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THE TOWN OF BERNICE, LOUISIANA

FINANCIAL STATEMENTS
AND
ACCOUNTANT'S REPORT

DECEMBER 31, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 ~~MAR 30 1999~~

THE TOWN OF BERNICE
DECEMBER 31, 1998
TABLE OF CONTENTS

	PAGE
Independent Auditor's Report	1
Combined Balance Sheet - All Fund Types and Account Groups	2-5
Combined Statement of Revenues, Expenditures, & Changes in Fund Balances - All Government Fund Types	6
Statement of Revenues, Expenditures, & Changes in Fund Balances - Budget & Actual - General Fund & Special Revenue Funds	7-8
Statements of Revenue, Expenses, & Changes in Retained Earnings - Enterprise Fund	9
Statement of Cash Flows - Enterprise Fund	10-11
Notes to Financial Statements	12-18
Report on Compliance and on Internal Control Over Financial Reporting	19
Schedule of Expenditures of Federal Awards	20
Schedule of Findings and Questioned Costs	21
Supplemental Schedules	22-37

MARCUS, ROBINSON and HASSELL

CERTIFIED PUBLIC ACCOUNTANTS
P. O. BOX 2896
TELEPHONE 322-8106
MONROE, LOUISIANA 71207-2896

Harvey Marcus, CPA
John Robinson, CPA
Doyle Hassell, CPA

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Clifton McIntosh, Mayor
Members of the Board of Aldermen
Town of Bernice, Louisiana

We have audited the accompanying general-purpose financial statements of the Town of Bernice, as of and for the year ended December 31, 1998, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Town of Bernice's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Bernice, as of December 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated February 23, 1999, on our consideration of the Town of Bernice's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the Town of Bernice, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the general-purpose financial statements. Also, the supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects, in relation to the general-purpose financial statements taken as a whole.

Marcus, Robinson & Hassell

MARCUS, ROBINSON & HASSELL
Monroe, Louisiana
February 23, 1999

TOWN OF BERNICE, LOUISIANA
COMBINED BALANCE SHEETS - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1998

	<u>GOVERNMENTAL</u> <u>FUND TYPES</u>		<u>PROPRIETARY</u> <u>FUND TYPE</u>
	<u>GENERAL</u>	<u>SPECIAL</u> <u>REVENUE</u>	<u>ENTERPRISE</u>
<u>ASSETS</u>			
Current			
Cash	8,596	166,692	9,552
Accounts Receivable	2,055	0	23,392
Due From State	3,960	0	0
Due From Federal Government	4,690	0	0
Accrued Interest Receivable	0	2,565	0
Property Taxes Receivable	5,904	0	0
Due from Other Funds	2,711	0	0
Inventory Supplies	0	0	4,539
Prepaid Insurance	<u>4,125</u>	<u>0</u>	<u>0</u>
<u>TOTAL CURRENT ASSETS</u>	32,041	169,257	37,483
Restricted Assets			
Cash in Bank	0	0	76,897
Cash - Savings Accounts - Replacement & Extension	0	0	24,342
Accrued Interest Receivable	<u>0</u>	<u>0</u>	<u>2,762</u>
<u>TOTAL RESTRICTED ASSETS</u>	0	0	104,001
Property, Plant, and Equipment - Net of Allowance for Depreciation	0	0	1,728,846
General Fixed Assets	<u>0</u>	<u>0</u>	<u>0</u>
<u>TOTAL ASSETS</u>	<u>32,041</u>	<u>169,257</u>	<u>1,870,330</u>

<u>ACCOUNT GROUP</u> GENERAL <u>FIXED ASSETS</u>	<u>1998</u> TOTALS <u>(MEMO ONLY)</u>	<u>1997</u> TOTALS <u>(MEMO ONLY)</u>
0	184,840	216,633
0	25,447	25,403
0	3,960	21,662
0	4,690	0
0	2,565	123
0	5,904	7,358
0	2,711	2,862
0	4,539	4,802
<u>0</u>	<u>4,125</u>	<u>5,350</u>
0	238,781	284,193
0	76,897	62,246
0	24,342	23,073
<u>0</u>	<u>2,762</u>	<u>2,431</u>
0	104,001	87,750
0	1,728,846	1,804,307
<u>1,635,424</u>	<u>1,635,424</u>	<u>1,595,918</u>
<u>1,635,424</u>	<u>3,707,052</u>	<u>3,772,168</u>

