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THE TOWN OF BERNICE, LOUISIANA
FINANCIAL STATEMENTS
AND
ACCOUNTANT'S REPORT
DECEMBER 31, 2003

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Release Date 7-21-04

THE TOWN OF BERNICE, LOUISIANA
DECEMBER 31, 2003
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 | 12-19 |
| Report on Compliance and on Internal Control Over Financial Reporting | 20 |
| Schedule of Expenditures of Federal Awards | 21 |
| Schedule of Findings and Questioned Costs | 22 |
| Supplemental Schedules | 23-40 |

MARCUS, ROBINSON and HASSELL

CERTIFIED PUBLIC ACCOUNTANTS

P. O. BOX 2896

TELEPHONE 322-8106

FAX 387-5015

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 Minor Patton, 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, Louisiana, as of and for the year ended December 31, 2003, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Town of Bernice, Louisiana'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 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 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, Louisiana, as of December 31, 2003, and the results of its operations for the year then ended in conformity with generally accepted accounting principles in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 24, 2004, on our consideration of the Town of Bernice, Louisiana'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.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the Town of Bernice, Louisiana, 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

June 24, 2004

TOWN OF BERNICE, LOUISIANA
COMBINED BALANCE SHEETS - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2003

| | <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 | 12,793 | 198,399 | 8,823 |
| Accounts Receivable | 2,120 | 0 | 30,619 |
| Due from State | 0 | 38,678 | 0 |
| Accrued Interest Receivable | 0 | 109 | 0 |
| Property Taxes Receivable | 10,125 | 0 | 0 |
| Due from Other Funds | 87,187 | 0 | 75,302 |
| Inventory Supplies | 0 | 0 | 2,498 |
| Prepaid Insurance | <u>3,851</u> | <u>0</u> | <u>0</u> |
| <u>TOTAL CURRENT ASSETS</u> | 116,076 | 237,186 | 117,242 |
| Restricted Assets | | | |
| Cash in Bank | 0 | 0 | 62,374 |
| Cash - Savings Accounts - Replacement & Extension | 0 | 0 | 31,160 |
| Accrued Interest Receivable | <u>0</u> | <u>0</u> | <u>161</u> |
| <u>TOTAL RESTRICTED ASSETS</u> | 0 | 0 | 93,695 |
| Amount to be Provided for Retirement of Long-Term Debt | 0 | 0 | 0 |
| Property, Plant, and Equipment - Net of Allowance for Depreciation | 0 | 0 | 1,438,142 |
| General Fixed Assets | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>TOTAL ASSETS</u> | <u>116,076</u> | <u>237,186</u> | <u>1,649,079</u> |

| ACCOUNT GROUPS | | 2003 | 2002 |
|-------------------------------|-----------------------------|---------------------------|---------------------------|
| <u>GENERAL LONG-TERM DEBT</u> | <u>GENERAL FIXED ASSETS</u> | <u>TOTALS (MEMO ONLY)</u> | <u>TOTALS (MEMO ONLY)</u> |
| 0 | 0 | 220,015 | 184,665 |
| 0 | 0 | 32,739 | 33,247 |
| 0 | 0 | 38,678 | 0 |
| 0 | 0 | 109 | 1,783 |
| 0 | 0 | 10,125 | 7,834 |
| 0 | 0 | 162,489 | 74,161 |
| 0 | 0 | 2,498 | 3,031 |
| <u>0</u> | <u>0</u> | <u>3,851</u> | <u>4,659</u> |
| 0 | 0 | 470,504 | 309,380 |
| 0 | 0 | 62,374 | 89,970 |
| 0 | 0 | 31,160 | 30,660 |
| <u>0</u> | <u>0</u> | <u>161</u> | <u>2,668</u> |
| 0 | 0 | 93,695 | 123,298 |
| 100,611 | 0 | 100,611 | 0 |
| 0 | 0 | 1,438,142 | 1,481,806 |
| <u>0</u> | <u>3,367,737</u> | <u>3,367,737</u> | <u>2,663,031</u> |
| <u>100,611</u> | <u>3,367,737</u> | <u>5,470,689</u> | <u>4,577,515</u> |

See Accompanying Notes

TOWN OF BERNICE, LOUISIANA
COMBINED BALANCE SHEETS - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2003

| | <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 | 11,244 | 88,050 | 5,477 |
| Payroll Taxes Payable | 1,953 | 0 | 787 |
| Workman's Comp Payable | 4,397 | 0 | 0 |
| Sales Tax Payable | 0 | 0 | 72 |
| Retirement Payable | 1,924 | 0 | 1,762 |
| Meter Deposits | 0 | 0 | 28,105 |
| Due to Other Funds | <u>75,302</u> | <u>0</u> | <u>87,187</u> |
| <u>TOTAL CURRENT (PAYABLE FROM</u> | | | |
| <u>CURRENT ASSETS)</u> | 94,820 | 88,050 | 123,390 |
| Payable from Restricted Assets | | | |
| Water Revenue Bonds - Current | 0 | 0 | 11,040 |
| Accrued Interest - Current | 0 | 0 | 7,288 |
| Water Revenue Bonds Long-term | 0 | 0 | 631,542 |
| Note Payable - State of Louisiana | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>TOTAL LIABILITIES</u> | 94,820 | 88,050 | 773,260 |
| <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 | 37,060 |
| Reserve for FHA Water Improvement | 0 | 0 | 42,675 |
| Unreserved | 0 | 0 | (927,057) |
| Fund Balance | <u>21,256</u> | <u>149,136</u> | <u>0</u> |
| <u>TOTAL FUND EQUITY</u> | 21,256 | 149,136 | 875,819 |
| <u>TOTAL LIABILITIES & FUND EQUITY</u> | <u>116,076</u> | <u>237,186</u> | <u>1,649,079</u> |

