Schedule of expenditures of federal awards	89
OTHER SUPPLEMENTARY INFORMATION	
Schedule of number of utility customers (unaudited)	91
Schedule of insurance in force (unaudited)	92
Schedule of bank deposits and investments - all funds	93-94



(A Corporation of Certified Public Accountants)

Eugene H. Darnall, CPA, Retired 1990
Paula D. Bihm, CPA Deceased 2002

E. Larry Sikes, CPA, CVA, CFP™
Danny P. Frederick, CPA
Clayton E. Darnall, CPA, CVA
Eugene H. Darnall, III, CPA
Stephanie M. HigginBotham, CPA
John P. Armato, CPA
Jennifer S. Ziegler, CPA, CFP™
Chris A. Miller, CPA, CVA
Stephen R. Dischler, MBA, CPA
Steven G. Moosa, CPA

Erich G. Loewer, Jr. CPA

Kathleen T. Darnall, CPA
Erich G. Loewer, III, MTX CPA
Tamera T. Landry, CPA
Raegan D. Maggio, CPA
Barbara A. Clark, CPA
Monica F. Laverne, CPA
Lauren F. Verrett, CPA
Michelle B. Borrello, CPA
Jeremy C. Meaux, CPA
Kevin S. Young, CPA
Barbara Ann Watts, CPA
Adam J. Curry, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable Emmett Hardaway Sr., Mayor
and Members of the Town Council
Town of Berwick, Louisiana

We have audited the accompanying primary government financial statements of the Town of Berwick, Louisiana, as of and for the year ended September 30, 2003, as listed in the table of contents. These primary government financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these primary government financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the primary government financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the primary government financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall primary government financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, the primary government financial statements referred to above present fairly, in all material respects, the financial position of the primary government of the Town of Berwick, Louisiana, as of September 30, 2003, and the results of its operations and the cash flows of its proprietary and similar trust fund types for the year then ended in conformity with generally accepted accounting principles.

However, the primary government financial statements, because they do not include the financial data of component units of the Town of Berwick, Louisiana do not purport to, and do not, present fairly the financial position of the Town of Berwick, Louisiana as of September 30, 2003, and the results of its operations and cash flows of its proprietary and similar trust fund types for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 7, 2003, on our consideration of the Town's internal control over financial reporting, and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Member of:
American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

Our audit was conducted for the purpose of forming an opinion on the primary government financial statements taken as a whole. The accompanying financial information listed as "Supplemental Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the primary government financial statements of the Town of Berwick, Louisiana. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in our opinion, is fairly stated in all material respects in relation to the primary government financial statements taken as a whole.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the primary government financial statements of the Town of Berwick, Louisiana.

Dannall, Sikes & Frederick

A Corporation of Certified Public Accountants

Morgan City, Louisiana

November 7, 2003

**PRIMARY GOVERNMENT FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

TOWN OF BERWICK, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups
September 30, 2003

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
Cash	\$ 134,182	\$ 854,967	\$ 299,362	\$ 341,292
Interest-bearing deposits	-	-	-	-
Receivables:				
Taxes	69,334	79,830	-	-
Accounts	-	34,315	-	-
Interest	-	-	-	-
Other	6,176	-	-	-
Due from other funds	5,122	4,035	-	-
Due from others	55,000	-	-	-
Due from other governments	1,035	26,286	-	-
Restricted assets:				
Cash	-	-	-	-
Interest-bearing deposits	-	-	-	-
Bond issuance costs, net of amortization	-	-	-	-
Investment in Berwick-Bayou Vista				
Joint Waterworks Plant	-	-	-	-
Land	-	-	-	-
Buildings	-	-	-	-
Equipment	-	-	-	-
Autos and trucks	-	-	-	-
Utility property, plant and equipment	-	-	-	-
Accumulated depreciation	-	-	-	-
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
Total assets and other debits	\$ 270,849	\$ 999,433	\$ 299,362	\$ 341,292

Proprietary Fund Type Enterprise	Fiduciary Fund Type Trust	Account Groups		Totals (Memorandum Only)	
		General Fixed Assets	General Long-Term Debt	2003	2002
\$ 474,893	\$ 127,472	\$ -	\$ -	\$ 2,232,168	\$ 11,833
-	-	-	-	-	2,663,166
-	-	-	-	149,164	133,348
79,505	-	-	-	113,820	95,580
-	-	-	-	-	3,037
-	-	-	-	6,176	6,176
20,287	39,601	-	-	69,045	66,681
-	-	-	-	55,000	-
7,629	-	-	-	34,950	1,357
159,285	-	-	-	159,285	-
-	-	-	-	-	153,822
2,586	-	-	-	2,586	3,779
330,904	-	-	-	330,904	308,903
15,000	-	1,157,333	-	1,172,333	1,125,833
-	-	3,427,311	-	3,427,311	3,390,436
-	-	1,008,276	-	1,008,276	968,169
-	-	470,512	-	470,512	391,855
3,307,488	-	-	-	3,307,488	3,250,996
(1,922,750)	-	-	-	(1,922,750)	(1,830,702)
-	-	-	296,364	296,364	397,006
-	-	-	1,531,636	1,531,636	1,769,494
<u>\$ 2,474,827</u>	<u>\$ 167,073</u>	<u>\$ 6,063,432</u>	<u>\$ 1,828,000</u>	<u>\$12,444,268</u>	<u>\$12,910,769</u>

(Continued)

TOWN OF BERWICK, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups
September 30, 2003

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 33,156	\$ 84,682	\$ -	\$ -
Accrued liabilities	85,293	2,570	-	-
Due to other funds	3,046	4,787	-	-
Payable from restricted assets -				
Revenue bonds	-	-	-	-
Accrued interest	-	-	-	-
Customers' deposits	-	-	-	-
General obligation bonds payable	-	-	-	-
Contract payable	-	-	-	-
Revenue bonds payable	-	-	-	-
Total liabilities	<u>121,495</u>	<u>92,039</u>	<u>-</u>	<u>-</u>
Fund equity:				
Contributed capital	-	-	-	-
Investment in general fixed assets	-	-	-	-
Retained earnings -				
Reserved for revenue bond retirement	-	-	-	-
Reserved for perpetual care	-	-	-	-
Unreserved	-	-	-	-
Total retained earnings	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances -				
Reserved for debt service	-	-	299,362	-
Reserved for maintenance	-	-	-	-
Unreserved:				
Designated for subsequent years' expenditures	-	-	-	341,292
Undesignated	149,354	907,394	-	-
Total fund balances	<u>149,354</u>	<u>907,394</u>	<u>299,362</u>	<u>341,292</u>
Total fund equity	<u>149,354</u>	<u>907,394</u>	<u>299,362</u>	<u>341,292</u>
Total liabilities and fund equity	<u>\$ 270,849</u>	<u>\$ 999,433</u>	<u>\$ 299,362</u>	<u>\$ 341,292</u>

Proprietary Fund Type Enterprise	Fiduciary Fund Type Trust	Account Groups		Totals (Memorandum Only)	
		General Fixed Assets	General Long-Term Debt	2003	2002
\$ 18,050	\$ -	\$ -	\$ -	\$ 135,888	\$ 106,909
4,580	-	-	-	92,443	77,812
21,611	39,601	-	-	69,045	66,681
75,000	-	-	-	75,000	71,000
2,669	-	-	-	2,669	3,900
56,653	-	-	-	56,653	55,294
-	-	-	1,828,000	1,828,000	2,166,500
248,098	-	-	-	248,098	-
79,000	-	-	-	79,000	154,000
<u>505,661</u>	<u>39,601</u>	<u>-</u>	<u>1,828,000</u>	<u>2,586,796</u>	<u>2,702,096</u>
<u>1,118,112</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,118,112</u>	<u>1,118,112</u>
<u>-</u>	<u>-</u>	<u>6,063,432</u>	<u>-</u>	<u>6,063,432</u>	<u>5,876,293</u>
24,963	-	-	-	24,963	23,628
-	39,601	-	-	39,601	39,601
<u>826,091</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>826,091</u>	<u>1,081,601</u>
<u>851,054</u>	<u>39,601</u>	<u>-</u>	<u>-</u>	<u>890,655</u>	<u>1,144,830</u>
-	-	-	-	299,362	399,952
-	87,871	-	-	87,871	88,986
-	-	-	-	341,292	347,062
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,056,748</u>	<u>1,233,438</u>
<u>-</u>	<u>87,871</u>	<u>-</u>	<u>-</u>	<u>1,785,273</u>	<u>2,069,438</u>
<u>1,969,166</u>	<u>127,472</u>	<u>6,063,432</u>	<u>-</u>	<u>9,857,472</u>	<u>10,208,673</u>
<u>\$ 2,474,827</u>	<u>\$ 167,073</u>	<u>\$ 6,063,432</u>	<u>\$ 1,828,000</u>	<u>\$ 12,444,268</u>	<u>\$ 12,910,769</u>

The accompanying notes are an integral part of this statement.

TOWN OF BERWICK, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Governmental Fund Types and Expendable Trust Fund
Year Ended September 30, 2003

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes	\$ 733,089	\$ 993,566	\$ -	\$ -
Licenses and permits	140,170	-	-	-
Intergovernmental	186,273	467,408	-	-
Charges for services	-	381,761	-	-
Fines and forfeits	65,894	-	-	-
Wharf leases	55,219	-	-	-
Miscellaneous	82,348	18,782	234,358	6,367
Total revenues	<u>1,262,993</u>	<u>1,861,517</u>	<u>234,358</u>	<u>6,367</u>
Expenditures:				
Current -				
General government:				
Administrative	569,141	-	-	12,137
Public safety:				
Fire	56,233	49,753	-	-
Police	486,673	-	-	-
Public works:				
Streets	233,412	-	-	-
Drainage	105,482	-	-	-
Cemetery	17,190	-	-	-
Culture and recreation	-	159,862	-	-
Sanitation	-	675,695	-	-
Supporting services	20,895	368,608	-	-
Debt service	-	-	380,214	-
Capital outlay	124,981	286,353	-	-
Total expenditures	<u>1,614,007</u>	<u>1,540,271</u>	<u>380,214</u>	<u>12,137</u>
Excess (deficiency) of revenues over expenditures	<u>(351,014)</u>	<u>321,246</u>	<u>(145,856)</u>	<u>(5,770)</u>
Other financing sources (uses):				
Operating transfers in	346,344	346,442	151,708	-
Operating transfers out	(25,000)	(814,708)	(106,442)	-
Bonds issued	-	-	-	-
Total other financing sources (uses)	<u>321,344</u>	<u>(468,266)</u>	<u>45,266</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(29,670)</u>	<u>(147,020)</u>	<u>(100,590)</u>	<u>(5,770)</u>
Fund balances, beginning (as originally reported)	179,024	1,054,414	399,952	347,062
Prior period adjustment- Error in collection of ad valorem taxes	-	-	-	-
Fund balances, beginning (as restated)	<u>179,024</u>	<u>1,054,414</u>	<u>399,952</u>	<u>347,062</u>
Fund balances, ending	<u>\$ 149,354</u>	<u>\$ 907,394</u>	<u>\$ 299,362</u>	<u>\$ 341,292</u>

Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only)	
	2003	2002
\$ -	\$ 1,726,655	\$ 1,659,964
-	140,170	147,275
-	653,681	196,563
-	381,761	376,517
-	65,894	58,729
-	55,219	55,219
<u>2,459</u>	<u>344,314</u>	<u>451,718</u>
<u>2,459</u>	<u>3,367,694</u>	<u>2,945,985</u>
-	581,278	584,878
-	105,986	77,038
-	486,673	570,369
-	233,412	207,167
-	105,482	114,147
3,574	20,764	24,241
-	159,862	147,119
-	675,695	609,878
-	389,503	73,063
-	380,214	2,213,838
-	<u>411,334</u>	<u>280,762</u>
<u>3,574</u>	<u>3,550,203</u>	<u>4,902,500</u>
<u>(1,115)</u>	<u>(182,509)</u>	<u>(1,956,515)</u>
-	844,494	813,282
-	(946,150)	(914,418)
-	-	1,635,000
-	<u>(101,656)</u>	<u>1,533,864</u>
<u>(1,115)</u>	<u>(284,165)</u>	<u>(422,651)</u>
88,986	2,069,438	2,495,536
-	-	(3,447)
<u>88,986</u>	<u>2,069,438</u>	<u>2,492,089</u>
<u>\$ 87,871</u>	<u>\$ 1,785,273</u>	<u>\$ 2,072,885</u>

The accompanying notes are an integral part of this statement.

TOWN OF BERWICK, LOUISIANA

Statements of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual -
General and Special Revenue Funds
Year Ended September 30, 2003

	General Fund		Variance - Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ 725,100	\$ 733,089	\$ 7,989
Licenses and permits	144,500	140,170	(4,330)
Intergovernmental	44,000	186,273	142,273
Charges for services	-	-	-
Fines and forfeits	100,000	65,894	(34,106)
Wharf leases	52,000	55,219	3,219
Miscellaneous	41,000	82,348	41,348
Total revenues	<u>1,106,600</u>	<u>1,262,993</u>	<u>156,393</u>
Expenditures:			
Current -			
General government:			
Administrative	647,695	569,141	78,554
Public safety:			
Fire	61,729	56,233	5,496
Police	552,822	486,673	66,149
Public works:			
Streets	237,977	233,412	4,565
Drainage	164,863	105,482	59,381
Cemetery	19,000	17,190	1,810
Culture and recreation	-	-	-
Sanitation	-	-	-
Supporting services	7,000	20,895	(13,895)
Capital outlay	93,678	124,981	(31,303)
Total expenditures	<u>1,784,764</u>	<u>1,614,007</u>	<u>170,757</u>
Excess (deficiency) of revenues over expenditures	<u>(678,164)</u>	<u>(351,014)</u>	<u>327,150</u>
Other financing sources (uses)			
Operating transfers in	800,000	346,344	(453,656)
Operating transfers out	(25,000)	(25,000)	-
Transfer to others	(55,000)	-	55,000
Total other financing sources (uses)	<u>720,000</u>	<u>321,344</u>	<u>(398,656)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	41,836	(29,670)	(71,506)
Fund balances, beginning	<u>179,024</u>	<u>179,024</u>	<u>-</u>
Fund balances, ending	<u>\$ 220,860</u>	<u>\$ 149,354</u>	<u>\$ (71,506)</u>

Special Revenue Funds		
Budget	Actual	Variance - Favorable (Unfavorable)
\$ 805,000	\$ 993,566	\$ 188,566
-	-	-
368,608	467,408	98,800
363,000	381,761	18,761
-	-	-
-	-	-
<u>30,500</u>	<u>18,782</u>	<u>(11,718)</u>
<u>1,567,108</u>	<u>1,861,517</u>	<u>294,409</u>
-	-	-
-	49,753	(49,753)
-	-	-
-	-	-
-	-	-
176,831	159,862	16,969
601,827	675,695	(73,868)
368,608	368,608	-
158,093	286,353	(128,260)
<u>1,305,359</u>	<u>1,540,271</u>	<u>(234,912)</u>
<u>261,749</u>	<u>321,246</u>	<u>59,497</u>
244,093	346,442	102,349
(1,238,718)	(814,708)	424,010
<u>-</u>	<u>-</u>	<u>-</u>
<u>(994,625)</u>	<u>(468,266)</u>	<u>526,359</u>
(732,876)	(147,020)	585,856
<u>1,054,414</u>	<u>1,054,414</u>	<u>-</u>
<u>\$ 321,538</u>	<u>\$ 907,394</u>	<u>\$ 585,856</u>

The accompanying notes are an integral part of this statement.