See Accompanying Notes

TOWN OF BERNICE, LOUISIANA
COMBINED BALANCE SHEETS - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1998

	<u>GOVERNMENTAL</u>		<u>PROPRIETARY</u>
	<u>FUND TYPES</u>		<u>FUND TYPE</u>
	<u>GENERAL</u>	<u>SPECIAL</u>	<u>ENTERPRISE</u>
		<u>REVENUE</u>	
<u>LIABILITIES AND FUND EQUITY</u>			
<u>RETAINED EARNINGS</u>			
Liabilities			
Current (Payable from Current Assets)			
Accounts Payable	6,169	0	4,965
Payroll Taxes Payable	1,257	0	223
Workman's Comp Payable	2,873	0	0
Sales Tax Payable	0	0	482
Meter Deposits	0	0	19,660
Due to Other Funds	<u>0</u>	<u>0</u>	<u>2,711</u>
<u>TOTAL CURRENT (PAYABLE FROM</u>			
<u>CURRENT ASSETS)</u>	10,299	0	28,041
Current (Payable from Restricted Assets)			
Water Revenue Bonds - Current	0	0	7,779
Accrued Interest	0	0	8,264
Water Revenue Bonds Long-term	<u>0</u>	<u>0</u>	<u>680,877</u>
<u>TOTAL LIABILITIES</u>	10,299	0	724,961
<u>FUND EQUITY</u>			
Contributed Capital			
Contributions from Grants	0	0	1,370,159
Contributions from Municipalities	0	0	352,982
Investment in General Fixed Assets	0	0	0
Retained Earnings			
Reserve for Replacement and Extension	0	0	23,980
Reserve for FHA Water Improvement	0	0	30,015
Unreserved	0	0	(631,767)
Fund Balance	<u>21,742</u>	<u>169,257</u>	<u>0</u>
<u>TOTAL FUND EQUITY</u>	<u>21,742</u>	<u>169,257</u>	<u>1,145,369</u>
<u>TOTAL LIABILITIES & FUND EQUITY</u>	<u>32,041</u>	<u>169,257</u>	<u>1,870,330</u>

<u>ACCOUNT GROUP</u> <u>GENERAL FIXED ASSETS</u>	<u>1998</u> <u>TOTALS</u> <u>(MEMO ONLY)</u>	<u>1997</u> <u>TOTALS</u> <u>(MEMO ONLY)</u>
0	11,134	40,287
0	1,480	1,840
0	2,873	4,205
0	482	364
0	19,660	19,010
<u>0</u>	<u>2,711</u>	<u>2,862</u>
0	38,340	68,568
0	7,779	7,966
0	8,264	11,849
<u>0</u>	<u>680,877</u>	<u>685,124</u>
0	735,260	733,507
0	1,370,159	1,370,159
0	352,982	352,982
1,635,424	1,635,424	1,595,918
0	23,980	21,364
0	30,015	27,537
0	(631,767)	(558,361)
<u>0</u>	<u>190,999</u>	<u>189,062</u>
<u>1,635,424</u>	<u>2,971,792</u>	<u>2,998,661</u>
<u>1,635,424</u>	<u>3,707,052</u>	<u>3,772,168</u>

See Accompanying Notes

TOWN OF BERNICE, LOUISIANA
COMBINED STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>GOVERNMENTAL FUND TYPES</u>		<u>1998</u>	<u>1997</u>
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>(MEMO- ONLY)</u>	<u>(MEMO- ONLY)</u>
<u>REVENUE</u>				
Fines	11,103	0	11,103	6,428
Licenses	38,495	0	38,495	38,422
Tobacco & Beverage Tax	10,807	0	10,807	10,874
Fees - Louisiana Power & Light	21,113	0	21,113	20,901
Fees - Arkla Gas	6,511	0	6,511	5,440
Ad Valorem Taxes	20,389	0	20,389	20,371
State Revenue Sharing	1,563	0	1,563	1,635
Cable TV Franchise Fee	5,342	0	5,342	5,323
Miscellaneous	310	0	310	1,614
Sanitation Fee Income	33,414	0	33,414	33,970
Building Permits	505	0	505	150
Rent Income	6,000	0	6,000	6,000
Lots Sold	4,458	0	4,458	564
Sales Tax	0	180,737	180,737	199,540
Interest Income	0	7,330	7,330	6,194
Federal Grants	13,381	0	13,381	400,881
State Grants	18,914	0	18,914	25,000
<u>TOTAL REVENUE</u>	192,305	188,067	380,372	783,307
<u>EXPENDITURES</u>				
Administrative	35,149	0	35,149	29,201
Public Safety	134,348	4,800	139,148	138,936
Streets & Sanitation	60,910	0	60,910	65,272
General	103,723	0	103,723	152,167
Capital Outlay	39,505	0	39,505	410,594
<u>TOTAL EXPENDITURES</u>	373,635	4,800	378,435	796,170
<u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>	(181,330)	183,267	1,937	(12,863)
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfers In	188,734	0	188,734	215,000
Operating Transfers Out	0	(188,734)	(188,734)	(235,000)
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	188,734	188,734	0	(20,000)
<u>EXCESS (DEFICIENCY) OF REVENUE & OTHER SOURCES OVER (UNDER) EXPENDITURES & OTHER USES</u>	7,404	(5,467)	1,937	(32,863)
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	14,338	174,724	189,062	221,925
<u>FUND BALANCE AT END OF YEAR</u>	21,742	169,257	190,999	189,062