| ACCOUNT GROUPS | | 2003 | 2002 |
|---------------------------|-------------------------|-----------------------|-----------------------|
| GENERAL LONG-TERM DEBT | GENERAL FIXED ASSETS | TOTALS (MEMO ONLY) | TOTALS (MEMO ONLY) |
| 0 | 0 | 104,771 | 21,414 |
| 0 | 0 | 2,740 | 1,681 |
| 0 | 0 | 4,397 | 4,742 |
| 0 | 0 | 72 | 577 |
| 0 | 0 | 3,686 | 0 |
| 0 | 0 | 28,105 | 27,220 |
| <u>0</u> | <u>0</u> | <u>162,489</u> | <u>74,161</u> |
| 0 | 0 | 306,260 | 129,795 |
| 0 | 0 | 11,040 | 10,416 |
| 0 | 0 | 7,288 | 7,512 |
| 0 | 0 | 631,542 | 642,438 |
| <u>100,611</u> | <u>0</u> | <u>100,611</u> | <u>0</u> |
| 100,611 | 0 | 1,056,741 | 790,161 |
| 0 | 0 | 1,370,159 | 1,370,159 |
| 0 | 0 | 352,982 | 352,982 |
| 0 | 3,367,737 | 3,367,737 | 2,663,031 |
| 0 | 0 | 37,060 | 34,444 |
| 0 | 0 | 42,675 | 39,927 |
| 0 | 0 | (927,057) | (863,340) |
| <u>0</u> | <u>0</u> | <u>170,392</u> | <u>190,151</u> |
| <u>0</u> | <u>3,367,737</u> | <u>4,413,948</u> | <u>3,787,354</u> |
| <u>100,611</u> | <u>3,367,737</u> | <u>5,470,689</u> | <u>4,577,515</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, 2003

| | <u>GOVERNMENTAL</u> <u>FUND TYPES</u> | | <u>2003</u> | <u>2002</u> |
|--|--|----------------------------------|-------------------------|-------------------------|
| | <u>GENERAL</u> | <u>SPECIAL</u> <u>REVENUE</u> | <u>(MEMO- ONLY)</u> | <u>(MEMO- ONLY)</u> |
| <u>REVENUE</u> | | | | |
| Fines | 24,172 | 0 | 24,172 | 19,133 |
| Licenses | 53,197 | 0 | 53,197 | 42,393 |
| Tobacco & Beverage Tax | 660 | 0 | 660 | 790 |
| Fees - Entergy | 25,648 | 0 | 25,648 | 27,727 |
| Fees - Reliant | 7,313 | 0 | 7,313 | 0 |
| Ad Valorem Taxes | 21,753 | 0 | 21,753 | 19,930 |
| State Revenue Sharing | 771 | 0 | 771 | 582 |
| Cable TV Franchise Fee | 9,970 | 0 | 9,970 | 0 |
| Miscellaneous | 2,246 | 0 | 2,246 | 3,375 |
| Sanitation Fee Income | 47,780 | 0 | 47,780 | 46,844 |
| Building Permits | 285 | 0 | 285 | 800 |
| Rent Income | 6,000 | 0 | 6,000 | 6,000 |
| Lots Sold | 375 | 0 | 375 | 880 |
| Sale of Equipment | 2,225 | 0 | 2,225 | 0 |
| Sales Tax | 0 | 214,688 | 214,688 | 227,034 |
| Interest Income | 0 | 6,368 | 6,368 | 9,219 |
| Salary Reimbursement | 13,460 | 0 | 13,460 | 10,425 |
| Federal Grants | 0 | 59,641 | 59,641 | 228,244 |
| State Grants | 0 | 528,359 | 528,359 | 1,473 |
| Utility Relocation Assistance Funds | 0 | 100,611 | 100,611 | 0 |
| <u>TOTAL REVENUE</u> | <u>215,855</u> | <u>909,667</u> | <u>1,125,522</u> | <u>644,849</u> |
| <u>EXPENDITURES</u> | | | | |
| Administrative | 44,714 | 0 | 44,714 | 31,362 |
| Public Safety | 151,843 | 4,800 | 156,643 | 152,474 |
| Streets & Sanitation | 67,077 | 0 | 67,077 | 60,008 |
| General | 172,142 | 0 | 172,142 | 209,295 |
| Capital Outlay | 16,094 | 688,611 | 704,705 | 201,575 |
| <u>TOTAL EXPENDITURES</u> | <u>451,870</u> | <u>693,411</u> | <u>1,145,281</u> | <u>654,714</u> |
| <u>EXCESS (DEFICIENCY) OF</u> <u>REVENUE OVER EXPENDITURES</u> | <u>(236,015)</u> | <u>216,256</u> | <u>(19,759)</u> | <u>(9,865)</u> |
| <u>OTHER FINANCING SOURCES (USES):</u> | | | | |
| Operating Transfers In | 237,000 | 0 | 237,000 | 225,000 |
| Operating Transfers Out | 0 | (237,000) | (237,000) | (225,000) |
| <u>TOTAL OTHER FINANCING SOURCES (USES)</u> | <u>237,000</u> | <u>(237,000)</u> | <u>0</u> | <u>0</u> |
| <u>EXCESS (DEFICIENCY) OF REVENUE</u> <u>& OTHER SOURCES OVER (UNDER)</u> <u>EXPENDITURES & OTHER USES</u> | <u>985</u> | <u>(20,744)</u> | <u>(19,759)</u> | <u>(9,865)</u> |
| <u>FUND BALANCE AT BEGINNING OF YEAR</u> | <u>20,271</u> | <u>169,880</u> | <u>190,151</u> | <u>200,016</u> |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>21,256</u> | <u>149,136</u> | <u>170,392</u> | <u>190,151</u> |