TOWN OF BERWICK, LOUISIANA

Combined Statement of Revenues, Expenses, and Changes in Retained Earnings -
Proprietary Fund Type and Nonexpendable Trust Fund
Year Ended September 30, 2003

	Proprietary Fund Type Enterprise	Fiduciary Fund Type Nonexpendable Trust	Totals (Memorandum Only)	
			2003	2002
Operating revenues:				
Charges for services -				
Gas sales and services	\$ 329,537	\$ -	\$ 329,537	\$ 256,500
Water sales and services	460,888	-	460,888	404,794
Delinquent charges	30,286	-	30,286	25,913
Intergovernmental	50,000	-	50,000	-
Miscellaneous	9,994	-	9,994	5,275
Total operating revenues	<u>880,705</u>	<u>-</u>	<u>880,705</u>	<u>692,482</u>
Operating expenses:				
Gas & water purchases	547,268	-	547,268	385,672
Salaries	190,207	-	190,207	178,615
Retirement contributions	14,673	-	14,673	9,168
Group insurance	23,403	-	23,403	28,219
Other insurance	7,595	-	7,595	9,369
Maintenance and operations	405,879	-	405,879	55,204
Depreciation	97,104	-	97,104	98,250
Administration expenses	13,591	-	13,591	9,115
Water board member fees	1,440	-	1,440	1,440
Miscellaneous	3,431	-	3,431	10,550
Total operating expenses	<u>1,304,591</u>	<u>-</u>	<u>1,304,591</u>	<u>785,602</u>
Operating loss	<u>(423,886)</u>	<u>-</u>	<u>(423,886)</u>	<u>(93,120)</u>
Nonoperating revenues (expenses):				
Interest income	10,555	-	10,555	18,632
Interest and fiscal charges	(10,845)	-	(10,845)	(13,461)
Increase in equity of Berwick -				
Bayou Vista Joint Waterworks Plant	22,001	-	22,001	80,128
Total nonoperating revenues (expenses)	<u>21,711</u>	<u>-</u>	<u>21,711</u>	<u>85,299</u>
Loss before operating transfers	<u>(402,175)</u>	<u>-</u>	<u>(402,175)</u>	<u>(7,821)</u>
Other financing sources (uses):				
Operating transfers in	148,000	-	148,000	150,000
Operating transfers out	-	-	-	(48,864)
Transfer to others	-	-	-	(33,500)
Total other financing sources (uses)	<u>148,000</u>	<u>-</u>	<u>148,000</u>	<u>67,636</u>
Net loss	<u>(254,175)</u>	<u>-</u>	<u>(254,175)</u>	<u>59,815</u>
Retained earnings/fund balance, beginning	<u>1,105,229</u>	<u>39,601</u>	<u>1,144,830</u>	<u>1,085,015</u>
Retained earnings/fund balance, ending	<u>\$ 851,054</u>	<u>\$ 39,601</u>	<u>\$ 890,655</u>	<u>\$ 1,144,830</u>

The accompanying notes are an integral part of this statement.

TOWN OF BERWICK, LOUISIANA

Combined Statement of Cash Flows - Proprietary Fund Type and Nonexpendable Trust Fund
Year Ended September 30, 2003

	Proprietary Fund Type Enterprise	Fiduciary Fund Type Nonexpendable Trust	Totals (Memorandum Only)	
			2003	2002
Cash flows from operating activities:				
Operating loss	\$ (423,886)	\$ -	\$ (423,886)	\$ (93,120)
Adjustments to reconcile operating loss to net cash used in operating activities -				
Depreciation	97,104	-	97,104	98,250
Changes in current assets and liabilities:				
Increase in accounts receivable	(12,590)	-	(12,590)	(16,518)
Decrease in interest receivable	2,046	-	2,046	-
Increase in due from other governments	(7,629)	-	(7,629)	-
Increase (decrease) in accounts payable	(1,403)	-	(1,403)	(53,885)
Decrease in accrued liabilities	(2,128)	-	(2,128)	(241)
Total adjustments	<u>75,400</u>	<u>-</u>	<u>75,400</u>	<u>27,606</u>
Net cash used in operating activities	<u>(348,486)</u>	<u>-</u>	<u>(348,486)</u>	<u>(65,514)</u>
Cash flows from noncapital financing activities:				
Cash received from (paid to) other funds	(2,229)	-	(2,229)	2,377
Transfer to others	-	-	-	(33,500)
Operating transfers to other funds	<u>148,000</u>	<u>-</u>	<u>148,000</u>	<u>101,136</u>
Net cash provided by noncapital financing activities	<u>145,771</u>	<u>-</u>	<u>145,771</u>	<u>70,013</u>
Cash flows from capital and related financing activities:				
Acquisition of plant and equipment	(76,586)	-	(76,586)	(17,408)
Principal paid on revenue bond maturities	(71,000)	-	(71,000)	(67,000)
Proceeds from sale of equipment	-	-	-	491
Interest paid on revenue bonds	(10,845)	-	(10,845)	(13,461)
Long-term borrowings	348,862	-	348,862	-
Long-term repayments	(100,764)	-	(100,764)	-
Increase (decrease) in customers' meter deposits	<u>1,359</u>	<u>-</u>	<u>1,359</u>	<u>(750)</u>
Net cash provided by (used in) capital and related financing activities	<u>91,026</u>	<u>-</u>	<u>91,026</u>	<u>(98,128)</u>
Cash flows from investing activities:				
Interest on interest-bearing deposits	<u>10,555</u>	<u>-</u>	<u>10,555</u>	<u>18,632</u>
Net cash provided by investing activities	<u>10,555</u>	<u>-</u>	<u>10,555</u>	<u>18,632</u>
Net decrease in cash and cash equivalents	(101,134)	-	(101,134)	(74,997)
Cash and cash equivalents, beginning of period	<u>735,312</u>	<u>-</u>	<u>735,312</u>	<u>810,309</u>
Cash and cash equivalents, end of period	<u>\$ 634,178</u>	<u>\$ -</u>	<u>\$ 634,178</u>	<u>\$ 735,312</u>

The accompanying notes are an integral part of this statement.

TOWN OF BERWICK, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Berwick was incorporated August 1907, under the provisions of the Lawrason Act. The Town operated under a Mayor-Board of Aldermen form of government until January 20, 1992, at which time the Town adopted a Home Rule Charter and now operates under an elected Mayor-Council, administrative-legislative form of government. The Town's operations include police and fire protection, streets and drainage, parks and recreation, residential waste collection services, certain social services and general and administration services. The Town owns and operates an enterprise fund which provides gas and water services.

The accounting and reporting policies of the Town of Berwick conform to generally accepted accounting principles as applicable to governments, except for the omission of the component unit. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513, the Louisiana Governmental Audit Guide and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Town of Berwick, Louisiana. The component unit discussed below is not included in the Town of Berwick's reporting entity.

Component Unit -

The Town has one component unit, the Berwick Development District. The Berwick Development District's financial statements have not been included in these financial statements. The Berwick Development District has a seven-member board appointed by the Mayor of the Town of Berwick. However, neither the Mayor nor the Town Council has the authority to remove members of the District's board. The District is considered a component of the Town of Berwick due to the fact that the District receives a substantial portion of its financing from the Town and the Town provides office space and administrative services to the District. Complete financial statements on the Berwick Development District can be obtained directly from the District's office at PO Box 128, Berwick, LA 70342. The fiscal year end of the Berwick Development District is December 31. Differences between the reported amounts of appropriations from the Town to the District may result from the fact that the Town and the District have different fiscal year ends.

TOWN OF BERWICK, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related Organizations -

A related organization is an entity for which the primary government is not financially accountable even though the primary government may provide facilities and some financing or appoint a voting majority of the organization's governing board. Based on the foregoing criteria, certain governmental organizations are not part of the Town and are thus excluded from the accompanying financial statements. These organizations are the volunteer fire department and the public housing authority.

Joint Ventures -

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. The Town of Berwick has entered into joint venture arrangements with other governmental entities for the operation of the Berwick/Bayou Vista Joint Waterworks Commission and the Wards 5 and 8 Joint Sewer Commission. See Note 17 for further discussion of the Town's relationship with these organizations.

Fund Accounting

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into six generic fund types and three broad fund categories as follows:

Governmental Funds -

General Fund

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

TOWN OF BERWICK, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Special revenue funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Debt service funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital projects funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Proprietary Funds -

Enterprise funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost (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 that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Funds -

Trust funds

Trust funds are used to account for assets held by the Town in a trustee capacity for individuals, private organizations, other governments, or other funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Nonexpendable Trust Funds are accounted for in essentially the same manner as proprietary funds.

TOWN OF BERWICK, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus, and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types when purchased. The Town has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems. No depreciation has been provided on general fixed assets.

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. Estimated amounts are immaterial in relation to total fixed assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

The proprietary fund is accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or noncurrent) associated with its activity are included on its balance sheet.

Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	20 - 30 years
Improvements	10 - 30 years
Equipment	4 - 20 years

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

TOWN OF BERWICK, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Sales taxes are considered as "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Ad valorem taxes are recognized as revenue in the year for which budgeted, that is, in the year in which such taxes are billed. Other major revenues that are considered susceptible to accrual include earned grant revenues and other intergovernmental revenues, charges for services and interest on investments. Franchise fees, licenses, permits, and fines are recognized when received because they are not objectively measurable.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except sick pay is not accrued and principal and interest on general long-term debt are recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

The proprietary funds are accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred. Unbilled utility service receivables, resulting from utility services rendered between the date of meter reading and billing and the end of the month, are not estimated and recorded at year-end.

The fiduciary funds are comprised of expendable and nonexpendable funds. The expendable trust fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable trust funds account for assets where both the principal and interest may be spent. The nonexpendable trust fund is accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. Nonexpendable trust funds account for assets of which the principal may not be spent.

Proprietary Fund Type Accounting

Proprietary fund types follow generally accepted accounting principles (GAAP) prescribed by the Governmental Accounting Standards Board and all applicable FASB pronouncements.

Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

TOWN OF BERWICK, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. The Town Clerk prepares a proposed budget for the general and special revenue funds and submits them to the Mayor and Town Council for the fiscal year no later than forty five days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After holding the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfers of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Town Council.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Town Council. Such amendments were not material in relation to the original appropriations.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Town as an extension of formal budgetary integration in the funds.

Interest-Bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

TOWN OF BERWICK, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Under state law, the Town of Berwick may invest in direct obligations of the United States government, in time certificates of deposit and in bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by the United States government. Investments are stated at fair value.

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

Restricted Assets

Certain assets of the enterprise funds are classified as restricted assets because their use is limited by applicable bond covenants and other restrictions. The "revenue bond and interest sinking fund" is used to segregate resources accumulated for debt service payments over the next twelve months. The "revenue bond contingency fund" is used to segregate resources accumulated to pay the principal and interest on bonds for the payment of which there is not sufficient money in the revenue bond and interest sinking fund and is available for the making of improvements and extensions to the system. However, this money shall never be used for the making of improvements and extensions to the system or payment of principal and interest on bonds if such use of said money will leave in the revenue bond contingency fund for the making of emergency repairs or replacements less than the sum of \$10,000. The "customers' deposits" is used to segregate those refundable resources received from customers currently on the system.

Statement of Cash Flows

For purposes of the statement of cash flows, the Enterprise Funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Bad Debts

Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), the resulting difference between the allowance method and specific charge-off method would result in an immaterial difference. Allowances for uncollectible utility receivables of \$4,109 and \$3,429 have been provided at September 30, 2003 and 2002, respectively.

TOWN OF BERWICK, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Transactions

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Vacation and Sick Leave

Sick leave is recorded as an expenditure of the period in which paid. Sick leave does not accumulate and is not payable at termination of employment. Vacation must be taken in the year accrued and cannot be carried over.

Capitalization of Interest Expense

It is the policy of the Town of Berwick to capitalize material amounts of interest resulting from borrowings in the course of the construction of fixed assets. For the year ended September 30, 2003, no capitalized interest expense was recorded on the books.

Capital Lease

A capital lease is generally defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases" as one which transfers benefits and risks of ownership to the lessee. Leases meeting the criteria of a capital lease as defined are recorded at inception as expenditures and other financial sources in governmental fund types and as assets and liabilities in the General Fixed Assets and General Long-Term Debt account groups, respectively, at the present value of the future minimum lease payments, using the interest rates stated in the leases.

Use of Estimates

The Town's management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures or expenses, as appropriate. Actual results may differ from these estimates.

