

**Town of Bernice, Louisiana**

*Financial Report  
For The Year Ended December 31, 2025*



**Town of Bernice, Louisiana**  
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**For The Year Ended December 31, 2025**

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# CAMERON, HINES & COMPANY

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## INDEPENDENT AUDITORS' REPORT

Honorable Mildred Ferguson, Mayor  
Members of the Board of Aldermen  
Town of Bernice, Louisiana

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bernice, Louisiana (the Town), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of net pension liability, and the schedule of employer's contributions on pages 4-7 and 31-35, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the

basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The schedule of compensation, benefits, and other payments to the agency head, Balance Sheet – LCDBG Funds, the Schedule of Revenue, Expenditures and Fund Balance – LCDBG Funds, and Justice System Funding Schedules for Collecting/Disbursing Entities are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The Justice System Funding Schedules are presented to satisfy the requirements of Act 87 of the 2020 Regular Legislative Session.

The schedule of compensation, benefits, and other payments to the agency head, Balance Sheet – LCDBG Funds, the Schedule of Revenue, Expenditures and Fund Balance – LCDBG Funds, and the Justice System Funding Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to the agency head, Balance Sheet – LCDBG Funds, the Schedule of Revenue, Expenditures and Fund Balance – LCDBG Funds and the Justice System Funding Schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2025, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

West Monroe, Louisiana  
June 30, 2026

*Cameron, Hines & Company (APAC)*

**Town of Bernice, Louisiana**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2025**

This section of the Town's annual financial report presents our discussion and analysis of the Town's financial performance during the fiscal year ended on December 31, 2025. Please read it in conjunction with the Town's financial statements, which follow this section.

**Financial Highlights**

The Town's net position decreased \$112,387.

Program and general revenues amounted to \$1,468,011.

Expenses for the year amounted to \$1,580,398.

Capital Asset additions amounted to \$111,359.

**Overview of the Financial Statements**

This annual report consists of three parts:

- Management's discussion and analysis
- Basic financial statements
- Required Supplemental information

The basic financial statements include two kinds of statements that present different views of the Town:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Town's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Town's operations in more detail than the government-wide statements. The Town has a general fund, a sales tax fund, a railroad grant fund, and proprietary funds (water and sewer).

**Town of Bernice, Louisiana**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2025**

Financial Analysis of the Funds

A summary of the basic government-wide financial statements is as follows:

|                                         | <b>Net Position</b>            |                     |                                 |                     |                                 |                     |
|-----------------------------------------|--------------------------------|---------------------|---------------------------------|---------------------|---------------------------------|---------------------|
|                                         | <b>Governmental Activities</b> |                     | <b>Business Type Activities</b> |                     | <b>Total Primary Government</b> |                     |
|                                         | <b>2024</b>                    | <b>2025</b>         | <b>2024</b>                     | <b>2025</b>         | <b>2024</b>                     | <b>2025</b>         |
| <u>Assets</u>                           |                                |                     |                                 |                     |                                 |                     |
| Current & Other                         | \$ 652,683                     | \$ 632,400          | \$ 995,126                      | \$ 1,000,570        | \$ 1,647,809                    | \$ 1,632,970        |
| Capital Assets, net                     | 2,477,799                      | 2,388,846           | 3,706,481                       | 3,580,498           | 6,184,280                       | 5,969,344           |
| Total Assets                            | <u>\$ 3,130,482</u>            | <u>\$ 3,021,246</u> | <u>\$ 4,701,607</u>             | <u>\$ 4,581,068</u> | <u>\$ 7,832,089</u>             | <u>\$ 7,602,314</u> |
| Deferred Outflows                       | <u>\$ 29,108</u>               | <u>\$ 26,281</u>    | <u>\$ -</u>                     | <u>\$ -</u>         | <u>\$ 29,108</u>                | <u>\$ 26,281</u>    |
| Total Assets and Deferred Outflows      | \$ 3,159,590                   | \$ 3,047,527        | \$ 4,701,607                    | \$ 4,581,068        | \$ 7,861,197                    | \$ 7,628,595        |
| <u>Liabilities</u>                      | \$ 90,593                      | \$ 58,027           | \$ 1,701,436                    | \$ 1,586,050        | \$ 1,792,029                    | \$ 1,644,077        |
| Deferred Inflows                        | <u>9,631</u>                   | <u>37,368</u>       | <u>-</u>                        | <u>-</u>            | <u>9,631</u>                    | <u>37,368</u>       |
| Total Liabilities and Deferred. Inflows | 100,224                        | 95,395              | 1,701,436                       | 1,586,050           | 1,801,660                       | 1,681,445           |
| <u>Net Position</u>                     |                                |                     |                                 |                     |                                 |                     |
| Invested in Capital Assets, net of debt | 2,455,150                      | 2,371,859           | 2,458,386                       | 2,399,576           | 4,913,536                       | 4,771,435           |
| Restricted                              | -                              | -                   | 400,779                         | 483,665             | 400,779                         | 483,665             |
| Unrestricted                            | 604,216                        | 580,273             | 141,006                         | 111,777             | 745,222                         | 692,050             |
| Total Net Position                      | <u>\$ 3,059,366</u>            | <u>\$ 2,952,132</u> | <u>\$ 3,000,171</u>             | <u>\$ 2,995,018</u> | <u>\$ 6,059,537</u>             | <u>\$ 5,947,150</u> |