See Accompanying Notes

TOWN OF BERNICE, LOUISIANA
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL AND SPECIAL REVENUE TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>GENERAL FUND</u>		<u>VARIABLE</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
<u>REVENUE</u>			
Fines	25,000	11,103	(13,897)
Licenses	44,200	38,495	(5,705)
Tobacco & Beverage Tax	13,000	10,807	(2,193)
Fees - Louisiana Power & Light	21,500	21,113	(387)
Fees - Arkla Gas	10,000	6,511	(3,489)
Ad Valorem Taxes	18,000	20,389	2,389
State Revenue Sharing	2,000	1,563	(437)
Cable TV Franchise Fee	10,000	5,342	(4,658)
Miscellaneous	0	310	310
Sanitation Fee Income	33,000	33,414	414
Building Permits	0	505	505
Rent Income	6,000	6,000	0
Lots Sold	0	4,458	4,458
Sales Tax	0	0	0
Interest Income	0	0	0
Federal Grants	0	13,381	13,381
State Grants	<u>4,000</u>	<u>18,914</u>	<u>14,914</u>
<u>TOTAL REVENUE</u>	<u>186,700</u>	<u>192,305</u>	<u>5,605</u>
<u>EXPENDITURES</u>			
Administrative	45,000	35,149	9,851
Public Safety	135,000	134,348	652
Streets and Sanitation	52,000	60,910	(8,910)
General	128,000	103,723	24,277
Capital Outlay	<u>0</u>	<u>39,505</u>	<u>(39,505)</u>
<u>TOTAL EXPENDITURES</u>	<u>360,000</u>	<u>373,635</u>	<u>(13,635)</u>
<u>EXCESS (DEFICIENCY) OF REVENUE</u> <u>OVER EXPENDITURES</u>	<u>(173,300)</u>	<u>(181,330)</u>	<u>(8,030)</u>
<u>OTHER FINANCING SOURCES (USES):</u>			
Operating Transfers In:	175,000	188,734	13,734
Operating Transfers out:	<u>0</u>	<u>0</u>	<u>0</u>
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>175,000</u>	<u>188,734</u>	<u>13,734</u>
<u>EXCESS (DEFICIENCY) OF REVENUE</u> <u>AND OTHER SOURCES OVER (UNDER)</u> <u>EXPENDITURES AND OTHER USES</u>	<u>1,700</u>	<u>7,404</u>	<u>5,704</u>
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>14,338</u>	<u>14,338</u>	<u>0</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>16,038</u>	<u>21,742</u>	<u>5,704</u>

See Accompanying Notes

<u>SPECIAL REVENUE FUNDS</u>			<u>TOTALS (MEMO ONLY)</u>			
			<u>1998</u>		<u>1997</u>	
<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>ACTUAL</u>
0	0	0	25,000	11,103	(13,897)	6,428
0	0	0	44,200	38,495	(5,705)	38,422
0	0	0	13,000	10,807	(2,193)	10,874
0	0	0	21,500	21,113	(387)	20,901
0	0	0	10,000	6,511	(3,489)	5,440
0	0	0	18,000	20,389	2,389	20,371
0	0	0	2,000	1,563	(437)	1,635
0	0	0	10,000	5,342	(4,658)	5,323
0	0	0	0	310	310	1,614
0	0	0	33,000	33,414	414	33,970
0	0	0	0	505	505	150
0	0	0	6,000	6,000	0	6,000
0	0	0	0	4,458	4,458	564
180,000	180,737	737	180,000	180,737	737	199,540
3,000	7,330	4,330	3,000	7,330	4,330	6,194
0	0	0	0	13,381	13,381	400,881
0	0	0	4,000	18,914	14,914	25,000
183,000	188,067	5,067	369,700	380,372	10,672	783,307
0	0	0	45,000	35,149	9,851	29,201
4,800	4,800	0	139,800	139,148	652	138,936
0	0	0	52,000	60,910	(8,910)	65,272
0	0	0	128,000	103,723	24,277	152,167
0	0	0	0	39,505	(39,505)	410,594
4,800	4,800	0	364,800	378,435	(13,635)	796,170
178,200	183,267	5,067	4,900	1,937	(2,963)	(12,863)
0	0	0	175,000	188,734	13,734	215,000
175,000	(188,734)	(13,734)	175,000	188,734	(13,734)	(235,000)
175,000	(188,734)	(13,734)	0	0	0	(20,000)
3,200	(5,467)	(8,667)	4,900	1,937	(2,963)	(32,863)
174,724	174,724	0	189,062	189,062	0	221,925
177,924	169,257	(8,667)	193,962	190,999	(2,963)	189,062