TOWN OF BERWICK, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Total Columns on Combined Statements - Overview

Total columns on the Combined Statements - Overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Town may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At September 30, 2003, the Town has cash and interest-bearing deposits (book balances) totaling \$2,391,453 as follows:

Demand deposits	\$ 15,822
Money market accounts	<u>2,375,631</u>
Total	<u>\$ 2,391,453</u>

These deposits are stated at cost, which approximates market. 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 the amount on deposit with the fiscal agent bank.

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. Deposit balances (bank balances) at September 30, 2003, are secured as follows:

Bank balances	<u>\$ 2,419,444</u>
Federal deposit insurance	\$ 200,000
Pledged securities (category 3)	<u>4,106,033</u>
Total federal insurance and pledged securities	<u>\$ 4,306,033</u>
Excess	<u>\$ 1,886,589</u>

Pledged securities in Category 3 includes uninsured or unregistered investments for which the securities are held by the broker, dealer or agent but not in the Town's name. Even though the pledged securities are considered uncollateralized (Category 3), 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 Town that the fiscal agent has failed to pay deposited funds upon demand.

TOWN OF BERWICK, LOUISIANA

Notes to Financial Statements

NOTE 3 AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to taxpayers in November. Billed taxes become delinquent on January 1 of the following year. The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of St. Mary Parish. Town property tax revenues are budgeted in the year billed.

For the year ended September 30, 2003, taxes of 18.12 mills were levied on property with assessed valuations totaling \$16,856,211 and were dedicated as follows:

General governmental services	12.12 mills
Maintenance	6.00 mills

Total taxes collected on assessments were \$303,903.

NOTE 4 INTERFUND RECEIVABLES/PAYABLES

	Interfund Receivables	Interfund Payables
Due to/from other funds:		
General Fund	\$ 5,122	\$ 3,046
Special Revenue Fund		
Sales Tax Liquid and Solid Waste Fund	-	1,545
Recreation Facilities Maintenance Fund	989	3,217
LCDBG Grant Fund	-	25
Public Improvement Maintenance Fund	3,046	-
Enterprises Funds -		
Gas Enterprise Fund	-	20,413
Water Enterprise Fund	20,287	1,198
Trust Funds -		
Berwick Memorial Perpetual Care Principal Fund	-	39,601
Berwick Memorial Perpetual Care Income Fund	39,601	-
Total due to/from other funds	\$ 69,045	\$ 69,045

NOTE 5 DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at September 30, 2003 consisted of the following:

General Fund	
Video poker taxes due from the State of Louisiana	\$ 1,035
Special Revenue Fund - LCDBG Housing Rehabilitation Program	
Local Community Development Block Grant from Louisiana Office of Community Development	26,286
Utility Fund - Water Enterprise Fund	
Rural Development Grant from the State of Louisiana	7,629
	\$ 34,950

TOWN OF BERWICK, LOUISIANA

Notes to Financial Statements

NOTE 6 RESTRICTED ASSETS - PROPRIETARY FUND TYPE

Restricted assets were applicable to the following at September 30:

	2003
Revenue bond and interest sinking fund	\$ 76,051
Revenue bond contingency fund	26,581
Customers' deposit	56,653
	\$ 159,285

NOTE 7 CHANGES IN FIXED ASSETS

	Balance October 1, 2002	Additions	Deletions	Balance September 30, 2003
Land	\$ 1,125,833	\$ 31,500	\$ -	\$ 1,157,333
Buildings	3,390,436	36,875	-	3,427,311
Equipment	968,169	76,541	36,434	1,008,276
Autos and Trucks	391,855	90,357	11,700	470,512
Total general fixed assets	\$ 5,876,293	\$ 235,273	\$ 48,134	\$ 6,063,432

A summary of proprietary fund type property, plant, and equipment at September 30, 2003 follows:

	Gas Enterprise Fund	Water Enterprise Fund	Totals
Land	\$ -	\$ 15,000	\$ 15,000
Improvements other than buildings	480,475	2,561,851	3,042,326
Machinery and equipment	178,465	86,697	265,162
Total	658,940	2,663,548	3,322,488
Less: Accumulated depreciation	575,393	1,347,357	1,922,750
Net	\$ 83,547	\$ 1,316,191	\$ 1,399,738

TOWN OF BERWICK, LOUISIANA

Notes to Financial Statements

NOTE 8 CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions of the Town for the year ended September 30, 2003:

	General Obligation Bonds	Revenue Bonds	Total
Bonds and notes payable, October 1, 2002	\$ 2,166,500	\$ 225,000	\$ 2,391,500
Bonds and notes issued	-	-	-
Bonds and notes retired	<u>338,500</u>	<u>71,000</u>	<u>409,500</u>
Bonds and notes payable, September 30, 2003	<u>\$ 1,828,000</u>	<u>\$ 154,000</u>	<u>\$ 1,982,000</u>

Bonds and certificates payable at September 30, 2003 are comprised of the following individual issues:

General obligation bonds:

\$480,000 General obligation refunding bonds, Series 1993 (to defease \$420,000 of General obligation bonds of 1985 issued for construction of fire station), payable in annual installments of \$45,000 to \$50,000 through March 1, 2005, with interest at 5.40 to 5.6 percent per annum	\$ 90,000
\$1,635,000 Certificates of Indebtedness, Series 2001, (to defease \$1,635,000 of Certificate indebtedness of Series of 1998) payable in annual installments of \$163,500 through February 1, 2011, with interest at 4.75 percent per annum	1,308,000
\$905,000 General obligation refunding bonds, Series 1997 (to defease \$840,000 of General obligation bonds of Series 1988 issued for public improvement of the sewer), payable in annual installments of \$20,000 to \$145,000 through December 1, 2006, with interest at 5.0 percent per annum	<u>430,000</u>
	<u>\$ 1,828,000</u>

Revenue Bonds:

\$660,000 Water Revenue Refunding Bonds dated May 18, 1996 (to refund Water Revenue Bond of 1989 issued to improve waterworks system), payable in annual installments of \$71,000 to \$79,000 through December 1, 2004, with interest at 5.20% per annum	<u>\$ 154,000</u>
--	-------------------

TOWN OF BERWICK, LOUISIANA

Notes to Financial Statements

NOTE 8 CHANGES IN LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize all debt outstanding as of September 30, 2003, including interest payments of \$296,650 are as follows:

<u>Year Ended September 30,</u>	<u>General Obligation</u>	<u>Revenue Bonds</u>	<u>Totals</u>
2004	418,755	81,058	499,813
2005	406,866	81,054	487,920
2006	355,840	-	355,840
2007	218,948	-	218,948
2008	190,682	-	190,682
Thereafter	525,447	-	525,447
	<u>\$ 2,116,538</u>	<u>\$ 162,112</u>	<u>\$2,278,650</u>

The various bond indentures contain significant limitations and restrictions as to the annual debt service requirements, maintenance of and flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverage (see Note 9). The Town is in compliance with all such significant limitations and restrictions.

NOTE 9 LONG TERM CONTRACT

The Town of Berwick has entered into a contract of renovating two water towers and five-year maintenance plan as required by R.S. 38:2122(G). The total contract price is \$348,862 and is being financed over five years. Payment requirements are as follows:

<u>Years ended:</u>	<u>Contract</u>	<u>Maintenance</u>
2004	\$ 100,764	\$ -
2005	100,764	-
2006	23,285	12,686
2007	23,285	12,686
2008	-	25,372
	<u>\$ 248,098</u>	<u>\$ 50,744</u>

NOTE 10 FLOW OF FUNDS; RESTRICTIONS ON USE - UTILITIES REVENUES

Under the terms of the bond indenture on outstanding Utilities Revenue Bonds, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operations of the Utilities System are pledged and dedicated to the retirement of said bonds and are to be set aside into the following special funds:

TOWN OF BERWICK, LOUISIANA

Notes to Financial Statements

NOTE 10 FLOW OF FUNDS; RESTRICTIONS ON USE - UTILITIES REVENUES (CONTINUED)

Each month, there will be set aside into a fund called the Revenue Bond Sinking Fund an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.

Funds will also be set aside into a Capital Additions and Contingencies Fund monthly in the amount of five percent (5%) of the gross revenues of the System for the preceding month, provided that such sum is available after provision is made for all reasonable expenses of administration, operation and maintenance of the System as well as payments into the above required fund. In addition to caring for extensions, additions, improvements, renewals, and replacements necessary to properly operate the System, money in this fund shall also be used to pay the principal of and the interest on these bonds for the payment of which there is not sufficient money in the Revenue Bond Sinking Fund. This money, however, shall never be used for the making of improvements and extensions to the System or for payment of principal and interest on bonds if such use of said money will leave in the Capital Additions and Contingencies Fund for the making of emergency repairs or replacements less than the sum of \$10,000.

NOTE 11 DEDICATION OF PROCEEDS AND FLOW OF FUNDS - SALES AND USE TAXES

The Town of Berwick collects sales taxes under four sales tax levies as follows:

Proceeds of a 1% parish wide sales and use tax levied in 1966 (2003 collections \$460,593; 2002 collections \$440,827). Tax is collected by the St. Mary Parish Sales and Use Tax Department and is remitted to each participating municipality on a monthly basis. Proceeds of this tax shall be used for the following purposes: construction, acquisition, improvement, maintenance and repairs of streets, capital improvements, public works and buildings (including the acquisition of sites and necessary fixtures, equipment, furnishings and appurtenances, and the payment of obligations and refunding obligations which have been or may be issued for the purpose of acquiring and improving public works and buildings); for payment or supplementing salaries of all municipal employees; for the operation of recreational facilities; for the acquisition, maintenance, repairs and payment of operating expenses of equipment, vehicles, and other machinery owned by the municipality; and for any other public purpose authorized by state law.

Proceeds of a 3/4 of 1% sales and use tax levied in 1974 (2003 collections \$432,176; 2002 collections \$412,645). Tax is collected by the St. Mary Parish Sales and Use Tax Department and is allocated and distributed monthly as above. Proceeds are to be used for the construction, acquisition, extension, improvement, operation, and maintenance of solid waste collection and disposal facilities, sewers and sewerage disposal works, and other facilities for pollution control and abatement; and to pay debt service requirements on bonds issued for any of the above-mentioned purposes.

TOWN OF BERWICK, LOUISIANA

Notes to Financial Statements

NOTE 11 DEDICATION OF PROCEEDS AND FLOW OF FUNDS - SALES AND USE TAXES (CONTINUED)

Proceeds of a 3/10 of 1% sales and use tax levied in 1982 (2003 collections \$168,175; 2002 collections \$161,008). Tax is collected by the St. Mary Parish Sales and Use Tax Department and is allocated and distributed monthly as above. Proceeds are dedicated to the following purposes: operating and maintaining the police department, including the acquisition and maintenance of equipment and supplies; paying or supplementing the salaries of municipal employees; and purchasing, constructing, acquiring, extending and/or improving all or any portion of public works or capital improvements, including but not limited to the construction, improvement and maintenance of drainage, water, and flood control extensions and improvements and the acquisition, construction, improvement, maintenance and repair of streets, roads, and bridges.

Proceeds of a ½ of 1% sales and use tax levied in 2001 (2003 collections \$141,658; 2002 collections \$136,924). Tax is collected by the St. Mary Parish Sales and Use Tax Department and is allocated and distributed monthly as above. Proceeds are to be used for increased salaries for police departments and also for operating and maintaining the police department.

NOTE 12 EMPLOYEE RETIREMENT

Eligible employees of the Town participate in one of three multiple-employer public employee retirement systems (PERS), which are controlled and administered by a separate board of trustees. These retirement systems provide retirement disability and death benefits to plan members and their beneficiaries. Pertinent information relative to each plan follows:

Municipal Employees' Retirement System of Louisiana

Plan members are required to contribute 9.25 percent of their annual covered salary to the system while the Town is required to contribute the statutory rate of 8.0 percent for October 2003 to June 2003 and 11 percent for July 2003 to September 2003, of the total annual covered salary. The Town's contributions to the system for the years ended September 30, 2003, 2002 and 2001 were \$62,404, \$46,378, and \$46,413, respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Blvd., Baton Rouge, Louisiana 70809.

Municipal and State Police Retirement System of Louisiana

Plan members are required to contribute 7.5 percent of their annual covered salary to the system while the Town is required to contribute the statutory rate of 9.0 percent of the total annual covered salary. The Town's contributions to the system for the years ended September 30, 2003, 2002 and 2001 were \$27,021, \$27,833 and \$32,051, respectively, equal to the required contribution for each year.

TOWN OF BERWICK, LOUISIANA

Notes to Financial Statements

NOTE 12 EMPLOYEE RETIREMENT (CONTINUED)

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Municipal Police Employees' Retirement System of Louisiana, 8550 United Plaza Blvd., Suite 501, Baton Rouge, Louisiana 70809-0200.

Firefighters' Retirement System

Plan members are required to contribute 8.0 percent of their annual covered salary to the system. The Town is required to contribute the following statutory rate of the total annual covered salary:

October 2002 - November 2002	9.00%
December 2002 - February 2003	18.25%
March 2003	9.00%
April 2003	10.25%
May 2003 - June 2003	18.25%
July 2003 through September 2003	21.00%

The Town's contributions to the system for the years ended September 30, 2003 and 2002 were \$5,549 and \$2,475, respectively, equal to the required contribution for the year. A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Firefighters' Retirement System, P. O. Box 94095 - Capital Station, Baton Rouge, Louisiana 70804.

NOTE 13 POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 12, the Town has elected to make available health benefits to all eligible retirees who retire from the Town on or after December 31, 1997. Retirees are considered eligible if they meet the retirement eligibility requirements of the Municipal Retirement System of Louisiana. Under the post-employment benefit package, retirees may continue group health insurance coverage through the Town's group policy at the retiree's own expense. From January 1, 2002 to September 1, 2004, the Town of Berwick will pay the premium for the continuation of the health insurance coverage up to \$150 for any retiree with at least 11 years, 5 months of service but less than 12 years. Once the retiree becomes eligible to obtain medicare supplement insurance, the Town of Berwick will pay the premium for the medicare supplement insurance policy up to a maximum of \$150 per month. Premium costs above \$150 must be paid by the retiree. The Town will provide benefits to the retiree only and no coverage will be provided to dependents of the retiree. During the years ended September 30, 2003, and 2002 the Town incurred costs totaling \$7,040 and \$6,848 respectively, related to providing this benefit, which is expensed as incurred.