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, 2003

| | <u>GENERAL FUND</u> | | <u>VARIABLE FAVORABLE (UNFAVORABLE)</u> |
|--|---------------------|------------------|---|
| | <u>BUDGET</u> | <u>ACTUAL</u> | |
| <u>REVENUE</u> | | | |
| Fines | 24,000 | 24,172 | 172 |
| Licenses | 51,572 | 53,197 | 1,625 |
| Tobacco & Beverage Tax | 441 | 660 | 219 |
| Fees - Entergy | 25,931 | 25,648 | (283) |
| Fees - Reliant | 7,000 | 7,313 | 313 |
| Ad Valorem Taxes | 19,000 | 21,753 | 2,753 |
| State Revenue Sharing | 873 | 771 | (102) |
| Cable TV Franchise Fee | 10,000 | 9,970 | (30) |
| Miscellaneous | 500 | 2,246 | 1,746 |
| Sanitation Fee Income | 45,000 | 47,780 | 2,780 |
| Building Permits | 250 | 285 | 35 |
| Rent Income | 6,000 | 6,000 | 0 |
| Lots Sold | 250 | 375 | 125 |
| Sale of Equipment | 0 | 2,225 | 2,225 |
| Sales Tax | 0 | 0 | 0 |
| Interest Income | 0 | 0 | 0 |
| Salary Reimbursements | 0 | 13,460 | 13,460 |
| Federal Grants | 0 | 0 | 0 |
| State Grants | 0 | 0 | 0 |
| Utility Relocation Assistance Funds | 0 | 0 | 0 |
| <u>TOTAL REVENUE</u> | <u>190,817</u> | <u>215,855</u> | <u>25,038</u> |
| <u>EXPENDITURES</u> | | | |
| Administrative | 44,800 | 44,714 | 86 |
| Public Safety | 151,000 | 151,843 | (843) |
| Streets and Sanitation | 68,200 | 67,077 | 1,123 |
| General | 157,183 | 172,142 | (14,959) |
| Capital Outlay | 0 | 16,094 | (16,094) |
| <u>TOTAL EXPENDITURES</u> | <u>421,183</u> | <u>451,870</u> | <u>(30,687)</u> |
| <u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u> | <u>(230,366)</u> | <u>(236,015)</u> | <u>(5,649)</u> |
| <u>OTHER FINANCING SOURCES (USES):</u> | | | |
| Operating Transfers In: | 225,000 | 237,000 | 12,000 |
| Operating Transfers Out: | 0 | 0 | 0 |
| <u>TOTAL OTHER FINANCING SOURCES (USES)</u> | <u>225,000</u> | <u>237,000</u> | <u>12,000</u> |
| <u>EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u> | <u>(5,366)</u> | <u>985</u> | <u>6,351</u> |
| <u>FUND BALANCE AT BEGINNING OF YEAR</u> | <u>20,271</u> | <u>20,271</u> | <u>0</u> |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>14,905</u> | <u>21,256</u> | <u>6,351</u> |

See Accompanying Notes

| <u>SPECIAL REVENUE FUNDS</u> | | | <u>TOTALS (MEMO ONLY)</u> | | | |
|------------------------------|-----------------------------|---------------------------|---------------------------|------------------|---|------------------|
| | | | <u>2003</u> | | <u>2002</u> | |
| <u>BUDGET</u> | <u>ACTUAL (UNFAVORABLE)</u> | <u>VARIANCE FAVORABLE</u> | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> | <u>ACTUAL</u> |
| 0 | 0 | 0 | 24,000 | 24,172 | 172 | 19,133 |
| 0 | 0 | 0 | 51,572 | 53,197 | 1,625 | 42,393 |
| 0 | 0 | 0 | 441 | 660 | 219 | 790 |
| 0 | 0 | 0 | 25,931 | 25,648 | (283) | 27,727 |
| 0 | 0 | 0 | 7,000 | 7,313 | 313 | 0 |
| 0 | 0 | 0 | 19,000 | 21,753 | 2,753 | 19,930 |
| 0 | 0 | 0 | 873 | 771 | (102) | 582 |
| 0 | 0 | 0 | 10,000 | 9,970 | (30) | 0 |
| 0 | 0 | 0 | 500 | 2,246 | 1,746 | 3,375 |
| 0 | 0 | 0 | 45,000 | 47,780 | 2,780 | 46,844 |
| 0 | 0 | 0 | 250 | 285 | 35 | 800 |
| 0 | 0 | 0 | 6,000 | 6,000 | 0 | 6,000 |
| 0 | 0 | 0 | 250 | 375 | 125 | 880 |
| 0 | 0 | 0 | 0 | 2,225 | 2,225 | 0 |
| 225,000 | 214,688 | (10,312) | 225,000 | 214,688 | (10,312) | 227,034 |
| 400 | 6,368 | 5,968 | 400 | 6,368 | 5,968 | 9,219 |
| 0 | 0 | 0 | 0 | 13,460 | 13,460 | 10,425 |
| 59,641 | 59,641 | 0 | 59,641 | 59,641 | 0 | 228,244 |
| 528,359 | 528,359 | 0 | 528,359 | 528,359 | 0 | 1,473 |
| <u>100,611</u> | <u>100,611</u> | <u>0</u> | <u>100,611</u> | <u>100,611</u> | <u>0</u> | <u>0</u> |
| 914,011 | 909,667 | (4,344) | 1,104,828 | 1,125,522 | 20,694 | 644,849 |
| 0 | 0 | 0 | 44,800 | 44,714 | 86 | 31,362 |
| 4,800 | 4,800 | 0 | 155,800 | 156,643 | (843) | 152,474 |
| 0 | 0 | 0 | 68,200 | 67,077 | 1,123 | 60,008 |
| 0 | 0 | 0 | 157,183 | 172,142 | (14,959) | 209,295 |
| <u>688,611</u> | <u>688,611</u> | <u>0</u> | <u>688,611</u> | <u>704,705</u> | <u>(16,094)</u> | <u>201,575</u> |
| <u>693,411</u> | <u>693,411</u> | <u>0</u> | <u>1,114,594</u> | <u>1,145,281</u> | <u>(30,687)</u> | <u>654,714</u> |
| 220,600 | 216,256 | (4,344) | (9,766) | (19,759) | (9,993) | (9,865) |
| 0 | 0 | 0 | 225,000 | 237,000 | 12,000 | 225,000 |
| <u>(225,000)</u> | <u>(237,000)</u> | <u>(12,000)</u> | <u>(225,000)</u> | <u>(237,000)</u> | <u>(12,000)</u> | <u>(225,000)</u> |
| <u>(225,000)</u> | <u>(237,000)</u> | <u>(12,000)</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| (4,400) | (20,744) | (16,344) | (9,766) | (19,759) | (9,993) | (9,865) |
| <u>169,880</u> | <u>169,880</u> | <u>0</u> | <u>190,151</u> | <u>190,151</u> | <u>0</u> | <u>200,016</u> |
| <u>165,480</u> | <u>149,136</u> | <u>(16,344)</u> | <u>180,385</u> | <u>170,392</u> | <u>(9,993)</u> | <u>190,151</u> |