TOWN OF BERNICE, LOUISIANA
STATEMENT OF REVENUE, EXPENSES,
AND CHANGES IN RETAINED EARNINGS ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>PROPRIETARY</u> <u>FUND TYPES</u>	<u>TOTAL</u> <u>(MEMO ONLY)</u> <u>1997</u>
<u>OPERATING REVENUE</u>		
Water Sales	162,241	156,942
Sewer Sales	47,166	45,492
Water & Sewer Connection Fees	7,937	8,000
Other	<u>50</u>	<u>134</u>
<u>TOTAL OPERATING INCOME</u>	217,394	210,568
<u>OPERATING EXPENSES</u>		
Administrative	0	1,811
Bad Debt Expense	1,255	2,792
Billing Department	7,569	6,863
Depreciation	75,461	90,614
Miscellaneous	1,942	0
Payroll Tax Expense	7,905	8,782
Repairs	13,640	16,085
Salaries	63,257	55,403
Sewer Test	4,150	3,950
Supplies	35,215	22,605
Vehicle Expense	2,250	3,575
Utilities	<u>37,501</u>	<u>40,949</u>
<u>TOTAL OPERATING EXPENSE</u>	<u>250,145</u>	<u>253,429</u>
<u>INCOME (LOSS) FROM OPERATIONS</u>	(32,751)	(42,861)
<u>NON-OPERATING REVENUE (EXPENSE)</u>		
Interest Revenue	5,971	4,930
Interest Expense	(41,532)	(41,973)
Operating Transfers In	0	20,000
Operating Transfers Out	<u>0</u>	<u>0</u>
<u>TOTAL NON-OPERATING REVENUE, NET</u>	(35,561)	(17,043)
<u>NET INCOME (LOSS)</u>	(68,312)	(59,904)
<u>RETAINED EARNINGS AT BEGINNING OF YEAR</u>	(509,460)	(449,556)
<u>RETAINED EARNINGS AT END OF YEAR</u>	<u>(577,772)</u>	<u>(509,460)</u>

See Accompanying Notes

THE TOWN OF BERNICE, LOUISIANA
STATEMENT OF CASH FLOWS
ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 1998

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Customers	210,108
Cash Payments to Suppliers for Goods and Services	(110,982)
Cash Payments to Employees for Services	(63,257)
Cash Received for Other Operating Income	<u>7,987</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES 43,856

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Principal Paid on Revenue Bond Maturities	(4,434)
Acquisition and Construction of Capital Assets	0
Interest Paid on Revenue Bonds	<u>(45,117)</u>

NET USED IN CAPITAL AND RELATED FINANCING ACTIVITIES (49,551)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on Investments	<u>5,338</u>
-------------------------	--------------

NET CASH PROVIDED BY INVESTING ACTIVITIES 5,338

NET DECREASE IN CASH AND CASH EQUIVALENTS (357)

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 111,148

CASH AND CASH EQUIVALENTS AT END OF YEAR 110,791

CASH SUMMARY

Unrestricted Cash	9,552
Restricted Cash	76,897
Restricted Cash - Savings	<u>24,342</u>
	<u><u>110,791</u></u>

See Accompanying Notes

TOWN OF BERNICE
STATEMENT OF CASH FLOWS (CONTINUED)
ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 1998

RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES

Operating Income (Loss)	(32,751)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	75,461
Change in Assets and Liabilities:	
Decrease in Accounts Receivable	701
Decrease in Inventory	263
Decrease in Accounts Payable	(826)
Increase in Payroll Taxes Payable	89
Increase in Sales Tax Payable	118
Increase in Meter Deposits	650
Decrease in Due to Other Funds	<u>151</u>
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>43,856</u>

See Accompanying Notes

TOWN OF BERNICE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Town of Bernice was incorporated under the provisions of the Lawson Act. The City operates under a Mayor - Board of Aldermen form of government.

The accounting and reporting policies of the Town of Bernice conform to generally accepted accounting principles as applicable to governments.

The following is a summary of certain significant accounting policies.

FINANCIAL REPORTING ENTITY

This report includes all funds and account groups which are controlled by or dependent on the Town executive and legislative branches (The Mayor and Board of Aldermen). Control by or dependence on the Town was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

FUND ACCOUNTING

The accounts of the Town of Bernice 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 comprises 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 three generic fund types and two 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.

Special Revenue Funds

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

Proprietary Fund -

Enterprise Fund

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 costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

TOWN OF BERNICE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

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 to capitalize public domain (infrastructure) fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. No depreciation has been provided on general fixed assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-term Debt Account Group, of which the Town does not now have.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Depreciation has been provided over the estimated useful lives using the straight-line method.

The estimated useful lives are as follows:

Water Utility -	
Wells	40 years
Storage Tanks	40 years
Purification Plant	40 years
Lines & Meters	40 years

The estimated useful lives are as follows:

Sewerage Utility -	
Pump Stations	40 years
Lines	40 years
Autos and Trucks	3-5 years
Other Equipment	3-10 years

All fixed assets are stated at historical cost or estimated cost if actual historical cost is not available. Prior to 1978, records were not maintained of historical cost. The water system was placed on the books at January 1, 1978 at an estimated value of 413,766.

TOWN OF BERNICE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

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.

All governmental funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered measurable when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Budgets and Budgetary Accounting

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

1. The Town Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen 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 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 the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer 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 Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

Inventories

Inventory of supplies in both the governmental funds and proprietary fund is valued at cost (first-in, first-out).

TOWN OF BERNICE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

Bad Debts

Uncollectible accounts receivable are charged directly against earnings when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation method required by generally accepted accounting principles.

Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefits

The Town has a policy of accumulating unpaid vacation and sick pay. The costs associated with this accumulation is immaterial. Thus, no accrual has been recorded

Comparative

Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of the changes in the Town's financial position and operations.

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 does not present financial position, results of operations, or changes in financial position 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 the data.