The Town pays post-employment benefits to four employees for the year.

TOWN OF BERWICK, LOUISIANA

Notes to Financial Statements

NOTE 14 RISK MANAGEMENT

The Town 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 Town has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss. The Town is insured up to policy limits for each of the above risks. There were no significant changes in coverages, retentions, or limits during the year ended September 30, 2003. Settled claims have not exceeded the commercial coverages in any of the previous three fiscal years.

NOTE 15 PENDING LITIGATION

The Town is not presently involved in any lawsuits which could materially affect the financial condition of the Town.

NOTE 16 COMPENSATION OF TOWN OFFICIALS

A detail of compensation paid to the Mayor and Town Council for the year ended September 30, 2003 follows:

Mayor:

Emmett Hardaway, Sr.	\$ 31,800
----------------------	-----------

Council:

Elaine Cornes Cantrell	5,400
Ralph Guidry, Jr.	900
William H. Johnson, III	5,400
Ray Raspberry	5,400
Louis A. Ratcliff	5,400
Edgar Thomas, Jr.	<u>4,500</u>
	<u>\$ 58,800</u>

NOTE 17 JOINT VENTURES

Berwick/Bayou Vista Joint Waterworks District -

The Town is a member of a joint venture with the St. Mary Parish Government for the construction, maintenance, and operation of a water plant which supplies water to the Town of Berwick and the unincorporated community of Bayou Vista for distribution to their residents. Each participant has a 50% interest in the venture. The cost of constructing the plant was borne by the Town and the St. Mary Parish Government, and they have appointed a board to operate and maintain the plant. The Town has included its share of the joint venture in these financial statements in the proprietary fund type accounts using the equity method of accounting.

TOWN OF BERWICK, LOUISIANA

Notes to Financial Statements

NOTE 17 JOINT VENTURES (CONTINUED)

St. Mary Parish Wards 5 and 8 Joint Sewerage Commission -

The Town is a member of a joint venture with the Parish of St. Mary, Sewerage District #8 of the Parish of St. Mary, and the City of Patterson for operating and maintaining a sewerage disposal system. The system is operated by a five-member board of commissioners, appointed one each by the Town of Berwick, Sewerage District #8 and the City of Patterson, and two appointed by the St. Mary Parish Council (one each from Wards 5 and 8 of the parish). The costs of constructing the system, which amounted to approximately \$10,300,000, was paid by the participants in the following percentages:

Town of Berwick	27.05 %
City of Patterson	27.75
St. Mary Parish	<u>45.20</u>
Total	<u>100.00 %</u>

The board operates and maintains the system as the "St. Mary Parish Wards 5 and 8 Joint Sewerage Commission". Operating expenses are paid from revenues generated by charging the participants a monthly fee based on a percentage of water consumption by residents of the participating units. The Town of Berwick finances its share of the fees paid from a governmental type (Special Revenue) fund and has not included its 27.05% share of the system in these financial statements.

Following is a summary of the financial statements issued by the St. Mary Parish Wards 5 & 8 Joint Sewerage Commission as of September 30, 2003 which includes only the assets and liabilities required in operating and maintaining the system, and does not include the original \$10,300,000 construction cost paid by the participants.

The balance sheet reflected the following:

Total assets	\$ 1,570,480
Total liabilities	<u>159,654</u>
Total net assets	<u>\$ 1,410,826</u>

The statement of revenues and expenses for the fiscal year ended September 30, 2003 reflected the following:

Operating revenues	\$ 507,736
Non-operating revenues	18,907
Operating expenses	<u>524,657</u>
Change in net assets	<u>\$ 1,986</u>

Additional information may be obtained from the separately issued financial statements of Wards 5 and 8 Joint Sewerage Commission for the year ended September 30, 2003.

TOWN OF BERWICK, LOUISIANA

Notes to Financial Statements

NOTE 18 INTERGOVERNMENTAL AGREEMENT

On January 15, 1997, the Town entered into an intergovernmental agreement with the Berwick Development District for the development and construction of Renwick Subdivision for residential expansion. The agreement states that the Town will transfer ownership of approximately 73.5 acres of land purchased for the development site. In exchange, the Berwick Development District will reimburse the Town for all costs incurred by the Town for purchase and development of the land as a subdivision. During the year ended September 30, 1998, the Town issued \$2,600,000 in certificates of indebtedness to finance the development of Renwick Subdivision. The proceeds will be used to construct infrastructure and utility improvements in the development. It is anticipated that repayment will be funded with proceeds derived from sales of lots in the development. During the year ended September 30, 2000, the Town transferred ownership of the Phase I development to the Berwick Development District who, in turn, will sell the lots in the development. At November 1, 2001 the Town refinanced the certificates of indebtedness to extend the maturity from 2004 to 2011. The Berwick Development District transferred \$229,556 to the Town of Berwick to be used for repayment of the certificates of indebtedness for the year ended September 30, 2003. In February 2003, The Town of Berwick had to loan The Berwick Development \$55,000 of the above transferred amount to enable them to meet the required bond and interest payment.

NOTE 19 CORRECTION OF AN ERROR

The financial statement for September 30, 2002, for the debt service group has been restated to correct an error. The error is the result of the Town collecting ad valorem taxes after the debt has been repaid. The net effect of the correction on fund balance is a reduction of \$3,447 for the year ended September 30, 2002.

NOTE 20 EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS

The following individual funds had excesses of expenditures over appropriations which were not within the allowable five percent variance and are not apparent from the combined financial statements:

Special Revenue Funds:	Actual	Budget	
	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
3/4% Sales Tax Liquid and Solid	\$ 733,730	\$ 676,827	\$ 56,903
Waste Fund			
Recreation Facilities Maintenance Fund	371,546	259,924	111,622
Totals	<u>\$ 1,105,276</u>	<u>\$ 936,751</u>	<u>\$ 168,525</u>

TOWN OF BERWICK, LOUISIANA

Notes to Financial Statements

NOTE 21 SUBSEQUENT EVENT

The Town signed a contract on November 6, 2003 for an addition and renovation to the Police Station. The contract is for \$252,000, of which the State of Louisiana will pay \$200,000 and the Town will pay \$52,000. The notice to proceed on the construction was not given till November 14, 2003.

NOTE 22 RELATED PARTY TRANSACTION

The Town had several transactions with a Company owned by an employee of the Town. The transactions were for the purchase of parts and equipment. The Town purchased \$7,209.42 and \$10,801.45 for the years ended September 30, 2003 and 2002, respectively.

SUPPLEMENTAL INFORMATION

**SCHEDULES OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS**

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

TOWN OF BERWICK, LOUISIANA
General Fund

Comparative Balance Sheets
September 30, 2003 and 2002

	2003	2002
ASSETS		
Cash	\$ 134,182	\$ 10,808
Interest-bearing deposits	-	209,753
Receivables:		
Sales tax receivable	28,038	24,893
Utility franchise taxes receivable	41,296	36,446
Other	6,176	6,176
Due from other funds	5,122	3,319
Due from others	55,000	-
Due from other governments	1,035	1,357
Total assets	\$ 270,849	\$ 292,752
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 33,156	\$ 44,700
Accrued liabilities	85,293	68,228
Due to other funds	3,046	800
Total liabilities	121,495	113,728
Fund balance - unreserved, undesignated	149,354	179,024
Total liabilities and fund balance	\$ 270,849	\$ 292,752

TOWN OF BERWICK, LOUISIANA
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended September 30, 2003
With Comparative Actual Amounts for Year Ended September 30, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 725,100	\$ 733,089	\$ 7,989	\$ 707,519
Licenses and permits	144,500	140,170	(4,330)	147,275
Intergovernmental	134,000	186,273	52,273	98,940
Fines and forfeits	60,000	65,894	5,894	58,729
Wharf leases	52,000	55,219	3,219	55,219
Miscellaneous	81,000	82,348	1,348	163,562
Total revenues	<u>1,196,600</u>	<u>1,262,993</u>	<u>66,393</u>	<u>1,231,244</u>
Expenditures:				
Current -				
General government:				
Administrative	647,695	569,141	78,554	583,881
Public safety:				
Fire	61,729	56,233	5,496	77,038
Police	552,822	486,673	66,149	570,369
Public works:				
Streets	237,977	233,412	4,565	207,167
Drainage	164,863	105,482	59,381	114,147
Cemetery	19,000	17,190	1,810	20,341
Supporting services	7,000	20,895	(13,895)	7,858
Capital outlay	93,678	124,981	(31,303)	141,944
Total expenditures	<u>1,784,764</u>	<u>1,614,007</u>	<u>170,757</u>	<u>1,722,745</u>
Deficiency of revenues over expenditures	<u>(588,164)</u>	<u>(351,014)</u>	<u>237,150</u>	<u>(491,501)</u>
Other financing sources (uses):				
Operating transfers in	800,000	346,344	(453,656)	483,594
Operating transfers out	(25,000)	(25,000)	-	-
Transfer to others	(55,000)	-	55,000	-
Total other financing sources	<u>720,000</u>	<u>321,344</u>	<u>(398,656)</u>	<u>483,594</u>
Excess of revenues and other sources over expenditures and other uses	131,836	(29,670)	(161,506)	(7,907)
Fund balance, beginning	<u>179,024</u>	<u>179,024</u>	<u>-</u>	<u>186,931</u>
Fund balance, ending	<u>\$ 310,860</u>	<u>\$ 149,354</u>	<u>\$ (161,506)</u>	<u>\$ 179,024</u>

TOWN OF BERWICK, LOUISIANA
General Fund

Statement of Revenues Compared to Budget (GAAP Basis)
Year Ended September 30, 2003
With Comparative Amounts for Year Ended September 30, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Taxes:				
Ad valorem	\$ 215,000	\$ 203,106	\$ (11,894)	\$ 199,973
Interest and notices on ad valorem taxes	100	215	115	122
Sales	290,000	309,833	19,833	297,932
Drainage	82,000	74,656	(7,344)	80,268
Utility franchise fees	138,000	145,279	7,279	129,224
	<u>725,100</u>	<u>733,089</u>	<u>7,989</u>	<u>707,519</u>
Licenses and permits:				
Occupational licenses	137,000	130,015	(6,985)	137,845
Permits	7,500	10,155	2,655	9,430
	<u>144,500</u>	<u>140,170</u>	<u>(4,330)</u>	<u>147,275</u>
Intergovernmental:				
Federal grant	-	28,492	28,492	16,782
State of Louisiana -				
Beer taxes	4,000	4,280	280	5,513
Indian mitigation	25,000	25,000	-	25,000
Grants	-	20,496	20,496	22,183
Video poker	15,000	15,005	5	18,502
St. Mary Parish Council	90,000	93,000	3,000	10,960
	<u>134,000</u>	<u>186,273</u>	<u>52,273</u>	<u>98,940</u>
Fines and forfeits	<u>60,000</u>	<u>65,894</u>	<u>5,894</u>	<u>58,729</u>
Wharf leases	<u>52,000</u>	<u>55,219</u>	<u>3,219</u>	<u>55,219</u>
Miscellaneous:				
Cemetery plot sales	13,000	6,300	(6,700)	5,670
Interest	8,000	4,017	(3,983)	8,330
Mausoleum sales	-	4,780	4,780	15,760
Sale of equipment	-	-	-	10,945
Other sources	60,000	67,251	7,251	122,857
	<u>81,000</u>	<u>82,348</u>	<u>1,348</u>	<u>163,562</u>
Total revenues	<u>\$ 1,196,600</u>	<u>\$ 1,262,993</u>	<u>\$ 66,393</u>	<u>\$ 1,231,244</u>

TOWN OF BERWICK, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis)
Year Ended September 30, 2003
With Comparative Actual Amounts for Year Ended September 30, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Expenditures:				
General Government -				
Administrative salaries	\$ 210,000	\$ 230,511	\$ (20,511)	\$ 176,625
Unemployment compensation	-	2,223	(2,223)	462
Employees benefit plans	16,800	25,859	(9,059)	23,335
Office maintenance and operations	20,000	13,740	6,260	14,663
Dues and subscriptions	2,500	2,371	129	1,508
Publications and notices	6,000	5,819	181	5,224
Advertising	2,000	1,211	789	1,056
Legal and accounting	54,000	69,164	(15,164)	58,710
Town hall maintenance and supplies	35,000	46,578	(11,578)	45,608
Cost of preparing tax rolls	1,250	2,883	(1,633)	1,915
Magistrate fees	3,600	5,400	(1,800)	3,600
Insurance	180,000	71,654	108,346	126,453
Autopsy fees	3,000	1,915	1,085	2,418
Other charges	<u>113,545</u>	<u>89,813</u>	<u>23,732</u>	<u>122,304</u>
Total general government	<u>647,695</u>	<u>569,141</u>	<u>78,554</u>	<u>583,881</u>
Public Safety -				
Fire:				
Salaries	33,000	32,500	500	27,500
F/D retirement fund	6,100	4,848	1,252	2,250
Health insurance	4,229	4,229	-	3,172
Telephone	1,400	1,428	(28)	1,574
Power	1,000	869	131	742
Equipment maintenance	6,000	6,807	(807)	7,685
Supplies	7,000	3,821	3,179	4,682
Other charges	3,000	1,731	1,269	4,433
Appropriation to Berwick Vol. Fire Dept.	-	-	-	25,000
Total fire	<u>61,729</u>	<u>56,233</u>	<u>5,496</u>	<u>77,038</u>
Police:				
Salaries	370,000	344,010	25,990	402,526
Police retirement fund	34,225	25,953	8,272	25,653
Health insurance	44,097	41,119	2,978	51,696
Automobile expenses	25,000	22,015	2,985	31,375
Supplies	7,000	8,408	(1,408)	6,979
Uniforms	4,000	1,304	2,696	3,396
Radio maintenance	7,500	4,158	3,342	4,334
Telephone	9,000	6,974	2,026	7,498
Prisoner expenses	20,000	20,223	(223)	22,985
Other charges	<u>32,000</u>	<u>12,509</u>	<u>19,491</u>	<u>13,927</u>
Total police	<u>552,822</u>	<u>486,673</u>	<u>66,149</u>	<u>570,369</u>
Total public safety	<u>614,551</u>	<u>542,906</u>	<u>71,645</u>	<u>647,407</u>