TOWN OF BERNICE, LOUISIANA
STATEMENT OF REVENUE, EXPENSES,
AND CHANGES IN RETAINED EARNINGS ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

| | <u>PROPRIETARY</u> <u>FUND TYPES</u> | <u>TOTAL</u> <u>(MEMO ONLY)</u> <u>2002</u> |
|---|---|---|
| <u>OPERATING REVENUE</u> | | |
| Water Sales | 173,344 | 177,586 |
| Sewer Sales | 70,979 | 71,176 |
| Water & Sewer Connection Fees | 3,075 | 18,127 |
| Other | <u>22,702</u> | <u>318</u> |
| <u>TOTAL OPERATING INCOME</u> | 270,100 | 267,207 |
| <u>OPERATING EXPENSES</u> | | |
| Bad Debt Expense | 7,614 | 4,369 |
| Billing Department | 7,737 | 5,389 |
| Depreciation | 84,154 | 81,842 |
| Insurance | 18,000 | 0 |
| Miscellaneous | 7,007 | 2,592 |
| Payroll Tax Expense | 7,017 | 6,665 |
| Repairs | 23,975 | 23,263 |
| Retirement Expense | 2,201 | 1,035 |
| Salaries | 91,730 | 87,122 |
| Sewer Test | 2,652 | 2,285 |
| Supplies | 21,035 | 34,039 |
| Vehicle Expense | 1,475 | 3,612 |
| Utilities | <u>44,255</u> | <u>35,628</u> |
| <u>TOTAL OPERATING EXPENSE</u> | <u>318,852</u> | <u>287,841</u> |
| <u>INCOME (LOSS) FROM OPERATIONS</u> | (48,752) | (20,634) |
| <u>NON-OPERATING REVENUE (EXPENSE)</u> | | |
| Intergovernmental Grant | 16,675 | 25,000 |
| Interest Revenue | 5,228 | 7,699 |
| Sale of Equipment | 7,551 | 0 |
| Interest Expense | (39,055) | (39,581) |
| Operating Transfers In | 0 | 0 |
| Operating Transfers Out | <u>0</u> | <u>0</u> |
| <u>TOTAL NON-OPERATING REVENUE, NET</u> | (9,601) | (6,882) |
| <u>NET LOSS</u> | (58,353) | (27,516) |
| <u>RETAINED EARNINGS AT BEGINNING OF YEAR</u> | <u>(788,969)</u> | <u>(761,453)</u> |
| <u>RETAINED EARNINGS AT END OF YEAR</u> | <u>(847,322)</u> | <u>(788,969)</u> |

See Accompanying Notes

THE TOWN OF BERNICE, LOUISIANA
STATEMENT OF CASH FLOWS
ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---|---------------|
| Cash Received from Customers | 246,441 |
| Cash Payments to Suppliers for Goods and Services | (148,203) |
| Cash Payments to Employees for Services | (91,730) |
| Cash Received for Other Operating Income | <u>24,329</u> |

NET CASH PROVIDED BY OPERATING ACTIVITIES 30,837

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

| | |
|--|--------------|
| Principal Paid on Revenue Bond Maturities | (10,272) |
| Acquisition and Construction of Capital Assets | (40,490) |
| Interest Paid on Revenue Bonds | (39,279) |
| Intergovernmental Grants | 16,675 |
| Proceeds from Sale of Equipment | <u>7,551</u> |

NET USED IN CAPITAL AND RELATED FINANCING ACTIVITIES (65,815)

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|-------------------------|--------------|
| Interest on Investments | <u>7,735</u> |
|-------------------------|--------------|

NET CASH PROVIDED BY INVESTING ACTIVITIES 7,735

NET DECREASE IN CASH AND CASH EQUIVALENTS (27,243)

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 129,600

CASH AND CASH EQUIVALENTS AT END OF YEAR 102,357

CASH SUMMARY

| | |
|---------------------------|-----------------------|
| Unrestricted Cash | 8,823 |
| Restricted Cash | 62,374 |
| Restricted Cash - Savings | <u>31,160</u> |
| | <u><u>102,357</u></u> |

See Accompanying Notes

TOWN OF BERNICE, LOUISIANA
STATEMENT OF CASH FLOWS (CONTINUED)
ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES

| | |
|---|---------------|
| Operating Income | (48,752) |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities | |
| Depreciation | 84,154 |
| Change in Assets and Liabilities: | |
| Increase in Accounts Receivable | (957) |
| Increase in Due from Other Funds | (44,498) |
| Decrease in Inventory | 533 |
| Decrease in Accounts Payable | (5,895) |
| Increase in Payroll Taxes Payable | 280 |
| Decrease in Sales Tax Payable | (505) |
| Increase in Meter Deposits | 885 |
| Increase in Due to Other Funds | 43,830 |
| Increase in Retirement Payable | <u>1,762</u> |
| <u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u> | <u>30,837</u> |

See Accompanying Notes

TOWN OF BERNICE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

The accounting and reporting policies of the Town of Bernice, Louisiana, 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, Louisiana 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, 2003

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.

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, 2003

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.
8. The budget was amended in December 2003, by approval of the Board of Aldermen. These amendments are reflected in these financial statements.

TOWN OF BERNICE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

Inventories

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

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. Management feels the receivables recorded are collectible and no bad debt allowance is necessary.

Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefits

All unpaid vacation and sick pay must be taken during the current year or they lapse at December 31. Therefore, there is no accrual of unpaid vacation or sick pay.

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, 2003, taxes were levied on property with assessed valuations totaling \$4,119,860 and were dedicated as follows:

General corporate purpose 5.28 mills

Total taxes levied were \$21,753. Taxes receivable at December 31, 2003 consisted of the following:

Taxes Receivable current roll 10,125

INTERFUND RECEIVABLES, PAYABLES -

| | <u>INTERFUND RECEIVABLES</u> | <u>INTERFUND PAYABLES</u> |
|---|----------------------------------|-------------------------------|
| General fund | 87,187 | 75,302 |
| Special Revenues Funds - Enterprise Fund | 75,302 | 87,187 |

TOWN OF BERNICE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

LONG-TERM DEBT - PROPRIETARY FUND

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, 2003 | 652,854 |
| Debt Issued | 0 |
| Debt Retired | <u>(10,272)</u> |
| Debt Payable December 31, 2003 | 642,582 |
| Less: Current Maturities | <u>(11,040)</u> |
| Long-term Debt | <u>631,542</u> |

| <u>YEAR ENDING</u> <u>DECEMBER 31,</u> | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
|---|------------------|-----------------|------------------|
| 2004 | 11,040 | 38,511 | 49,551 |
| 2005 | 11,073 | 38,478 | 49,551 |
| 2006 | 12,451 | 37,100 | 49,551 |
| 2007 | 13,075 | 36,476 | 49,551 |
| 2008 | 13,854 | 35,697 | 49,511 |
| 2009-2029 | <u>581,089</u> | <u>409,925</u> | <u>991,014</u> |
| | <u>642,582</u> | <u>596,187</u> | <u>1,238,769</u> |

PROPERTY, PLANT AND EQUIPMENT

The following is a summary of proprietary fund type property, plant, and equipment at December 31, 2003:

| | <u>ENTERPRISE</u> <u>FUND</u> |
|--|----------------------------------|
| Water & Sewer System | 2,091,132 |
| Equipment | 193,128 |
| Water System Improvements | 988,117 |
| Computer & Office Equipment | 7,998 |
| Land | <u>7,162</u> |
| | 3,287,537 |
| Less: Accumulated Depreciation | <u>1,849,395</u> |
| <u>NET PROPERTY, PLANT & EQUIPMENT</u> | <u>1,438,142</u> |

Depreciation expense for the year ended was \$84,154.

TOWN OF BERNICE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

PROPERTY, PLANT AND EQUIPMENT - continued

A summary of changes in property, plant and equipment at December 31, 2003, is as follows:

| | <u>December 31,</u> <u>2002</u> | <u>Additions</u> | <u>Deletions</u> | <u>December 31,</u> <u>2003</u> |
|-----------------------------|------------------------------------|------------------|------------------|------------------------------------|
| Water & Sewer System | 2,091,132 | 0 | 0 | 2,091,132 |
| Equipment | 174,792 | 40,490 | 22,154 | 193,128 |
| Water System Improvements | 988,117 | 0 | 0 | 988,117 |
| Computer & Office Equipment | 7,998 | 0 | 0 | 7,998 |
| Land | <u>7,162</u> | <u>0</u> | <u>0</u> | <u>7,162</u> |
| | <u>3,269,201</u> | <u>40,490</u> | <u>22,154</u> | <u>3,287,537</u> |

CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets:

| | |
|-------------------|------------------|
| Balance 1-1-03 | 2,663,031 |
| Current Additions | 704,706 |
| Current Deletions | <u>0</u> |
| Balance 12-31-03 | <u>3,367,737</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.

PENSION PLANS

All employees of the Town of Bernice, Louisiana, are members of the Social Security System. The Town contributed \$21,923 as the employer's portion. Employees have the option of participating in a SIMPLE retirement plan. The Town will match employee contributions up to 3% of gross salaries. The Town's matching contributions for 2003 total \$5,252.

POST RETIREMENT BENEFITS

The Town provides no post retirement benefits for its employees.

TOWN OF BERNICE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

TOWN OF BERNICE, LOUISIANA, ELECTED OFFICIALS

| <u>NAME</u> | <u>POSITION</u> | <u>ADDRESS</u> | <u>SALARY</u> | <u>TERM EXPIRES</u> |
|-----------------------|------------------------|--|---------------|---------------------|
| Minor S. Patton | Mayor | P. O. Box 86 Bernice, LA 71222 | 13,800 | 12/31/06 |
| Ricky Albritton | Chief-of Police | 705 South Cherry Bernice, LA 71222 | 24,730 | 12/31/06 |
| Oliver Gene Terrall | Alderman District 1 | 929, Pisgah Church Rd Bernice, LA 71222 | 1,200 | 12/31/06 |
| Rhodell Montgomery | Alderman District 2 | P. O. Box 273 Bernice, LA 71222 | 1,200 | 12/31/06 |
| Teddy Sutton | Alderman District 3 | 113 Church St Bernice, LA 71222 | 1,200 | 12/31/06 |
| Mildred Ferguson | Alderman District 4 | P. O. Box 43 Bernice, LA 71222 | 1,200 | 12/31/06 |
| Amy Pesnell | Alderman District 5 | 3017 Roberson St. Bernice, La 71222 | <u>1,200</u> | 12/31/06 |
| <u>TOTAL SALARIES</u> | | | <u>44,530</u> | |

CASH

Cash Flow Information - Supplemental disclosures of cash flow information:

| | <u>2003</u> | <u>2002</u> |
|--------------------------------|-------------|-------------|
| Cash paid during the year for: | | |
| Interest | 39,279 | 0 |
| 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.

TOWN OF BERNICE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

CASH - continued

The carrying amount of the Town's deposits with the financial institutions was \$307,012 and the book balance was \$313,449. The bank balance is categorized as follows:

| | Category | | |
|------|----------|---------|---|
| | 1 | 2 | 3 |
| Cash | 200,000 | 107,012 | 0 |

RETAINED EARNINGS - ENTERPRISE FUND

The deficit in retained earnings is created by accumulated depreciation on property, plant and equipment. Of the \$3,287,537 of property, plant and equipment, 1,723,140 is from contributed capital. Thus, \$961,685 or 52% of accumulated depreciation that has flowed through retained earnings is attributable to the assets purchased through contributed capital.