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 October or November and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of Union Parish.

For the year ended December 31, 1998, taxes were levied on property with assessed valuations totaling 3,861,540 and were dedicated as follows:

General corporate purpose 5.28 mills

Total taxes levied were 20,389. Taxes receivable at December 31, 1998 consisted of the following:

Taxes Receivable current roll 5,904

INTERFUND RECEIVABLES, PAYABLES -

	<u>INTERFUND RECEIVABLES</u>	<u>INTERFUND PAYABLES</u>
General fund	2,711	0
Special Revenues Funds -		
Sales Tax Fund	0	0
Enterprise Fund	0	2,711

TOWN OF BERNICE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

LONG-TERM DEBT

Water Revenue Bond:

Water System Construction. Interest rate is 6%. Payment of interest only was due on October 23, 1990 and 1991. Principal and interest is due October 23, 1992 to 2029. The original bond issuance is for 735,600.

	<u>ENTERPRISE FUND</u> <u>WATER REVENUE</u> <u>BONDS</u>
Debt Payable January 1, 1998	693,090
Debt Issued	0
Debt Retired	<u>4,434</u>
Debt Payable December 31, 1998	688,656
Less: Current Maturities	<u>7,779</u>
Long-term Debt	<u>680,877</u>

<u>YEAR ENDING</u> <u>DECEMBER 31,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
1999	7,779	41,772	49,551
2000	8,698	40,853	49,551
2001	9,220	40,331	49,551
2002	9,773	39,778	49,551
2003	10,360	39,111	49,551
2004-2029	<u>642,826</u>	<u>595,943</u>	<u>1,238,769</u>
	<u>688,656</u>	<u>797,788</u>	<u>1,486,524</u>

PROPERTY, PLANT AND EQUIPMENT

The following is a summary of proprietary fund type property, plant, and equipment at December 31, 1998:

	<u>ENTERPRISE</u> <u>FUND</u>
Water & Sewer System	2,091,132
Equipment	117,046
Water System Improvements	988,117
Land	<u>7,162</u>
	3,203,457
Less: Accumulated Depreciation	<u>1,474,611</u>
<u>NET PROPERTY, PLANT & EQUIPMENT</u>	<u>1,728,846</u>

Depreciation expense for the year ended was \$75,461.

TOWN OF BERNICE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets:

Balance 1-1-98	1,595,918
Current Additions	39,506
Current Deletions	<u>0</u>
Balance 12-31-98	<u>1,635,424</u>

DEDICATION OF PROCEEDS AND FLOW OF FUNDS - 1% Sales and Use Tax -

The 1% sales tax was increased to 2% effective October 1, 1988.

The proceeds of this tax to be dedicated and used for the purpose of acquiring, constructing, improving, maintaining, and operating fire protection facilities, purchasing fire trucks, ambulance, rescue vehicles, or other fire fighting, ambulance and/or rescue equipment: or for one or more of said purposes including the supplementing of the general revenues, said tax to be subject to funding into funds by the Town for the purpose of making capital improvement to the extent and in the manner permitted by the laws of Louisiana should such become necessary.

PENDING LITIGATION AND CONTINGENT LIABILITIES

The Town attorney has advised that there is no pending litigation against the Town.

RETIREMENT CONDITIONS

All employees of the Town of Bernice are members of the Social Security System. The Town contributed \$17,484 as the employer's portion.

TOWN OF BERNICE ELECTED OFFICIALS

<u>NAME</u>	<u>POSITION</u>	<u>ADDRESS</u>	<u>SALARY</u>	<u>TERM EXPIRES</u>
Clifton McIntosh	Mayor	P. O. Box 63 Bernice, LA 71222	10,400	12/31/98
Minor S. Patton	Chief-of Police	P. O. Box 86 Bernice, LA 71222	18,600	12/31/98
Oliver Gene Terrall	Alderman District 1	197 Holley Bernice, LA 71222	1,200	12/31/98
Rhodell Montgomery	Alderman District 2	P. O. Box 273 Bernice, LA 71222	1,200	12/31/98

TOWN OF BERNICE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

<u>NAME</u>	<u>POSITION</u>	<u>ADDRESS</u>	<u>SALARY</u>	<u>TERM EXPIRES</u>
Elvin Dismuke	Alderman District 3	P. O. Box 48 Bernice, LA 71222	1,200	12/31/98
Alvin Green	Alderman District 4	P. O. Box 377 Bernice, LA 71222	1,200	12/31/98
Joseph C. Butler	Alderman District 5	P. O. Box 464 Bernice, LA 71222	<u>1,200</u>	12/31/98
<u>TOTAL SALARIES</u>			<u>35,000</u>	

CASH

Cash Flow Information - Supplemental disclosures of cash flow information:

	<u>1998</u>	<u>1997</u>
Cash paid during the year for:		
Interest	40,512	40,512
Income Taxes	0	0

Supplemental schedule of non-cash investing and financing activities:

There were no non-cash investing and financing activities for the year.

Disclosure of accounting policy:

For the purposes of the statement of cash flows, the Town considers cash in checking accounts, savings accounts, and certificates of deposit to be cash and cash equivalents.