The largest portion of the Town's net position (80% and 81%) are invested in capital assets for 2025 and 2024, respectively. The Town uses these capital assets to provide services to its citizens; consequently, these amounts are not available for future spending.

The restricted net position (8% and 7%) represents resources that are restricted to debt retirement for 2025 and 2024, respectively.

The unrestricted net position (12% and 12%) can be used to finance the day-to-day operations of the Town without restraints for 2025 and 2024, respectively.

**Town of Bernice, Louisiana**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2025**

| Change in Net Position              |                         |              |                          |              |                          |              |
|-------------------------------------|-------------------------|--------------|--------------------------|--------------|--------------------------|--------------|
|                                     | Governmental Activities |              | Business Type Activities |              | Total Primary Government |              |
|                                     | 2024                    | 2025         | 2024                     | 2025         | 2024                     | 2025         |
| REVENUES:                           |                         |              |                          |              |                          |              |
| Program Revenues                    |                         |              |                          |              |                          |              |
| Charges for Services                | \$ 118,235              | \$ 128,711   | \$ 769,898               | \$ 752,207   | \$ 888,133               | \$ 880,918   |
| Grants and Contributions            | 233,832                 | 10,000       | 92,516                   | 74,629       | 326,348                  | 84,629       |
| General Revenues                    |                         |              |                          |              |                          |              |
| Taxes                               | 433,236                 | 408,476      | -                        | -            | 433,236                  | 408,476      |
| Licenses                            | 54,183                  | 58,781       | -                        | -            | 54,183                   | 58,781       |
| Other                               | 20,997                  | 30,153       | 4,702                    | 5,054        | 25,699                   | 35,207       |
| Total Revenues                      | 860,483                 | 636,121      | 867,116                  | 831,890      | 1,727,599                | 1,468,011    |
| EXPENSES:                           |                         |              |                          |              |                          |              |
| General Government                  | 415,755                 | 416,800      | -                        | -            | 415,755                  | 416,800      |
| Public Safety                       | 228,305                 | 223,658      | -                        | -            | 228,305                  | 223,658      |
| Streets                             | 63,450                  | 81,790       | -                        | -            | 63,450                   | 81,790       |
| Sanitation                          | 62,296                  | 56,107       | -                        | -            | 62,296                   | 56,107       |
| Water and Sewer                     | -                       | -            | 780,317                  | 802,043      | 780,317                  | 802,043      |
| Total Expenses                      | 769,806                 | 778,355      | 780,317                  | 802,043      | 1,550,123                | 1,580,398    |
| Transfers In (Out)                  | -                       | 35,000       | -                        | (35,000)     | -                        | -            |
| Increase (Decrease) in Net Position | 90,677                  | (107,234)    | 86,799                   | (5,153)      | 177,476                  | (112,387)    |
| Net Position, Beginning of Year     | 2,968,689               | 3,059,366    | 2,913,372                | 3,000,171    | 5,882,061                | 6,059,537    |
| Net Position, End of Year           | \$ 3,059,366            | \$ 2,952,132 | \$ 3,000,171             | \$ 2,995,018 | \$ 6,059,537             | \$ 5,947,150 |

Governmental activities decreased the Town's net position by \$107,234 for the year 2025. Key elements and highlights are:

1) Depreciation of the capital assets accounted for \$126,052 of the expenses.

The proprietary funds, water and sewer had a net operating income of \$24,793 for the year 2025. Key elements and highlights are:

1) Depreciation of the capital assets accounted for \$200,245 of the expenses.

2) The Town received \$74,629 in State funding through the Community Water Enrichment Fund for water system improvements.

**Town of Bernice, Louisiana**  
**Management's Discussion and Analysis**  
**For The Year Ended December 31, 2025**

General Fund Budgetary Highlights

The budget is amended when it is determined that there are unexpected differences between actual and anticipated revenues and/or expenditures. The original approved budget for 2025 was amended December 9, 2025.

Capital Assets

The Town invested \$117,024 in capital assets for the year 2025.

Economic Factors and Next Year's Budget

The Town has prepared its 2026 budget for the General Fund and Special Revenue Funds on the assumption that revenues and expenditures will remain fairly constant next year.