GENERAL LONG - TERM DEBT

The general long-term debt is a loan from the State of Louisiana for Utility Relocation Assistance Funds as promulgated in accordance with R.S. 48:381. The funds were advanced for payment of the Town's portion of the cost of State Project No. 023-11-0035 and Project No. 023-11-0034, Route U.S. 167.

The loan is non-interest bearing and has no timetable for repayment nor has a repayment schedule been established. The Town is to repay the loan as funds become available.

MARCUS, ROBINSON and HASSELL

CERTIFIED PUBLIC ACCOUNTANTS
P. O. BOX 2896
TELEPHONE 322-8106
FAX 387-5015
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 Minor Patton, Mayor
Members of the Board of Aldermen
Town of Bernice, Louisiana

We have audited the financial statements of the Town of Bernice, Louisiana, as of and for the year ended December 31, 2003, and have issued our report thereon dated June 23, 2004. 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 Bernice, Louisiana'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, Louisiana'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 and is not intended to be, and should not be used by anyone other than the specified parties. Under Louisiana Revised Statute 24:513, this report is to be distributed by the Legislative Auditor as a public document.

Marcus, Robinson & Hassell

Marcus, Robinson and Hassell
June 23, 2004

TOWN OF BERNICE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2003

| <u>Federal Grants/ Pass Through Grantor/ Program Title</u> | <u>Award Period</u> | <u>Expenditures</u> |
|--|---------------------|---------------------|
| LCDBG | 1-1-03/12-31-03 | <u>59,641</u> |

TOWN OF BERNICE, LOUISIANA
BERNICE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2003

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, 2003.
- 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, 2003 AND 2002

| | <u>2003</u> | <u>2002</u> |
|---|----------------|---------------|
| <u>ASSETS</u> | | |
| Cash | 12,793 | 6,398 |
| Accounts Receivable | 2,120 | 3,585 |
| Property Taxes Receivable | 10,125 | 7,834 |
| Due from Enterprise Fund | 87,187 | 43,357 |
| Prepaid Insurance | <u>3,851</u> | <u>4,659</u> |
| <u>TOTAL ASSETS</u> | <u>116,076</u> | <u>65,833</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>Liabilities</u> | | |
| Accounts Payable | 11,244 | 8,842 |
| Payroll Taxes Payable | 1,953 | 1,174 |
| Workman's Comp. Payable | 4,397 | 4,742 |
| Retirement Payable | 1,924 | 0 |
| Due to Enterprise Fund | <u>75,302</u> | <u>30,804</u> |
| Total Liabilities | 94,820 | 45,562 |
| Fund Balance | <u>21,256</u> | <u>20,271</u> |
| <u>TOTAL LIABILITIES AND FUND BALANCE</u> | <u>116,076</u> | <u>65,833</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, 2003 AND 2002

| | <u>2003</u> | <u>2002</u> |
|---|----------------|----------------|
| <u>REVENUES</u> | | |
| Ad Valorem Tax | 21,753 | 19,930 |
| Fines | 24,172 | 19,133 |
| License | 53,197 | 42,393 |
| Tobacco & Beverage Tax | 660 | 790 |
| Fees - Entergy | 25,648 | 27,727 |
| Fees - Reliant | 7,313 | 0 |
| State Revenue Sharing | 771 | 582 |
| Cable TV Franchise Fee | 9,970 | 0 |
| Miscellaneous | 2,246 | 3,375 |
| Sanitation Fee Income | 47,780 | 46,844 |
| Building Permits | 285 | 800 |
| Lots Sold | 375 | 880 |
| Rent Income | 6,000 | 6,000 |
| Sale of Equipment | 2,225 | 0 |
| Local Grant - Salary Reimbursement | 13,460 | 10,425 |
| Federal Grants | 0 | 2,287 |
| State Grants | 0 | 1,473 |
| <u>TOTAL REVENUES</u> | <u>215,855</u> | <u>182,639</u> |
| <u>EXPENDITURES</u> | | |
| Administrative | 44,714 | 31,362 |
| Public Safety | 151,843 | 147,674 |
| Streets & Sanitation | 67,077 | 60,008 |
| General | 172,142 | 177,429 |
| Capital Outlay | <u>16,094</u> | <u>7,484</u> |
| <u>TOTAL EXPENDITURES</u> | <u>451,870</u> | <u>423,957</u> |
| <u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u> | (236,015) | (241,318) |
| <u>OTHER FINANCING SOURCES (USES):</u> | | |
| Transfer from Sales Tax Fund | <u>237,000</u> | <u>225,000</u> |
| <u>TOTAL OTHER FINANCING SOURCES (USES)</u> | <u>237,000</u> | <u>225,000</u> |
| <u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u> | 985 | (16,318) |
| <u>FUND BALANCE AT BEGINNING OF YEAR</u> | <u>20,271</u> | <u>36,589</u> |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>21,256</u> | <u>20,271</u> |

TOWN OF BERNICE, LOUISIANA
GOVERNMENTAL FUND TYPE - GENERAL FUND
COMPARATIVE STATEMENT OF EXPENDITURES
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

| | <u>2003</u> | <u>2002</u> |
|-------------------------------|----------------|----------------|
| <u>ADMINISTRATIVE</u> | 44,714 | 31,362 |
| <u>PUBLIC SAFETY</u> | | |
| Police Department | 151,843 | 147,674 |
| <u>STREET AND SANITATION</u> | | |
| Sanitation Department Expense | 38,552 | 32,301 |
| Street Expense | <u>28,525</u> | <u>27,707</u> |
| | 67,077 | 60,008 |
| <u>GENERAL</u> | | |
| General | 172,142 | 177,429 |
| <u>CAPITAL OUTLAY</u> | <u>16,094</u> | <u>7,484</u> |
| <u>TOTAL EXPENDITURES</u> | <u>451,870</u> | <u>423,957</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.