Cash is classified into three categories to give an indication of the level of risk assumed at year-end. Category 1 includes investments insured or registered or securities which are held by the Town or its agent in the Town's name. Category 2 includes uninsured or unregistered investments for which the securities are held by the bank or agent in the Town's name. Category 3 includes uninsured or unregistered investments with the securities held by the bank or agent but not in the Town's name.

The carrying amount of the Town's deposits with the financial institutions was \$287,713 and the book balance was \$286,079. The bank balance is categorized as follows:

	<u>Category</u>		
	1	2	3
Cash	200,000	87,713	0

RETAINED EARNINGS - ENTERPRISE FUND

The deficit in retained earnings is created by accumulated depreciation on property, plant and equipment. Of the \$3,201,751 of property, plant and equipment, 1,723,140 is from contributed capital. Thus, \$796,290 or 54% of accumulated depreciation that has flowed through retained earnings is attributable to the assets purchased through contributed capital.

MARCUS, ROBINSON and HASSELL

CERTIFIED PUBLIC ACCOUNTANTS
P. O. BOX 2896
TELEPHONE 322-8106
MONROE, LOUISIANA 71207-2896

Harvey Marcus, CPA
John Robinson, CPA
Doyle Hassell, CPA

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Clifton McIntosh, Mayor
Members of the Board of Aldermen
Town of Bernice, Louisiana

We have audited the financial statements of the Town of Bernice, as of and for the year ended December 31, 1998, and have issued our report thereon dated February 23, 1999. We conducted our audit in accordance with generally accepted auditing standards 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 Bernice's 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 financial statements 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Bernice's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting 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 misstatements in amounts that would be material in relation to the 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Board of Aldermen and the Legislative Auditor of Louisiana. However, this report is a matter of public record and its distribution is not limited

Marcus, Robinson & Hassell

Marcus, Robinson and Hassell
February 23, 1999

TOWN OF BERNICE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 1998

<u>Federal Grants/ Pass Through Grantor/ Program Title</u>	<u>CFDA Number</u>	<u>Award Period</u>	<u>Expenditures</u>
Local Law Enforcement	16.592	1-1-98/12-31-98	2,778
Community Oriented Policing Services		1-1-98/12-31-98	<u>10,603</u>
			<u>13,381</u>

TOWN OF BERNICE
BERNICE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998

PART I - SUMMARY OF THE AUDITOR'S RESULTS

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There were no reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

Audit of Federal Awards

- iv. There were no reportable conditions required to be disclosed by OMB Circular No.A-133.
- v. The audit disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section .510(a).
- vi. There were no major federal programs for the year ended December 31, 1998.
- vii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section .520(b) was \$300,000.

PART II - Finding(s) relating to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards:

NONE

SUPPLEMENTAL INFORMATION

GOVERNMENTAL FUND TYPE - GENERAL FUND

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

TOWN OF BERNICE, LOUISIANA
GOVERNMENTAL FUND TYPE - GENERAL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>ASSETS</u>		
Cash	8,596	7,849
Accounts Receivable	2,055	1,310
Due From State	3,960	4,174
Due From Federal Government	4,690	0
Property Taxes Receivable	5,904	7,358
Due from Enterprise Fund	2,711	2,862
Prepaid Insurance	<u>4,125</u>	<u>5,350</u>
<u>TOTAL ASSETS</u>	<u>32,041</u>	<u>28,903</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities		
Accounts Payable	6,169	8,654
Payroll Taxes Payable	1,257	1,706
Workman's Comp. Payable	<u>2,873</u>	<u>4,205</u>
Total Liabilities	10,299	14,565
Fund Balance	<u>21,742</u>	<u>14,338</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>32,041</u>	<u>28,903</u>

TOWN OF BERNICE, LOUISIANA
GOVERNMENTAL FUND TYPE - GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>REVENUES</u>		
Ad Valorem Tax	20,389	20,371
Fines	11,103	6,428
License	38,495	38,422
Tobacco & Beverage Tax	10,807	10,874
Fees - Louisiana Power & Light	21,113	20,901
Fees - Arkla Gas	6,511	5,440
State Revenue Sharing	1,563	1,635
Cable TV Franchise Fee	5,342	5,323
Miscellaneous	310	1,614
Sanitation Fee Income	33,414	33,970
Building Permits	505	150
Lots Sold	4,458	564
Rent Income	6,000	6,000
Federal Grants	13,381	4,174
State Grants	<u>18,914</u>	<u>25,000</u>
<u>TOTAL REVENUES</u>	<u>192,305</u>	<u>180,866</u>
<u>EXPENDITURES</u>		
Administrative	35,149	29,201
Public Safety	134,348	134,136
Streets & Sanitation	60,910	65,272
General	103,723	105,228
Capital Outlay	<u>39,505</u>	<u>60,826</u>
<u>TOTAL EXPENDITURES</u>	<u>373,635</u>	<u>394,663</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	(181,330)	(213,797)
<u>OTHER FINANCING SOURCES (USES):</u>		
Transfer from Water & Sewer Fund	0	0
Transfer from Sales Tax Fund	<u>188,734</u>	<u>215,000</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	7,404	1,203
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>14,338</u>	<u>13,135</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>21,742</u>	<u>14,338</u>