(Continued)

TOWN OF BERWICK, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis)(Continued)
Year Ended September 30, 2003
With Comparative Actual Amounts for Year Ended September 30, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Public works -				
Streets:				
Salaries	92,000	86,266	5,734	74,882
Retirement	7,360	7,599	(239)	4,639
Health insurance	16,917	16,917	-	17,240
Equipment maintenance	15,000	36,352	(21,352)	35,648
Power	55,000	59,782	(4,782)	48,153
Materials and repairs	45,000	17,942	27,058	21,715
Other charges	6,700	8,554	(1,854)	4,890
Total streets	<u>237,977</u>	<u>233,412</u>	<u>4,565</u>	<u>207,167</u>
Drainage:				
Salaries	105,000	35,786	69,214	67,896
Retirement	8,400	5,446	2,954	5,087
Health insurance	10,263	8,153	2,110	13,407
Maintenance and repairs	33,000	50,140	(17,140)	20,694
Power	3,500	3,196	304	3,009
Other charges	4,700	2,761	1,939	4,054
Total drainage	<u>164,863</u>	<u>105,482</u>	<u>59,381</u>	<u>114,147</u>
Cemetery:				
Maintenance	19,000	17,190	1,810	20,341
Total public works	<u>421,840</u>	<u>356,084</u>	<u>65,756</u>	<u>341,655</u>
Supporting Services -				
Mosquito abatement	-	13,941	(13,941)	-
Rabies control	7,000	6,954	46	7,858
Total supporting services	<u>7,000</u>	<u>20,895</u>	<u>(13,895)</u>	<u>7,858</u>
Capital Outlay -				
Administration	-	38,529	(38,529)	47,916
Police	25,000	40,908	(15,908)	30,461
Streets	16,678	-	16,678	3,920
Drainage	52,000	45,544	6,456	59,647
Total capital outlay	<u>93,678</u>	<u>124,981</u>	<u>(31,303)</u>	<u>141,944</u>
Total expenditures	<u>\$ 1,784,764</u>	<u>\$ 1,614,007</u>	<u>\$ 170,757</u>	<u>\$ 1,722,745</u>

SPECIAL REVENUE FUNDS

1% Sales Tax Fund

To account for the receipt and use of the Town's prorata portion of the St. Mary Parish 1% sales and use tax. These taxes may be used for any lawful corporate purpose.

3/4% Sales Tax Liquid and Solid Waste Fund

To account for receipt and use of proceeds of the Town's prorata portion of the St. Mary Parish 3/4% sales and use tax. These taxes are dedicated to the construction, maintenance, and operations of sewerage or solid waste disposal systems, and police and fire protection.

A portion of the proceeds of the tax has been dedicated to the retirement of \$905,000 Public Improvement Sewer Refunding Bonds, Series 1999. The annual debt service on these bonds ranges between \$21,000 and \$153,250 with final maturities in 2006.

Recreation Facilities Maintenance Fund

To account for the operation and maintenance of the Berwick Civic Complex and Recreation Center. Financing is provided by a special ad valorem tax levy and by rentals and service charges for use of the facilities.

LCDBG Grant Fund

To account for the receipt of federal monies to be expended for housing rehabilitation in target areas.

Public Improvement Maintenance Fund

To account for the use of the remaining portion of the proceeds of a general obligation bond for public improvements.

Fire Improvement Fund

To account for the use of the remaining portion of the proceeds of a general obligation bond for fire improvements.

TOWN OF BERWICK, LOUISIANA
Special Revenue Funds

Combining Balance Sheet
September 30, 2003
With Comparative Totals for Year Ended September 30, 2002

	<u>1% Sales Tax Fund</u>	<u>3/4% Sales Tax Liquid and Solid Waste Fund</u>	<u>Recreation Facilities Maintenance Fund</u>
ASSETS			
Cash	\$ 485,498	\$ 293,819	\$ 14,285
Interest-bearing deposits	-	-	-
Accounts receivable	-	34,315	-
Sales taxes receivable	41,392	38,438	-
Interest receivable	-	-	-
Due from other funds	-	-	989
Due from other governments	-	-	-
Total assets	<u>\$ 526,890</u>	<u>\$ 366,572</u>	<u>\$ 15,274</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 52,684	\$ 5,712
Accrued liabilities	-	1,466	1,104
Due to other funds	-	1,545	3,217
Total liabilities	<u>-</u>	<u>55,695</u>	<u>10,033</u>
Fund balances - unreserved:			
Undesignated	<u>526,890</u>	<u>310,877</u>	<u>5,241</u>
Total liabilities and fund balances	<u>\$ 526,890</u>	<u>\$ 366,572</u>	<u>\$ 15,274</u>

LCDBG Grant Fund	Public Improvement Maintenance Fund	Fire Improvement Fund	Totals	
			2003	2002
\$ 25	\$ 20,800	\$ 40,540	\$ 854,967	\$ 1,025
-	-	-	-	996,322
-	-	-	34,315	28,665
-	-	-	79,830	72,009
-	-	-	-	991
-	3,046	-	4,035	2,049
<u>26,286</u>	<u>-</u>	<u>-</u>	<u>26,286</u>	<u>-</u>
<u>\$ 26,311</u>	<u>\$ 23,846</u>	<u>\$ 40,540</u>	<u>\$ 999,433</u>	<u>\$ 1,101,061</u>
\$ 26,286	\$ -	\$ -	\$ 84,682	\$ 42,756
-	-	-	2,570	2,876
25	-	-	4,787	1,015
<u>26,311</u>	<u>-</u>	<u>-</u>	<u>92,039</u>	<u>46,647</u>
<u>-</u>	<u>23,846</u>	<u>40,540</u>	<u>907,394</u>	<u>1,054,414</u>
<u>\$ 26,311</u>	<u>\$ 23,846</u>	<u>\$ 40,540</u>	<u>\$ 999,433</u>	<u>\$ 1,101,061</u>

TOWN OF BERWICK, LOUISIANA
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2003
With Comparative Totals for Year Ended September 30, 2002

	1% Sales Tax Fund	3/4% Sales Tax Liquid and Solid Waste Fund	Recreation Facilities Maintenance Fund
Revenues:			
Taxes	\$ 460,593	\$ 432,176	\$ -
Intergovernmental	-	-	98,800
Charges for services	-	359,997	21,764
Miscellaneous	<u>10,590</u>	<u>5,970</u>	<u>688</u>
Total revenues	<u>471,183</u>	<u>798,143</u>	<u>121,252</u>
Expenditures:			
Current -			
Culture and recreation	-	-	159,862
Sanitation	-	675,695	-
Housing rehabilitation	-	-	-
Appropriation to Berwick Vol. Fire Dept.	-	-	-
Capital outlay	<u>-</u>	<u>58,035</u>	<u>211,684</u>
Total expenditures	<u>-</u>	<u>733,730</u>	<u>371,546</u>
Excess (deficiency) of revenues over expenditures	<u>471,183</u>	<u>64,413</u>	<u>(250,294)</u>
Other financing sources (uses):			
Operating transfers in	-	-	240,000
Operating transfers out	<u>(485,000)</u>	<u>(251,708)</u>	<u>-</u>
Total other financing sources (uses)	<u>(485,000)</u>	<u>(251,708)</u>	<u>240,000</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(13,817)	(187,295)	(10,294)
Fund balances, beginning	<u>540,707</u>	<u>498,172</u>	<u>15,535</u>
Fund balances, ending	<u>\$ 526,890</u>	<u>\$ 310,877</u>	<u>\$ 5,241</u>

LCDBG Grant Fund	Public Improvement Maintenance Fund	Fire Improvement Fund	Totals	
			2003	2002
\$ -	\$ 100,797	\$ -	\$ 993,566	\$ 853,472
368,608	-	-	467,408	97,623
-	-	-	381,761	376,517
-	1,049	485	18,782	27,967
<u>368,608</u>	<u>101,846</u>	<u>485</u>	<u>1,861,517</u>	<u>1,355,579</u>
-	-	-	159,862	147,119
-	-	-	675,695	609,878
368,608	-	-	368,608	65,205
-	-	49,753	49,753	-
-	-	16,634	286,353	95,316
<u>368,608</u>	<u>-</u>	<u>66,387</u>	<u>1,540,271</u>	<u>917,518</u>
-	101,846	(65,902)	321,246	438,061
-	-	106,442	346,442	174,000
-	(78,000)	-	(814,708)	(884,688)
-	(78,000)	106,442	(468,266)	(710,688)
-	23,846	40,540	(147,020)	(272,627)
-	-	-	1,054,414	1,327,041
<u>\$ -</u>	<u>\$ 23,846</u>	<u>\$ 40,540</u>	<u>\$ 907,394</u>	<u>\$ 1,054,414</u>

TOWN OF BERWICK, LOUISIANA
Special Revenue Fund
1% Sales Tax Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended September 30, 2003
With Comparative Actual Amounts for Year Ended September 30, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Revenues:				
Taxes - sales taxes	\$ 425,000	\$ 460,593	\$ 35,593	\$ 440,827
Interest earned	15,000	10,590	(4,410)	12,146
Total revenues	<u>440,000</u>	<u>471,183</u>	<u>31,183</u>	<u>452,973</u>
Other financing sources (uses):				
Operating transfer in	-	-	-	-
Operating transfer out	(789,093)	(485,000)	304,093	(479,000)
Total other financing sources (uses)	<u>(789,093)</u>	<u>(485,000)</u>	<u>304,093</u>	<u>(479,000)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(349,093)	(13,817)	335,276	(26,027)
Fund balance, beginning	<u>540,707</u>	<u>540,707</u>	-	<u>566,734</u>
Fund balance, ending	<u>\$ 191,614</u>	<u>\$ 526,890</u>	<u>\$ 335,276</u>	<u>\$ 540,707</u>

TOWN OF BERWICK, LOUISIANA
Special Revenue Fund
3/4% Sales Tax Liquid and Solid Waste Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year ended September 30, 2003
With Comparative Actual Amounts for Year Ended September 30, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Revenues:				
Taxes - sales tax	\$ 380,000	\$ 432,176	\$ 52,176	\$ 412,645
Sewer service charges	185,000	198,587	13,587	195,982
Sanitation service charges	160,000	161,410	1,410	157,670
Other income	-	-	-	2,920
Interest earned	15,000	5,970	(9,030)	12,337
Total revenues	<u>740,000</u>	<u>798,143</u>	<u>58,143</u>	<u>781,554</u>
Expenditures:				
Sanitation -				
Personal services	115,000	161,939	(46,939)	126,951
Municipal retirement	9,200	7,434	1,766	3,900
Health insurance	20,527	15,251	5,276	18,331
Waste disposal fees	220,000	242,401	(22,401)	200,943
Maintenance	35,000	28,532	6,468	21,810
Liability insurance	-	35,893	(35,893)	61,171
Other charges	17,100	24,479	(7,379)	15,310
Sewer treatment fees	175,000	152,075	22,925	155,507
Power	10,000	7,691	2,309	5,955
Capital outlay -				
Equipment	30,500	17,577	12,923	10,000
Infrastructure	44,500	40,458	4,042	14,857
Total expenditures	<u>676,827</u>	<u>733,730</u>	<u>(56,903)</u>	<u>634,735</u>
Excess of revenues over expenditures	63,173	64,413	1,240	146,819
Other financing uses:				
Operating transfers out	(449,625)	(251,708)	197,917	(405,688)
Excess of revenues and other sources over expenditures and other uses	(386,452)	(187,295)	199,157	(258,869)
Fund balance, beginning	498,172	498,172	-	757,041
Fund balance, ending	<u>\$ 111,720</u>	<u>\$ 310,877</u>	<u>\$ 199,157</u>	<u>\$ 498,172</u>

TOWN OF BERWICK, LOUISIANA
Special Revenue Fund
Recreation Facilities Maintenance Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended September 30, 2003
With Comparative Actual Amounts for Year Ended September 30, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Revenues:				
Charges for services	\$ 18,000	\$ 21,764	\$ 3,764	\$ 22,865
Intergovernmental - Federal grant	-	98,800	98,800	32,418
Interest earned	500	488	(12)	539
Other	-	200	200	25
Total revenues	<u>18,500</u>	<u>121,252</u>	<u>102,552</u>	<u>55,847</u>
Expenditures:				
Culture and recreation -				
Personal services	69,300	65,749	3,551	60,317
Municipal retirement	5,544	3,379	2,165	2,469
Health insurance	12,687	9,325	3,362	12,630
Liability insurance	-	1,891	(1,891)	3,177
Supplies	11,500	10,963	537	6,771
Maintenance	36,000	34,921	1,079	21,727
Utilities	25,000	21,340	3,660	20,560
Sporting equipment and events	6,000	5,100	900	6,000
Other charges	10,800	7,194	3,606	13,468
Capital outlay -				
Equipment	14,000	12,998	1,002	-
Infrastructure	69,093	198,686	(129,593)	70,459
Total expenditures	<u>259,924</u>	<u>371,546</u>	<u>(111,622)</u>	<u>217,578</u>
Deficiency of revenues over expenditures	(241,424)	(250,294)	(8,870)	(161,731)
Other financing sources:				
Operating transfers in	244,093	240,000	(4,093)	174,000
Excess of revenues and other sources over expenditures and other uses	2,669	(10,294)	(12,963)	12,269
Fund balance, beginning	<u>15,535</u>	<u>15,535</u>	<u>-</u>	<u>3,266</u>
Fund balance, ending	<u>\$ 18,204</u>	<u>\$ 5,241</u>	<u>\$ (12,963)</u>	<u>\$ 15,535</u>

TOWN OF BERWICK, LOUISIANA
Special Revenue Fund
LCDBG Grant Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended September 30, 2003
With Comparative Actual Amounts for Year Ended September 30, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Revenues:				
Intergovernmental				
Federal grant	\$ 368,608	\$ 368,608	\$ -	\$ 65,205
Expenditures:				
Supporting services				
Housing rehabilitation	368,608	368,608	-	65,205
Total expenditures	<u>368,608</u>	<u>368,608</u>	<u>-</u>	<u>65,205</u>
Excess of revenues over expenditures	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF BERWICK, LOUISIANA
Special Revenue Fund
Public Improvement Maintenance Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended September 30, 2003
With Comparative Actual Amounts for Year Ended September 30, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Revenues:				
Taxes - Ad valorem taxes	\$ -	\$ 100,797	\$ 100,797	\$ -
Other income	-	15	15	-
Interest earned	-	1,034	1,034	-
Total revenues	<u>-</u>	<u>101,846</u>	<u>101,846</u>	<u>-</u>
Other financing uses:				
Operating transfers out	-	(78,000)	(78,000)	-
Excess of revenues and other sources over expenditures and other uses	-	23,846	179,846	-
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ 23,846</u>	<u>\$ 179,846</u>	<u>\$ -</u>

TOWN OF BERWICK, LOUISIANA
Special Revenue Fund
Fire Improvement Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended September 30, 2003
With Comparative Actual Amounts for Year Ended September 30, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Revenues:				
Interest earned	\$ -	\$ 485	\$ 485	\$ -
Expenditures:				
Appropriation to Berwick Vol. Fire Dept.	-	49,753	(49,753)	-
Capital outlay -				
Equipment	-	16,634	(16,634)	-
Total expenditures	-	66,387	(66,387)	-
Excess of expenditures over revenues	-	(65,902)	(65,902)	-
Other financing uses:				
Operating transfers in	-	106,442	106,442	-
Excess of revenues and other sources over expenditures and other uses	-	40,540	40,540	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ 40,540	\$ 40,540	\$ -

DEBT SERVICE FUNDS

Public Improvement Bonds

To accumulate monies for payment of the \$480,000 general obligation refunding bonds of 1993, due in annual installments, plus interest, through maturity in 2005. Debt service is financed by levy of a specific ad valorem tax.