Sewer Rehabilitation Grant - To account for community development block grant proceeds for the sewer rehabilitation project.

Utility Relocation Grant - To account for grant proceeds for utility relocation.

TOWN OF BERNICE, LOUISIANA
GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUND
COMBINED BALANCE SHEET
DECEMBER 31, 2003 AND 2002

| | <u>2003</u> | <u>2002</u> |
|---|--------------------|--------------------|
| <u>ASSETS</u> | | |
| Cash | 198,399 | 169,297 |
| Due from State | 38,678 | 0 |
| Interest Receivable | <u>109</u> | <u>1,783</u> |
| <u>TOTAL ASSETS</u> | <u>237,186</u> | <u>171,080</u> |
| <u>LIABILITIES</u> | | |
| Accounts Payable | <u>88,050</u> | <u>1,200</u> |
| <u>TOTAL LIABILITIES</u> | <u>88,050</u> | <u>1,200</u> |
| <u>FUND BALANCE</u> | <u>149,136</u> | <u>169,880</u> |
| <u>TOTAL LIABILITIES AND FUND BALANCE</u> | <u>237,186</u> | <u>171,080</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, 2003 AND 2002

| | <u>2003</u> | <u>2002</u> |
|---|------------------|------------------|
| <u>REVENUE</u> | | |
| Interest Income | 6,368 | 9,219 |
| Sales Tax Collected | 214,688 | 227,034 |
| Federal Grants | 59,641 | 225,957 |
| State Grants | 528,359 | 89,680 |
| Utility Relocation Assistance funds | <u>100,611</u> | <u>0</u> |
| <u>TOTAL REVENUE</u> | <u>909,667</u> | <u>551,890</u> |
| <u>EXPENDITURES</u> | | |
| Public Safety | 4,800 | 4,800 |
| General | 0 | 31,866 |
| Capital Outlay | <u>688,611</u> | <u>283,771</u> |
| <u>TOTAL EXPENDITURES</u> | <u>693,411</u> | <u>320,437</u> |
| <u>EXCESS REVENUES OVER EXPENDITURES</u> | 216,256 | 231,453 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | |
| Transfer in - General Fund | 0 | 0 |
| Transfer to General Fund | (237,000) | (225,000) |
| Transfer to Water & Sewer Fund | <u>0</u> | <u>0</u> |
| <u>TOTAL OTHER FINANCING USES</u> | <u>(237,000)</u> | <u>(225,000)</u> |
| <u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</u> | (20,744) | 6,453 |
| <u>FUND BALANCE AT BEGINNING OF YEAR</u> | <u>169,880</u> | <u>163,427</u> |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>149,136</u> | <u>169,880</u> |

TOWN OF BERNICE, LOUISIANA
SALES TAX FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2003 AND 2002

| | <u>2003</u> | <u>2002</u> |
|--|-----------------------|-----------------------|
| <u>ASSETS</u> | | |
| Cash | 149,827 | 169,297 |
| Interest Receivable | <u>109</u> | <u>1,783</u> |
| <u>TOTAL ASSETS</u> | <u>149,936</u> | <u>171,080</u> |
| <u>LIABILITIES</u> | | |
| Accounts Payable | 800 | 1,200 |
| <u>FUND BALANCE</u> | <u>149,136</u> | <u>169,880</u> |
| <u>TOTAL LIABILITIES AND FUND BALANCE</u> | <u>149,936</u> | <u>171,080</u> |

TOWN OF BERNICE, LOUISIANA
SALES TAX FUND
COMPARATIVE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

| | <u>2003</u> | <u>2002</u> |
|---|------------------|------------------|
| <u>REVENUE</u> | | |
| Interest Income | 6,368 | 9,219 |
| Sales Tax Collected | <u>214,688</u> | <u>227,034</u> |
| <u>TOTAL REVENUE</u> | 221,056 | 236,253 |
| <u>EXPENDITURES</u> | | |
| Public Safety | <u>4,800</u> | <u>4,800</u> |
| <u>TOTAL EXPENDITURES</u> | 4,800 | 4,800 |
| <u>EXCESS REVENUES OVER EXPENDITURES</u> | 216,256 | 231,453 |
| <u>OTHER FINANCING USES</u> | | |
| Transfer to General Fund | <u>(237,000)</u> | <u>(225,000)</u> |
| <u>TOTAL OTHER FINANCING USES</u> | <u>(20,744)</u> | <u>(225,000)</u> |
| Excess (Deficiency) of Revenues Over Expenditures and Other Financing Uses | (20,744) | 6,453 |
| <u>FUND BALANCE AT BEGINNING OF YEAR</u> | <u>169,880</u> | <u>163,427</u> |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>149,136</u> | <u>169,880</u> |

TOWN OF BERNICE, LOUISIANA
SEWER REHABILITATION GRANT FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2003 AND 2002

| | <u>2003</u> | <u>2002</u> |
|---|-------------|-------------|
| <u>ASSETS</u> | <u>0</u> | <u>0</u> |
| <u>LIABILITIES</u> | 0 | 0 |
| <u>FUND BALANCE</u> | <u>0</u> | <u>0</u> |
| <u>TOTAL LIABILITIES AND FUND BALANCE</u> | <u>0</u> | <u>0</u> |

TOWN OF BERNICE, LOUISIANA
SEWER REHABILITATION GRANT FUND
COMPARATIVE STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

| | <u>2003</u> | <u>2002</u> |
|--|-----------------|-----------------|
| <u>REVENUE</u> | | |
| Federal Grants | 59,641 | 225,957 |
| <u>TOTAL REVENUE</u> | <u>59,641</u> | <u>225,957</u> |
| <u>EXPENDITURES</u> | | |
| Capital Outlay | 59,641 | 194,091 |
| General | <u>0</u> | <u>31,866</u> |
| | <u>59,641</u> | <u>225,957</u> |
| <u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u> | 0 | 0 |
| <u>FUND BALANCE AT BEGINNING OF YEAR</u> | <u>0</u> | <u>0</u> |
| <u>FUND BALANCE AT END OF YEAR</u> | <u><u>0</u></u> | <u><u>0</u></u> |