TOWN OF BERNICE, LOUISIANA
GOVERNMENTAL FUND TYPE - GENERAL FUND
COMPARATIVE STATEMENT OF EXPENDITURES
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>ADMINISTRATIVE</u>	35,149	29,201
<u>PUBLIC SAFETY</u>		
Police Department	134,348	134,136
<u>STREET AND SANITATION</u>		
Sanitation Department Expense	25,806	36,930
Street Expense	<u>35,104</u>	<u>28,342</u>
	60,910	65,272
<u>GENERAL</u>		
General	103,723	105,228
<u>CAPITAL OUTLAY</u>	<u>39,505</u>	<u>60,826</u>
<u>TOTAL EXPENDITURES</u>	<u>373,635</u>	<u>394,663</u>

GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUNDS

Sales Tax - To account for the receipt and use of proceeds of the Town's sales tax. These taxes are dedicated and are to be used for the purpose of establishing, acquiring, constructing, maintaining, building, and repairing streets, roads, and bridges; construction and maintaining drains and drainage ditches; establishing, acquiring, operating, and maintaining solid waste disposal facilities and equipment, therefore; including the acquisition, operation, and maintenance of equipment for the collection of same; constructing, operating, and maintaining sewage and water improvements; or for one or more of said purposes, said tax to be subject to funding into bonds by the Town for the purpose of making capital improvement to the extent and in the manner permitted by the laws of Louisiana.

Street Overlay Grant - To account for community development block grant proceeds for the street overlay project.

TOWN OF BERNICE, LOUISIANA
GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUND
COMBINED BALANCE SHEET
DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>ASSETS</u>		
Cash	166,692	182,955
Interest Receivable	2,565	123
Due From State	<u>0</u>	<u>17,488</u>
<u>TOTAL ASSETS</u>	<u>169,257</u>	<u>200,566</u>
 <u>LIABILITIES</u>		
Accounts Payable	<u>0</u>	<u>25,842</u>
<u>TOTAL LIABILITIES</u>	0	25,842
 <u>FUND BALANCE</u>		
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>169,257</u>	<u>174,724</u>
	<u>169,257</u>	<u>200,566</u>

TOWN OF BERNICE, LOUISIANA
GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUND
COMBINED STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>REVENUE</u>		
Interest Income	7,330	6,194
Sales Tax Collected	180,737	199,540
Federal Grants	<u>0</u>	<u>396,707</u>
<u>TOTAL REVENUE</u>	188,067	602,441
<u>EXPENDITURES</u>		
Public Safety	4,800	4,800
Capital Outlay	0	349,768
General	<u>0</u>	<u>46,939</u>
<u>TOTAL EXPENDITURES</u>	<u>4,800</u>	<u>401,507</u>
<u>EXCESS REVENUES OVER EXPENDITURES</u>	183,267	200,934
<u>OTHER FINANCING USES</u>		
Transfer to General Fund	188,734	215,000
Transfer to Water & Sewer Fund	<u>0</u>	<u>20,000</u>
<u>TOTAL OTHER FINANCING USES</u>	<u>188,734</u>	<u>235,000</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</u>	(5,467)	(34,066)
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>174,724</u>	<u>208,790</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>169,257</u>	<u>174,724</u>

TOWN OF BERNICE, LOUISIANA
SALES TAX FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>ASSETS</u>		
Cash	166,692	174,601
Interest Receivable	<u>2,565</u>	<u>123</u>
 <u>TOTAL ASSETS</u>	 <u>169,257</u>	 <u>174,724</u>
 <u>FUND BALANCE</u>	 <u>169,257</u>	 <u>174,724</u>

TOWN OF BERNICE, LOUISIANA
SALES TAX FUND
COMPARATIVE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>REVENUE</u>		
Interest Income	7,330	6,194
Sales Tax Collected	<u>180,737</u>	<u>199,540</u>
<u>TOTAL REVENUE</u>	188,067	205,734
<u>EXPENDITURES</u>		
Public Safety	<u>4,800</u>	<u>4,800</u>
<u>TOTAL EXPENDITURES</u>	<u>4,800</u>	<u>4,800</u>
<u>EXCESS REVENUES OVER EXPENDITURES</u>	183,267	200,934
<u>OTHER FINANCING USES</u>		
Transfer to General Fund	188,734	215,000
Transfer to Water & Sewer Fund	<u>0</u>	<u>20,000</u>
<u>TOTAL OTHER FINANCING USES</u>	<u>188,734</u>	<u>235,000</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Uses	(5,467)	(34,066)
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>174,724</u>	<u>208,790</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>169,257</u>	<u>174,724</u>

TOWN OF BERNICE, LOUISIANA
STREET OVERLAY GRANT FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash	0	8,354
Due From State	<u>0</u>	<u>17,488</u>
<u>TOTAL ASSETS</u>	<u>0</u>	<u>25,842</u>
 LIABILITIES		
Accounts Payable	<u>0</u>	<u>25,842</u>
<u>TOTAL LIABILITIES</u>	<u>0</u>	<u>25,842</u>
 FUND BALANCE	<u>0</u>	<u>0</u>
 <u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>0</u>	<u>25,842</u>