Sewerage Certificates of 1986

To accumulate monies for the payment of Sewerage Certificates of 1986 due in annual installments, plus interest, through maturity in 1998.

Certificates of Indebtedness 2001

To accumulate monies for the payment of \$1,635,000 Certificate of Indebtedness, Series 2001 due in annual installments, plus interest, through maturity in 2011.

Sewer 3/4% Sales Tax Bonds

To accumulate monies for payment of \$905,000 Public Improvement Sewer Refunding Bonds, Series 1998, due in annual installments, plus interest, through maturity in 2006. Debt service is financed from proceeds of the Town's 3/4% Sales Tax Liquid and Solid Waste Special Revenue Fund.

TOWN OF BERWICK, LOUISIANA
Debt Service Funds

Combining Balance Sheet
September 30, 2003
With Comparative Totals for September 30, 2002

	Public Improvement Bonds	Sewer 3/4% Sales Tax Bonds	Certificates of Indebtedness of 2001
ASSETS			
Cash	\$ 5,044	\$ 291,320	\$ -
Interest bearing deposits	-	-	-
Total assets	\$ 5,044	\$ 291,320	\$ -
LIABILITIES AND FUND BALANCES			
Fund balances:			
Reserved for debt service	5,044	291,320	-
Total liabilities and fund balances	\$ 5,044	\$ 291,320	\$ -

Sewerage Certificates of 1986	Totals	
	2003	2002
\$ 2,998	\$ 299,362	\$ -
<u>-</u>	<u>-</u>	<u>399,952</u>
<u>\$ 2,998</u>	<u>\$ 299,362</u>	<u>\$ 399,952</u>
<u>2,998</u>	<u>299,362</u>	<u>399,952</u>
<u>\$ 2,998</u>	<u>\$ 299,362</u>	<u>\$ 399,952</u>

TOWN OF BERWICK, LOUISIANA
Debt Service Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2003
With Comparative Totals for September 30, 2002

	Public Improvement Bonds	Sewer 3/4% Sales Tax Bonds	Certificates of Indebtedness of 2001
Revenues:			
Ad valorem taxes	\$ -	\$ -	\$ -
Miscellaneous -			
Other	<u>417</u>	<u>4,333</u>	<u>229,556</u>
Total revenues	<u>417</u>	<u>4,333</u>	<u>229,556</u>
Expenditures:			
Debt service -			
Principal retirement	-	125,000	163,500
Interest	-	24,625	66,056
Paying agents' fees	<u>-</u>	<u>1,033</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>150,658</u>	<u>229,556</u>
Excess (deficiency) of revenues over expenditures	<u>417</u>	<u>(146,325)</u>	<u>-</u>
Other financing sources (uses):			
Operating transfers in	-	151,708	-
Operating transfers out	<u>(106,442)</u>	<u>-</u>	<u>-</u>
Bond issued	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(106,442)</u>	<u>151,708</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(106,025)</u>	<u>5,383</u>	<u>-</u>
Fund balances, beginning (as originally reported)	-	-	-
Prior period adjustment -			
Error in collection of ad valorem taxes	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning (as restated)	<u>111,069</u>	<u>285,937</u>	<u>-</u>
Fund balances, ending	<u>\$ 5,044</u>	<u>\$ 291,320</u>	<u>\$ -</u>

Sewerage Certificates of 1986	Totals	
	2003	2002
\$ -	\$ -	\$ 98,973
<u>52</u>	<u>234,358</u>	<u>248,594</u>
<u>52</u>	<u>234,358</u>	<u>347,567</u>
-	288,500	2,103,500
-	90,681	109,318
-	<u>1,033</u>	<u>1,020</u>
-	<u>380,214</u>	<u>2,213,838</u>
<u>52</u>	<u>(145,856)</u>	<u>(1,866,271)</u>
-	151,708	155,688
-	(106,442)	(29,730)
-	-	<u>1,635,000</u>
-	<u>45,266</u>	<u>1,760,958</u>
<u>52</u>	<u>(100,590)</u>	<u>(105,313)</u>
-	-	508,712
-	-	<u>(3,447)</u>
<u>2,946</u>	<u>399,952</u>	<u>505,265</u>
<u>\$ 2,998</u>	<u>\$ 299,362</u>	<u>\$ 399,952</u>

CAPITAL PROJECTS FUNDS

Street and Road Improvement Construction Fund

To account for the financing and construction of various improvements to the Town's streets and roads financed by Public Improvement Bonds and parish grants.

Everett S. Berry Lighthouse Park Fund

To account for the financing of the restoration and preservation of historical lighthouse to be reassembled in Berwick and made available to the general public as a marine museum and historical tourist attraction. Funds are to be provided from federal, state, local and private grants and donations.

TOWN OF BERWICK, LOUISIANA
Capital Projects Funds

Combining Balance Sheet
September 30, 2003
With Comparative Totals for September 30, 2002

	Street & Road Improvement Construction Fund	Everett S. Berry Lighthouse Park Fund	Totals	
			2003	2001
ASSETS				
Cash	\$ 288,748	\$ 52,544	\$ 341,292	\$ -
Interest-bearing deposits	-	-	-	347,062
	<u>\$ 288,748</u>	<u>\$ 52,544</u>	<u>\$ 341,292</u>	<u>\$ 347,062</u>
LIABILITIES AND FUND BALANCES				
Fund balances - unreserved:				
Designated for subsequent years' expenditures	<u>\$ 288,748</u>	<u>\$ 52,544</u>	<u>\$ 341,292</u>	<u>\$ 347,062</u>

TOWN OF BERWICK, LOUISIANA
Capital Projects Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2003
With Comparative Totals for September 30, 2002

	Street & Road Improvement Construction Fund	Everett S. Berry Lighthouse Park Fund
Revenues:		
Miscellaneous -		
Interest	\$ 5,436	\$ 931
Expenditures:		
Capital outlay	-	-
Other charges	11,643	494
Total expenditures	11,643	494
Excess (deficiency) of revenues over expenditures	(6,207)	437
Fund balances, beginning	294,955	52,107
Fund balances, ending	\$ 288,748	\$ 52,544

<u>Totals</u>	
<u>2003</u>	<u>2002</u>
<u>\$ 6,367</u>	<u>\$ 8,941</u>
-	43,502
<u>12,137</u>	<u>997</u>
<u>12,137</u>	<u>44,499</u>
<u>(5,770)</u>	<u>(35,558)</u>
<u>347,062</u>	<u>382,620</u>
<u>\$ 341,292</u>	<u>\$ 347,062</u>

**ENTERPRISE FUNDS
(UTILITY FUNDS)**

Gas Enterprise Fund

To account for the provision of gas services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administrations, operations, maintenance, financing and related debt service, and billing and collection.

Water Enterprise Fund

To account for the provision of water service to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administrations, operations, maintenance, financing and related debt service, and billing and collection.

TOWN OF BERWICK, LOUISIANA
Enterprise Funds
Utility Funds
Combining Balance Sheet
September 30, 2003
With Comparative Totals for September 30, 2002

	Gas Enterprise Fund	Water Enterprise Fund	Totals	
			2003	2002
ASSETS				
Current assets:				
Cash	\$ 454,054	\$ 20,839	\$ 474,893	\$ -
Interest-bearing deposits	-	-	-	581,490
Accounts receivable, net of allowance for uncollectibles	36,098	43,407	79,505	66,915
Interest receivable	-	-	-	2,046
Due from other governments	-	7,629	7,629	-
Due from other funds	-	20,287	20,287	21,712
Total current assets	<u>490,152</u>	<u>92,162</u>	<u>582,314</u>	<u>672,163</u>
Restricted assets:				
Bond and interest sinking fund -				
Cash	-	76,051	76,051	-
Interest-bearing deposits	-	-	-	74,789
Capital additions and contingencies fund -				
Cash	-	26,581	26,581	-
Interest-bearing deposits	-	-	-	23,739
Customers' deposits -				
Cash	56,653	-	56,653	-
Interest-bearing deposits	-	-	-	55,294
Total restricted assets	<u>56,653</u>	<u>102,632</u>	<u>159,285</u>	<u>153,822</u>
Investment in Berwick-Bayou Vista Joint Waterworks Plant	-	330,904	330,904	308,903
Bond issuance costs, net of amortization	-	2,586	2,586	3,779
Property, plant and equipment:				
Property, plant and equipment, at cost, net of accumulated depreciation of \$575,393 and \$1,347,357, respectively	<u>83,547</u>	<u>1,316,191</u>	<u>1,399,738</u>	<u>1,420,294</u>
Net property, plant and equipment	<u>83,547</u>	<u>1,316,191</u>	<u>1,399,738</u>	<u>1,420,294</u>
Total assets	<u>\$ 630,352</u>	<u>\$ 1,844,475</u>	<u>\$ 2,474,827</u>	<u>\$ 2,558,961</u>

	Gas Enterprise Fund	Water Enterprise Fund	Totals	
			2003	2002
LIABILITIES AND FUND EQUITY				
Liabilities:				
Current liabilities (payable from current assets) -				
Accounts payable	\$ 10,431	\$ 7,619	\$ 18,050	\$ 19,453
Due to other funds	20,413	1,198	21,611	25,265
Accrued liabilities	3,904	676	4,580	6,708
Current portion of contract payable	<u>-</u>	<u>100,764</u>	<u>100,764</u>	<u>-</u>
Total current liabilities (payable from current assets)	<u>34,748</u>	<u>110,257</u>	<u>145,005</u>	<u>51,426</u>
Current liabilities (payable from restricted assets) -				
Revenue bonds payable	-	75,000	75,000	71,000
Accrued interest payable	-	2,669	2,669	3,900
Customers' deposits	<u>56,653</u>	<u>-</u>	<u>56,653</u>	<u>55,294</u>
Total current liabilities (payable from restricted assets)	<u>56,653</u>	<u>77,669</u>	<u>134,322</u>	<u>130,194</u>
Long-term liabilities:				
Contracts payable, net of current portion	-	147,334	147,334	-
Revenue bonds payable, net of current portion	<u>-</u>	<u>79,000</u>	<u>79,000</u>	<u>154,000</u>
	<u>-</u>	<u>226,334</u>	<u>226,334</u>	<u>154,000</u>
Total liabilities	<u>91,401</u>	<u>414,260</u>	<u>505,661</u>	<u>335,620</u>
Fund equity:				
Contributed capital -				
Municipality	376,880	419,118	795,998	795,998
Other governments	22,114	190,000	212,114	212,114
Contractors	<u>-</u>	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>
Total contributed capital	<u>398,994</u>	<u>719,118</u>	<u>1,118,112</u>	<u>1,118,112</u>
Retained earnings -				
Reserved for revenue bond retirement	-	24,963	24,963	23,628
Unreserved	<u>139,957</u>	<u>686,134</u>	<u>826,091</u>	<u>1,081,601</u>
Total retained earnings	<u>139,957</u>	<u>711,097</u>	<u>851,054</u>	<u>1,105,229</u>
Total fund equity	<u>538,951</u>	<u>1,430,215</u>	<u>1,969,166</u>	<u>2,223,341</u>
 Total liabilities and fund equity	 <u>\$ 630,352</u>	 <u>\$ 1,844,475</u>	 <u>\$ 2,474,827</u>	 <u>\$ 2,558,961</u>

TOWN OF BERWICK, LOUISIANA
Enterprise Funds
Utility Funds

Combining Statement of Revenues, Expenses, and Changes in Retained Earnings
Year Ended September 30, 2003
With Comparative Totals for September 30, 2002