TOWN OF BERNICE, LOUISIANA
UTILITY RELOCATION GRANT FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2003 AND 2002

| | <u>2003</u> | <u>2002</u> |
|---|-------------------|--------------|
| <u>ASSETS</u> | | |
| Cash | 48,572 | 0 |
| Due from Sate | 38,678 | 0 |
| <u>TOTAL ASSETS</u> | <u>87,250</u> | <u>0</u> |
| <u>LIABILITIES</u> | | |
| Accounts Payable | 87,250 | 0 |
| <u>FUND BALANCE</u> | <u>0</u> | <u>0</u> |
| <u>TOTAL LIABILITIES AND FUND BALANCE</u> | <u>87,250</u> | <u>0</u> |

TOWN OF BERNICE, LOUISIANA
UTILITY RELOCATION GRANT FUND
COMPARATIVE STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

| | <u>2003</u> | <u>2002</u> |
|--|----------------|---------------|
| <u>REVENUE</u> | | |
| Grant - State of Louisiana | 528,359 | 89,680 |
| Utility Relocation Assistance Funds | <u>100,611</u> | <u>0</u> |
| <u>TOTAL REVENUE</u> | 628,970 | 89,680 |
| <u>EXPENDITURES</u> | | |
| Capital Outlay | <u>628,970</u> | <u>89,680</u> |
| | 628,970 | 89,680 |
| <u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u> | 0 | 0 |
| <u>FUND BALANCE AT BEGINNING OF YEAR</u> | <u>0</u> | <u>0</u> |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>0</u> | <u>0</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, 2003 AND 2002

| | <u>2003</u> | <u>2002</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 - Old Town Hall | 75,000 | 75,000 |
| Building - Old Town Hall | 5,000 | 5,000 |
| Building - Old Depot | 17,497 | 17,497 |
| Building & Land - Town Hall | 155,000 | 155,000 |
| Land & Building (Todd Building) | 381,495 | 375,000 |
| Furniture & Office Equipment | 13,905 | 13,905 |
| Police Equipment | 65,384 | 65,384 |
| Police Cars | 67,527 | 57,927 |
| Computer | 3,467 | 3,467 |
| Civic Clubhouse | 25,001 | 25,001 |
| Vehicles | 177,518 | 177,518 |
| Gasoline Tank and Trailers | 7,546 | 7,546 |
| Streets | 93,075 | 93,075 |
| Street Department Tractor | 31,569 | 31,569 |
| 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 - Museum | 1,285 | 1,285 |
| Sewer Rehabilitation | 261,659 | 202,018 |
| Street Overlay | 503,774 | 503,774 |
| Utility Relocation | 718,650 | 89,680 |
| | <u>3,367,737</u> | <u>2,663,031</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 | 1,164,510 | 1,148,415 |
| Federal Block Grants | 1,120,076 | 1,060,435 |
| Sales Tax Fund Reserve | 85,993 | 85,993 |
| State Funding | 718,650 | 89,680 |
| <u>TOTAL INVESTMENT IN GENERAL FIXED ASSETS</u> | <u>3,367,737</u> | <u>2,663,031</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, 2003 AND 2002

| | <u>2003</u> | <u>2002</u> |
|--|----------------------|----------------------|
| <u>ASSETS</u> | | |
| Cash | 8,823 | 8,970 |
| Accounts Receivable | 30,619 | 29,662 |
| Due From Other Funds | 75,302 | 30,804 |
| Inventory of Supplies | <u>2,498</u> | <u>3,031</u> |
| <u>TOTAL CURRENT ASSETS</u> | 117,242 | 72,467 |
| Restricted Assets | | |
| Cash in Bank | 62,374 | 89,970 |
| Cash - Savings Account - Replacement and Extension | 31,160 | 30,660 |
| Accrued Interest Receivable | <u>161</u> | <u>2,668</u> |
| <u>TOTAL RESTRICTED ACCOUNTS</u> | 93,695 | 123,298 |
| Property, Plant and Equipment Net of Allowance for Depreciation | <u>1,438,142</u> | <u>1,481,806</u> |
| <u>TOTAL ASSETS</u> | <u>1,649,079</u> | <u>1,677,571</u> |

TOWN OF BERNICE, LOUISIANA
PROPRIETARY FUND TYPE - ENTERPRISE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2003 AND 2002

| | <u>2003</u> | <u>2002</u> |
|--|------------------|------------------|
| <u>LIABILITIES AND FUND EQUITY</u> | | |
| Liabilities | | |
| Current (Payable from Current Assets) | | |
| Accounts Payable | 5,477 | 11,372 |
| Payroll Taxes Payable | 787 | 507 |
| Sales Tax Payable | 72 | 577 |
| Retirement Payable | 1,762 | 0 |
| Meter Deposits | 28,105 | 27,220 |
| Due to General Fund | <u>87,187</u> | <u>43,357</u> |
| <u>TOTAL CURRENT (PAYABLE FROM CURRENT ASSETS)</u> | 123,390 | 83,033 |
| Current (Payable from Restricted Assets) | | |
| Bond Payable - FRA - Current | 11,040 | 10,416 |
| Accrued Interest | 7,288 | 7,512 |
| Bond Payable - FHA - Long-term | <u>631,542</u> | <u>642,438</u> |
| <u>TOTAL LIABILITIES</u> | 773,260 | 743,399 |
| 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 | 37,060 | 34,444 |
| Reserve for FHA Water improvement | 42,675 | 39,927 |
| Unreserved | <u>(927,057)</u> | <u>(863,340)</u> |
| <u>TOTAL FUND EQUITY</u> | 875,819 | 934,172 |
| <u>TOTAL LIABILITIES AND FUND EQUITY</u> | <u>1,649,079</u> | <u>1,677,571</u> |