TOWN OF BERNICE, LOUISIANA
STREET OVERLAY GRANT FUND
COMPARATIVE STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>REVENUE</u>		
Federal Grants	0	<u>396,707</u>
<u>TOTAL REVENUE</u>	0	396,707
 <u>EXPENDITURES</u>		
Capital Outlay	0	349,768
General	0	<u>46,939</u>
<u>TOTAL EXPENDITURES</u>	0	<u>396,707</u>
 <u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	0	0
 <u>FUND BALANCE AT BEGINNING OF YEAR</u>	0	<u>0</u>
 <u>FUND BALANCE AT END OF YEAR</u>	<u>0</u>	<u><u>0</u></u>

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in proprietary fund operations

TOWN OF BERNICE, LOUISIANA
COMPARATIVE STATEMENT OF GENERAL FIXED ASSET ACCOUNT GROUP
DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>GENERAL FIXED ASSETS AT COST*</u>		
Land - Inside City Limits	103,235	103,235
Land - Outside City Limits	1,150	1,150
Building - Town Hall	75,000	75,000
Building - Old Town Hall	5,000	5,000
Building - Old Depot	17,497	17,497
Furniture & Office Equipment	11,444	11,444
Police Equipment	57,900	57,900
Police Car	17,124	0
Computer	3,467	0
Civic Clubhouse	18,915	0
Vehicles	177,518	177,518
Gasoline Tank and Trailers	7,546	7,546
Streets	93,075	93,075
Street Department Tractor	5,000	5,000
Fire Truck	210,182	210,182
Capitalization of Fire Protection Grant	260,117	260,117
Fire Protection Equipment	5,840	5,840
Medical Clinic	154,820	154,820
Copy Machine	3,041	3,041
Helicopter Pad	25,000	25,000
Furniture - Muscum	1,285	1,285
Street Overlay	<u>381,268</u>	<u>381,268</u>
	<u>1,635,424</u>	<u>1,595,918</u>
<u>PROPERTY ACQUIRED PRIOR TO JANUARY 1, 1978</u>	276,074	276,074
<u>PROPERTY ACQUIRED AFTER JANUARY 1, 1978</u>		
From:		
Federal Revenue Sharing	2,434	2,434
General Fund Reserve	543,643	506,915
Federal Block Grants	727,280	724,502
Sales Tax Fund Reserve	<u>85,993</u>	<u>85,993</u>
<u>TOTAL INVESTMENT IN GENERAL FIXED ASSETS</u>	<u>1,635,424</u>	<u>1,595,918</u>

* Records were not maintained prior to January 1, 1978. Assets on hand at January 1, 1978 were placed on books at estimated costs.

PROPRIETARY FUND TYPE - ENTERPRISE FUND

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

TOWN OF BERNICE, LOUISIANA
PROPRIETARY FUND TYPE- ENTERPRISE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash	9,552	25,829
Accounts Receivable	23,392	24,093
Inventory of Supplies	<u>4,539</u>	<u>4,802</u>
<u>TOTAL CURRENT ASSETS</u>	37,483	54,724
 Restricted Assets		
Cash in Bank	76,897	62,246
Cash - Savings Account - Replacement and Extension	24,342	23,073
Accrued Interest Receivable	<u>2,762</u>	<u>2,431</u>
<u>TOTAL RESTRICTED ACCOUNTS</u>	104,001	87,750
 Property, Plant and Equipment Net of Allowance for Depreciation	 <u>1,728,846</u>	 <u>1,804,307</u>
 <u>TOTAL ASSETS</u>	 <u>1,870,330</u>	 <u>1,946,781</u>

TOWN OF BERNICE
PROPRIETARY FUND TYPE - ENTERPRISE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities		
Current (Payable from Current Assets)		
Accounts Payable	4,965	5,791
Payroll Taxes Payable	223	134
Sales Tax Payable	482	364
Meter Deposits	19,660	19,010
Due to General Fund	<u>2,711</u>	<u>2,862</u>
<u>TOTAL CURRENT (PAYABLE FROM CURRENT ASSETS)</u>	28,041	28,161
Current (Payable from Restricted Assets)		
Bond Payable - FRA - Current	7,779	7,966
Accrued Interest	8,264	11,849
Bond Payable - FHA - Long-term	<u>680,877</u>	<u>685,124</u>
<u>TOTAL LIABILITIES</u>	724,961	733,100
Fund Equity		
Contributed Capital		
Contributions from Grants	1,370,159	1,370,159
Contributions from Municipality	352,982	352,982
Retained Earnings		
Reserve for Replacement and Extension	23,980	21,364
Reserve for FHA Water improvement	30,015	27,537
Unreserved	<u>(631,767)</u>	<u>(558,361)</u>
<u>TOTAL FUND EQUITY</u>	1,145,369	1,213,681
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>1,870,330</u>	<u>1,946,781</u>