	Gas Enterprise Fund	Water Enterprise Fund	Totals	
			2003	2002
Operating revenues:				
Charges for services	\$ 329,537	\$ 460,888	\$ 790,425	\$ 661,294
Delinquent charges	18,153	12,133	30,286	25,913
Intergovernmental	-	50,000	50,000	-
Miscellaneous	5,500	4,494	9,994	5,275
Total operating revenues	<u>353,190</u>	<u>527,515</u>	<u>880,705</u>	<u>692,482</u>
Operating expenses:				
Gas & water purchases	271,158	276,110	547,268	385,672
Salaries	107,531	82,676	190,207	178,615
Retirement contributions	8,330	6,343	14,673	9,168
Group insurance	14,493	8,910	23,403	28,219
Other insurance	4,743	2,852	7,595	9,369
Maintenance and operations	35,681	370,198	405,879	55,204
Depreciation	27,077	70,027	97,104	98,250
Administration expenses	6,332	7,259	13,591	9,115
Water board member fees	-	1,440	1,440	1,440
Miscellaneous	3,336	95	3,431	10,550
Total operating expense	<u>478,681</u>	<u>825,910</u>	<u>1,304,591</u>	<u>785,602</u>
Operating loss	<u>(125,491)</u>	<u>(298,395)</u>	<u>(423,886)</u>	<u>(93,120)</u>
Nonoperating revenues (expenses):				
Interest income	8,609	1,946	10,555	18,632
Interest and fiscal charges	-	(10,845)	(10,845)	(13,461)
Increase in equity of Berwick-Bayou Vista Joint Waterworks Plant	-	22,001	22,001	80,128
Total nonoperating revenues (expenses)	<u>8,609</u>	<u>13,102</u>	<u>21,711</u>	<u>85,299</u>
Loss before operating transfers	(116,882)	(285,293)	(402,175)	(7,821)
Transfers:				
Operating transfers in (out)	(23,285)	171,285	148,000	101,136
Transfer to others	-	-	-	(33,500)
Total transfers	<u>(23,285)</u>	<u>171,285</u>	<u>148,000</u>	<u>67,636</u>
Net income (loss)	(140,167)	(114,008)	(254,175)	59,815
Retained earnings, beginning	<u>280,124</u>	<u>825,105</u>	<u>1,105,229</u>	<u>1,045,414</u>
Retained earnings, ending	<u>\$ 139,957</u>	<u>\$ 711,097</u>	<u>\$ 851,054</u>	<u>\$ 1,105,229</u>

TOWN OF BERWICK, LOUISIANA
Enterprise Funds
Utility Funds

Combining Statement of Cash Flows
Year Ended September 30, 2003
With Comparative Totals for September 30, 2002

	Gas Enterprise Fund	Water Enterprise Fund	Totals	
			2003	2002
Cash flows from operating activities:				
Operating loss	\$ (125,491)	\$ (298,395)	\$ (423,886)	\$ (93,120)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities -				
Depreciation	27,077	70,027	97,104	98,250
Changes in current assets and liabilities:				
Increase in accounts receivable	(3,660)	(8,930)	(12,590)	(16,518)
Decrease in interest receivable	2,046	-	2,046	-
Increase in due from other governments	-	(7,629)	(7,629)	-
Increase (decrease) in accounts payable	(3,211)	1,808	(1,403)	(53,885)
Decrease in accrued liabilities	(2,120)	(8)	(2,128)	(241)
Total adjustments	<u>20,132</u>	<u>55,268</u>	<u>75,400</u>	<u>27,606</u>
Net cash used in operating activities	<u>(105,359)</u>	<u>(243,127)</u>	<u>(348,486)</u>	<u>(65,514)</u>
Cash flows from noncapital financing activities:				
Operating transfers from (to) other funds	(23,285)	171,285	148,000	101,136
Transfer to others	-	-	-	(33,500)
Cash received from (paid to) other funds	<u>301</u>	<u>(2,530)</u>	<u>(2,229)</u>	<u>2,377</u>
Net cash provided by (used in) noncapital financing activities	<u>(22,984)</u>	<u>168,755</u>	<u>145,771</u>	<u>70,013</u>
Cash flows from capital and related financing activities:				
Acquisition of plant and equipment	(3,149)	(73,437)	(76,586)	(17,408)
Proceeds from sale of equipment	-	-	-	491
Long-term borrowings	-	348,862	348,862	-
Long-term repayments	-	(100,764)	(100,764)	-
Principal paid on revenue bond maturities	-	(71,000)	(71,000)	(67,000)
Interest paid on revenue bonds	-	(10,845)	(10,845)	(13,461)
Increase (decrease) in customers' meter deposits	<u>1,359</u>	<u>-</u>	<u>1,359</u>	<u>(750)</u>
Net cash provided by (used in) capital and related financing activities	<u>(1,790)</u>	<u>92,816</u>	<u>91,026</u>	<u>(98,128)</u>
Cash flows from investing activities:				
Interest on interest-bearing deposits	<u>8,609</u>	<u>1,946</u>	<u>10,555</u>	<u>18,632</u>
Net cash provided by investing activities	<u>8,609</u>	<u>1,946</u>	<u>10,555</u>	<u>18,632</u>

TOWN OF BERWICK, LOUISIANA
Enterprise Fund
Utility Fund

Combining Statement of Cash Flows (Continued)
Year Ended September 30, 2003
With Comparative Totals for September 30, 2002

	<u>Gas</u>	<u>Water</u>	<u>Totals</u>	
	<u>Enterprise</u>	<u>Enterprise</u>	<u>2003</u>	<u>2002</u>
	<u>Fund</u>	<u>Fund</u>		
Net increase (decrease) in cash and cash equivalents	(121,524)	20,390	(101,134)	(74,997)
Cash and cash equivalents, beginning of period	<u>632,231</u>	<u>103,081</u>	<u>735,312</u>	<u>810,309</u>
Cash and cash equivalents, end of period	<u>\$ 510,707</u>	<u>\$ 123,471</u>	<u>\$ 634,178</u>	<u>\$ 735,312</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:				
Cash and cash equivalents, beginning of period -				
Interest-bearing deposits - unrestricted	\$ 576,937	\$ 4,553	\$ 581,490	\$ 659,625
Interest-bearing deposits - restricted	<u>55,294</u>	<u>98,528</u>	<u>153,822</u>	<u>150,684</u>
Total cash and cash equivalents	<u>632,231</u>	<u>103,081</u>	<u>735,312</u>	<u>810,309</u>
Cash and cash equivalents, end of period -				
Interest-bearing deposits - unrestricted	454,054	20,839	474,893	581,490
Interest-bearing deposits - restricted	<u>56,653</u>	<u>102,632</u>	<u>159,285</u>	<u>153,822</u>
Total cash and cash equivalents	<u>510,707</u>	<u>123,471</u>	<u>634,178</u>	<u>735,312</u>
Net increase (decrease)	<u>\$ (121,524)</u>	<u>\$ 20,390</u>	<u>\$ (101,134)</u>	<u>\$ (74,997)</u>

TOWN OF BERWICK, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Changes in Assets Restricted for Revenue Bond Debt Service
Year Ended September 30, 2003

	Bond and Interest Sinking	Capital Additions and Contingencies	Total
Cash and interest-bearing deposits, October 1, 2002	\$ 74,789	\$ 23,739	\$ 98,528
Cash receipts:			
Transfers from operating cash	82,257	22,579	104,836
Interest on deposits	887	263	1,150
Total cash receipts	83,144	22,842	105,986
Total cash and interest - bearing deposits	157,933	46,581	204,514
Cash disbursements:			
Transfers to operating cash	1,066	20,000	21,066
Principal payments	71,000	-	71,000
Interest payments	9,816	-	9,816
Total cash disbursements	81,882	20,000	101,882
Cash and interest-bearing deposits, September 30, 2003	\$ 76,051	\$ 26,581	\$ 102,632

FIDUCIARY FUNDS

EXPENDABLE TRUST FUND

Berwick Memorial Perpetual Care Income Fund

To account for the receipt of investment earnings from the Perpetual Care Principal Fund and disbursements for maintenance of the mausoleum.

NONEXPENDABLE TRUST FUND

Berwick Memorial Perpetual Care Principal Fund

To account for monies provided by contract requirements that 10% of the selling price of mausoleum crypts be placed in this fund for the perpetual maintenance of the mausoleum. The principal sum may not be expended and must be invested to provide income to be used for maintenance of the mausoleum.

TOWN OF BERWICK, LOUISIANA
Fiduciary Funds

Combining Balance Sheet
September 30, 2003
With Comparative Totals for September 30, 2002

	Expendable Trust Funds	Nonexpendable Trust Funds	Totals	
	Berwick Memorial Perpetual Care Income Fund	Berwick Memorial Perpetual Care Principal Fund	2003	2002
ASSETS				
Cash	\$ 127,472	\$ -	\$ 127,472	\$ -
Interest-bearing deposits	-	-	-	128,587
Due from other funds	-	39,601	39,601	39,601
Total assets	\$ 127,472	\$ 39,601	\$ 167,073	\$ 168,188
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ 39,601	\$ -	\$ 39,601	\$ 39,601
Fund Balances:				
Reserved for perpetual care	-	39,601	39,601	39,601
Reserved for maintenance	87,871	-	87,871	88,986
Total fund balances	87,871	39,601	127,472	128,587
Total liabilities and fund balances	\$ 127,472	\$ 39,601	\$ 167,073	\$ 168,188

TOWN OF BERWICK, LOUISIANA
Fiduciary Funds

Expendable Trust Fund
Berwick Memorial Perpetual Care Income Fund

Comparative Statements of Revenues, Expenditures and Changes in Fund Balance
Year Ended September 30, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Revenues:		
Miscellaneous - Interest earned	<u>\$ 2,459</u>	<u>\$ 2,654</u>
Expenditures:		
Public works - Mausoleum maintenance	<u>3,574</u>	<u>3,900</u>
Excess of revenues over expenditures	(1,115)	(1,246)
Fund balance, beginning	<u>88,986</u>	<u>90,232</u>
Fund balance, ending	<u>\$ 87,871</u>	<u>\$ 88,986</u>

TOWN OF BERWICK, LOUISIANA
Fiduciary Funds

Nonexpendable Trust Fund
Berwick Memorial Perpetual Care Principal Fund

Comparative Statements of Revenues, Expenses, and Changes in Fund Balance
Year Ended September 30, 2003

	<u>2003</u>	<u>2002</u>
Revenues	\$ -	\$ -
Expenses	<u>-</u>	<u>-</u>
Excess of revenues over expenses	-	-
Fund balance, beginning	<u>39,601</u>	<u>39,601</u>
Fund balance, ending	<u>\$ 39,601</u>	<u>\$ 39,601</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in proprietary fund operations.

TOWN OF BERWICK, LOUISIANA

Comparative Statements of General Fixed Assets
September 30, 2003

	<u>2003</u>	<u>2002</u>
General fixed assets, at cost:		
Land	\$ 1,157,333	\$ 1,125,833
Buildings	3,427,311	3,390,436
Equipment	1,008,276	968,169
Autos and truck	<u>470,512</u>	<u>391,855</u>
Total general fixed assets	<u>\$ 6,063,432</u>	<u>\$ 5,876,293</u>
Investment in general fixed assets:		
Property acquired from -		
Capital project funds:		
General obligation bonds	\$ 1,594,634	\$ 1,578,000
Federal grants	375,791	375,791
General Fund:		
General fund revenues	1,337,543	1,236,983
State grants	73,496	69,301
Special revenue fund revenues	2,184,439	2,118,689
Donations	<u>497,529</u>	<u>497,529</u>
Total investment in general fixed assets	<u>\$ 6,063,432</u>	<u>\$ 5,876,293</u>

TOWN OF BERWICK, LOUISIANA

Statement of Changes in General Fixed Assets
Year Ended September 30, 2003

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Autos and Trucks</u>	<u>Totals</u>
General fixed assets, beginning	\$ 1,125,833	\$ 3,390,436	\$ 968,169	\$ 391,855	\$ 5,876,293
Additions:					
General Fund:					
General fund revenues	21,500	-	59,348	26,438	107,286
Debt Service - General					
General obligation bonds	-	-	-	16,634	16,634
Special revenue fund					
revenues	10,000	36,875	12,998	47,285	107,158
State grant	-	-	4,195	-	4,195
Total additions	<u>31,500</u>	<u>36,875</u>	<u>76,541</u>	<u>90,357</u>	<u>235,273</u>
Deletions	<u>-</u>	<u>-</u>	<u>36,434</u>	<u>11,700</u>	<u>48,134</u>
General fixed assets, ending	<u>\$ 1,157,333</u>	<u>\$ 3,427,311</u>	<u>\$1,008,276</u>	<u>\$ 470,512</u>	<u>\$ 6,063,432</u>

GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for unmatured principal amounts on general long-term debt expected to be financed from governmental funds type. Payment of maturing obligations, including interest, are accounted for in the debt service funds.

TOWN OF BERWICK, LOUISIANA
Statement of General Long-Term Debt
September 30, 2003
With Comparative Totals for September 30, 2002

	General Obligation Bonds	Totals	
		2003	2002
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT			
Amount available in debt service funds for debt retirement	\$ 296,364	\$ 296,364	\$ 397,006
Amount to be provided from:			
General Fund revenues	1,392,956	1,392,956	1,341,592
Sales and use tax	138,680	138,680	427,902
Total available and to be provided	\$ 1,828,000	\$ 1,828,000	\$ 2,166,500
GENERAL LONG-TERM DEBT PAYABLE			
Bonds payable	\$ 520,000	\$ 520,000	\$ 695,000
Certificates of indebtedness	1,308,000	1,308,000	1,471,500
Total general long-term debt	\$ 1,828,000	\$ 1,828,000	\$ 2,166,500

**INTERNAL CONTROL
AND
COMPLIANCE**



(A Corporation of Certified Public Accountants)

Independent Auditor's Report on Compliance and
on Internal Control over Financial
Reporting Based on an Audit of General
Purpose Financial Statements Performed in
Accordance with *Government Auditing Standards*

The Honorable Emmett Hardaway, Sr., Mayor
and Members of the Town Council
Town of Berwick, Louisiana

We have audited the primary government financial statements of the Town of Berwick, as of and for the year ended September 30, 2003, and have issued our report thereon dated November 7, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Berwick's primary government financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of primary government financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed five instances of noncompliance that are required to be reported under *Government Auditing Standards*, which is reported as 03-2 and 03-6.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Berwick's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the primary government financial statements and not to provide assurance on the internal control over financial reporting. However, we noted one certain matter involving the internal control over reporting and its operations that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Town of Berwick's ability to record, process, summarize and report financial data consistent with the assertions of management in the primary government financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 03-1.

Eugene H. Darnall, CPA, Retired 1990
Paula D. Bihm, CPA Deceased 2002

E. Larry Sikes, CPA, CVA, CFP™
Danny P. Frederick, CPA
Clayton E. Darnall, CPA, CVA
Eugene H. Darnall, III, CPA
Stephanie M. HigginBotham, CPA
John P. Armato, CPA
Jennifer S. Ziegler, CPA, CFP™
Chris A. Miller, CPA, CVA
Stephen R. Dischler, MBA, CPA
Steven G. Moosa, CPA

Erich G. Loewer, Jr. CPA

Kathleen T. Darnall, CPA
Erich G. Loewer, III, MTX CPA
Tamera T. Landry, CPA
Raegan D. Maggio, CPA
Barbara A. Clark, CPA
Monica F. Laverne, CPA
Lauren F. Verrett, CPA
Michelle B. Borrello, CPA
Jeremy C. Meaux, CPA
Kevin S. Young, CPA
Barbara Ann Watts, CPA
Adam J. Curry, CPA

Member of:
American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the primary government financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control structure over financial reporting would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described as 02-1 is a material weakness.

This report is intended for the information of the management, federal awarding agencies, Louisiana Legislative Auditor, and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Morgan City, Louisiana
November 7, 2003

TOWN OF BERWICK, LOUISIANA

Summary Schedule of Prior Year Findings
Year Ended September 30, 2003

- 02-1 Finding: Inadequate Segregation of Accounting Functions
Status: This finding is unresolved. See current year finding 03-1.
- 02-2 Finding: Public Bid Law
Status: There were not violations of bid law noted during the audit of the current year.
- 02-3 Finding: Compliance with Grant Requirements
Status: There were not violations of grant requirements noted during the audit of the current year.

TOWN OF BERWICK, LOUISIANA

Schedule of Findings and Questioned Costs
Year Ended September 30, 2003

Part I Summary of Audit Results

FINANCIAL STATEMENTS

Auditor's Report

An unqualified opinion has been issued on the Town of Berwick's primary government financial statements as of and for the year ended September 30, 2003.

Reportable Conditions - Financial Reporting

There was one reportable condition in internal control over financial reporting noted during the audit of the financial statements. This is reported as 03-1 in Part 2 and is considered a material weakness.

Material Noncompliance - Financial Reporting

There were five material instances of noncompliance noted during the audit of the financial statements that would be required to be reported under *Government Auditing Standards*. These are reported as 03-2 thru 03-6.

FEDERAL AWARDS

Major Program - Identification

The Town of Berwick, at September 30, 2003, had one major program.

Block Grant, CFDA #14.228, which receives funds from the U.S. Department of Housing and Urban Development "passed through" the Louisiana Community Development.

Low-Risk Auditee

The Town of Berwick was not considered a low-risk auditee for fiscal year ended September 30, 2003.

Major Program - Threshold

The dollar threshold to distinguish Type A and Type B programs is \$300,000 for the fiscal year ended September 30, 2003.

Auditor's Report - Major Program

An unqualified opinion has been issued on the Town of Berwick, Louisiana's compliance for its major program as of and for the year ended September 30, 2003.

TOWN OF BERWICK, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2003

Part 1: Summary of Auditor's Results (Continued)

Reportable Conditions - Major Program

No reportable conditions were disclosed during the audit of major programs.

Compliance Findings Related to Federal Programs

The results of our test disclosed no instances of noncompliance during the audit of major programs.

Part 2 Findings Relating to an Audit in Accordance with *Government Auditing Standards*

03-1 Inadequate segregation of accounting functions

Finding:

Due to the small number of accounting personnel, the Town did not have adequate segregation of functions within its accounting system.

Recommendation:

Based upon the size of the operation and the cost/benefit of additional personnel it may not be feasible to achieve complete segregation of duties.

03-2 Budget Violations

Finding:

The Town expenditures exceeded 5% of the budgeted expenditures for the Recreation Facilities Maintenance Fund and the 3/4 % Sales Tax Liquid and Solid Waste Fund. This is a violation of LSA-RS 39:1310.

Recommendation:

The Town should implement procedures to assure that the actual expenditures do not exceed 5% of budgeted expenditures.

TOWN OF BERWICK, LOUISIANA

**Schedule of Findings and Questioned Costs - Continued
Year Ended September 30, 2003**

03-3 Minutes were not published in official journal

Finding:

The Town did not maintain publish three months of minutes in the official journal.

Recommendation:

The Town should implement procedures to ensure that the minutes are published in the official journal as required by LSA-RS 43:143-144.

03-4 Bond Covenant Violation

Finding:

The Town had an unauthorized disbursement out of the Water Depreciation Reserve Fund. The Town also failed to make timely deposits of revenues of the Utility Fund as required by the bond covenant.

Recommendation:

The Town should implement procedures to assure that the funds are used as required by the bond covenants and that deposits are made timely.

03-5 Related Party Violation

Finding:

There were several transactions between the Town and a related party.

Recommendation:

The Town should implement procedures to prevent any related party transactions.

03-6 Misappropriation of Assets

Finding:

The Town has paid the cell phone bills of a former employee for 9 months in the amount of \$562.

Recommendation:

The Town should implement procedures to protect the assets of the Town. The Town should be reimbursed for these expenditures.

TOWN OF BERWICK, LOUISIANA

**Schedule of Findings and Questioned Costs - Continued
Year Ended September 30, 2003**

Part 3 Findings and Questioned Costs Relating to the Federal Program

The results of our test disclosed no findings or questioned cost related to federal programs.

TOWN OF BERWICK, LOUISIANA

**Management's Corrective Action Plan For Current Year Findings
Year Ended September 30, 2003**

Response to Finding 03-1:

No response is considered necessary.

Response to Finding 03-2:

The Town had two violations of the local budget act and clarification of the act was made to Town Clerk. The Town was not aware that they had to include federal expenditures in the budget. The Town will endeavor to comply with the local budget act.

Response to Finding 03-3:

The Town was not aware of that the official journal had failed to publish the minutes. The Town will closely monitor the official journal to ensure publication of the minutes.

Response to Finding 03-4:

The Town has reviewed the bond covenants for requirements of allowed expenditures from the Water Depreciation Fund. The Town will start making daily deposit of collected utility revenues.

Response to Finding 03-5:

The Town has reviewed with the staff the related party legislation to ascertain that all the staff is aware of the laws.

Response to Finding 03-6:

The Town has been reimbursed.



(A Corporation of Certified Public Accountants)

Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Program and Internal Control over
Compliance in Accordance with OMB Circular A-133

The Honorable Emmett Hardaway, Sr., Mayor
and Members of the Town Council
Town of Berwick, Louisiana

Compliance

We have audited the compliance of the Town of Berwick, Louisiana with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal program for the year ended September 30, 2003. The Town of Berwick, Louisiana's major federal program is identified in the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Town of Berwick, Louisiana's management. Our responsibility is to express an opinion on the Town of Berwick, Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Berwick, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town of Berwick, Louisiana's compliance with those requirements.

In our opinion, the Town of Berwick, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended September 30, 2003.

Eugene H. Darnall, CPA, Retired 1990
Paula D. Bihm, CPA Deceased 2002

E. Larry Sikes, CPA, CVA, CFP™
Danny P. Frederick, CPA
Clayton E. Darnall, CPA, CVA
Eugene H. Darnall, III, CPA
Stephanie M. HigginBotham, CPA
John P. Armato, CPA
Jennifer S. Ziegler, CPA, CFP™
Chris A. Miller, CPA, CVA
Stephen R. Dischler, MBA, CPA
Steven G. Moosa, CPA

Erich G. Loewer, Jr. CPA

Kathleen T. Darnall, CPA
Erich G. Loewer, III, MTX CPA
Tamera T. Landry, CPA
Raegan D. Maggio, CPA
Barbara A. Clark, CPA
Monica F. Laverne, CPA
Lauren F. Verrett, CPA
Michelle B. Borrello, CPA
Jeremy C. Meaux, CPA
Kevin S. Young, CPA
Barbara Ann Watts, CPA
Adam J. Curry, CPA

Member of:
American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

Internal Control Over Compliance

The management of the Town of Berwick, Louisiana is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Town of Berwick, Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Morgan City, Louisiana
November 7, 2003

TOWN OF BERWICK, LOUISIANA

Schedule of Expenditures of Federal Awards
Year Ended September 30, 2003

Federal Grantor/Pass Through Grantor Program Name	CFDA Number	Identifying Number	Amount
U. S. Department of Housing and Urban Development: Passed through Louisiana Community Development - Block Grant	14.228	574905	\$ <u>368,608</u>
U. S. Department of Transportation: Passed through Louisiana Department of Transportation and Development - Berwick LA 182 Path Extension, St. Mary Parish	20.205	ENH-5101(501)	<u>98,800</u>
United States Federal Emergency Management Agency Passed through Louisiana Office of Emergency Preparedness Public Assistance Grant - Hurricane Isidore	83.544	Isidore	5,503
United States Federal Emergency Management Agency Passed through Louisiana Office of Emergency Preparedness Public Assistance Grant - Hurricane Lili	83.544	Lili	<u>12,211</u>
Total United States Federal Emergency Management Agency			<u>17,714</u>
U. S. Department of Justice: Law Enforcement - Block Grant	16.592	2002-LB-BX-0249	<u>10,778</u>
Total Federal Assistance			<u>\$ 495,900</u>

NOTE 1 BASIS OF PRESENTATION

The above schedule of expenditures of federal awards includes the federal grant/loan activity of the Town of Berwick, Louisiana and is presented on the same basis of accounting as described in Note 1 to the financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations".

OTHER SUPPLEMENTARY INFORMATION

TOWN OF BERWICK, LOUISIANA
Enterprise Fund
Utility Funds

Schedule of Number of Utility Customers
(Unaudited)
September 30, 2003

Records maintained by the Town indicated the following number of customers were being served during the months of September, 2003 and 2002:

<u>Department</u>	<u>2003</u>	<u>2002</u>
Gas (metered)	787	787
Water (metered)	1,771	1,731
Sewerage	1,649	1,629
Sanitation*	1,611	1,566

*Note: Sanitation services are billed and collected by the Town on the regular utility bills sent out. The related incomes, expenses, receivables, and payables are recorded in the Town's General Fund.

TOWN OF BERWICK, LOUISIANA

Schedule of Insurance in Force
(Unaudited)
September 30, 2003

<u>Description of Coverage</u>	<u>Coverage Amounts</u>
Workmen's Compensation - Employer's liability	\$ 1,000,000
Surety Bond - Blanket bond	5,000
Policemen's Professional Liability	500,000
Public officials errors and omissions	500,000
Comprehensive General Liability, Bodily Injury, and Property Damage	500,000
Comprehensive Automobile Liability	500,000
Fire, Lightning, and Extended Coverage - Buildings and contents, all risks except flood and earthquake	4,366,662

TOWN OF BERWICK, LOUISIANA

Schedule of Bank Deposits and Investments - All Funds
September 30, 2003

	Term	Maturity Date	Interest Rate	Amount
General Fund:				
Insured Money Market	N/A	N/A	1.50%	\$ 63,110
Insured Money Market	N/A	N/A	1.50%	47,627
Insured Money Market	N/A	N/A	1.50%	5,660
Insured Money Market	N/A	N/A	1.50%	1,432
Insured Money Market	N/A	N/A	1.50%	1,542
Insured Money Market	N/A	N/A	1.50%	14
				<u>119,385</u>
Special Revenue Funds:				
1% Sales Tax Fund -				
Insured Money Market	N/A	N/A	1.50%	46,429
Insured Money Market	N/A	N/A	1.50%	439,069
				<u>485,498</u>
3/4% Sales Tax Liquid and Solid Waste Fund -				
Insured Money Market	N/A	N/A	1.50%	135,685
Insured Money Market	N/A	N/A	1.50%	158,134
				<u>293,819</u>
Public Improvement Maintenance Fund -				
Insured Money Market	N/A	N/A	1.50%	<u>20,800</u>
Fire Department - Special				
Insured Money Market	N/A	N/A	1.50%	<u>40,540</u>
Recreation Facilities Maintenance Fund -				
Insured Money Market	N/A	N/A	1.50%	<u>13,285</u>
Total special revenue funds				<u>853,942</u>
Debt Service Fund:				
Public Improvement Bonds Fund -				
Insured Money Market	N/A	N/A	1.50%	<u>5,044</u>
Sewer 3/4% Sales Tax Bonds Funds -				
Insured Money Market	N/A	N/A	1.50%	121,780
Insured Money Market	N/A	N/A	1.50%	169,540
				<u>291,320</u>
Sewer Certificates of 1986 -				
Insured Money Market	N/A	N/A	1.50%	<u>2,998</u>
Total debt service funds				<u>299,362</u>

(continued)

TOWN OF BERWICK, LOUISIANA

Schedule of Bank Deposits and Investments - All Funds (Continued)
September 30, 2003

	Term	Maturity Date	Interest Rate	Amount
Capital Projects Funds:				
Street and Road Improvement Construction Fund - Insured Money Market	N/A	N/A	1.50%	<u>288,748</u>
Everett S. Berry Lighthouse Park Fund - Insured Money Market	N/A	N/A	1.50%	<u>52,544</u>
Total capital projects funds				<u>341,292</u>
Enterprise Funds:				
Gas Enterprise Fund - Insured Money Market	N/A	N/A	1.50%	46,202
Insured Money Market	N/A	N/A	1.50%	401,624
Insured Money Market	N/A	N/A	1.50%	<u>62,881</u>
				<u>510,707</u>
Water Enterprise Fund - Insured Money Market	N/A	N/A	1.50%	20,839
Insured Money Market	N/A	N/A	1.50%	76,051
Insured Money Market	N/A	N/A	1.50%	<u>26,581</u>
				<u>123,471</u>
Total enterprise funds				<u>634,178</u>
Fiduciary Fund:				
Berwick Memorial Perpetual Care Income Fund - Insured Money Market	N/A	N/A	1.50%	<u>127,472</u>
Total - all funds				<u>\$ 2,375,631</u>