Request Information

This financial report is designed to provide citizens, taxpayers and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Town of Bernice at P.O. Box 186, Bernice, Louisiana, 71222. The phone number for the Town is (318) 285-9071.

Lana Patton  
Town Clerk

**Town of Bernice, Louisiana**  
**Statement of Net Position**  
**December 31, 2025**

|                                                            | <b><u>Governmental<br/>Activities</u></b> | <b><u>Business-Type<br/>Activities</u></b> | <b><u>Total</u></b>        |
|------------------------------------------------------------|-------------------------------------------|--------------------------------------------|----------------------------|
| <b>Assets</b>                                              |                                           |                                            |                            |
| Cash and Cash Equivalents                                  | \$ 614,274                                | \$ 117,061                                 | \$ 731,335                 |
| Accounts Receivable                                        | -                                         | 71,187                                     | 71,187                     |
| Grants Receivable                                          | -                                         | -                                          | -                          |
| Property Tax Receivable                                    | 5,113                                     | -                                          | 5,113                      |
| Due From Other Funds                                       | -                                         | 321,361                                    | 321,361                    |
| Prepaid Insurance                                          | 13,013                                    | -                                          | 13,013                     |
| Inventory Supplies                                         | -                                         | 7,296                                      | 7,296                      |
| Restricted Assets                                          |                                           |                                            |                            |
| Cash                                                       | -                                         | 483,665                                    | 483,665                    |
| Capital Assets, net                                        | 2,388,846                                 | 3,580,498                                  | 5,969,344                  |
| <b>Total Assets</b>                                        | <b><u>\$ 3,021,246</u></b>                | <b><u>\$ 4,581,068</u></b>                 | <b><u>\$ 7,602,314</u></b> |
| <b>Deferred Outflows of Resources</b>                      |                                           |                                            |                            |
| Pension Related                                            | \$ 26,281                                 | \$ -                                       | \$ 26,281                  |
| <b>Total Assets and Deferred Outflows of Resources</b>     | <b>\$ 3,047,527</b>                       | <b>\$ 4,581,068</b>                        | <b>\$ 7,628,595</b>        |
| <b>Liabilities and Net Position</b>                        |                                           |                                            |                            |
| <b>Liabilities</b>                                         |                                           |                                            |                            |
| Accounts Payable                                           | \$ 22,388                                 | \$ 14,073                                  | \$ 36,461                  |
| Accrued Expenses                                           | 8,928                                     | 9,663                                      | 18,591                     |
| Due to Other Funds                                         | 9,724                                     | 311,637                                    | 321,361                    |
| Long-Term Liabilities                                      |                                           |                                            |                            |
| Customer Deposits Payable                                  | -                                         | 69,755                                     | 69,755                     |
| Due Within One Year                                        | 5,662                                     | 68,302                                     | 73,964                     |
| Due In More Than One Year                                  | 11,325                                    | 1,112,620                                  | 1,123,945                  |
| Net Pension Liability                                      | -                                         | -                                          | -                          |
| <b>Total Liabilities</b>                                   | <b><u>58,027</u></b>                      | <b><u>1,586,050</u></b>                    | <b><u>1,644,077</u></b>    |
| <b>Deferred Inflows of Resources</b>                       |                                           |                                            |                            |
| Pension Related                                            | 37,368                                    | -                                          | 37,368                     |
| <b>Total Liabilities and Deferred Inflows of Resources</b> | <b><u>95,395</u></b>                      | <b><u>1,586,050</u></b>                    | <b><u>1,681,445</u></b>    |
| <b>Net Position</b>                                        |                                           |                                            |                            |
| Invested in Capital Assets, Net of Related Debt            | 2,371,859                                 | 2,399,576                                  | 4,771,435                  |
| Restricted For:                                            |                                           |                                            |                            |
| Debt Service                                               | -                                         | 483,665                                    | 483,665                    |
| Unrestricted                                               | 580,273                                   | 111,777                                    | 692,050                    |
| <b>Total Net Position</b>                                  | <b><u>2,952,132</u></b>                   | <b><u>2,995,018</u></b>                    | <b><u>5,947,150</u></b>    |
| <b>Total Liabilities and Net Position</b>                  | <b><u>\$ 3,047,527</u></b>                | <b><u>\$ 4,581,068</u></b>                 | <b><u>\$ 7,628,595</u></b> |

The accompanying notes are an integral part of this financial statement.

**Town of Bernice, Louisiana**  
**Statement of Activities**  
**December 31, 2025**

|                                |                            | <b>Program Revenues</b>  |                         |                      |
|--------------------------------|----------------------------|--------------------------|-------------------------|----------------------|
|                                |                            | <b>Charges for</b>       | <b>Capital</b>          | <b>Operating</b>     |
|                                | <b>Expenses</b>            | <b>Services</b>          | <b>Grants and</b>       | <b>Grants and</b>    |
|                                |                            |                          | <b>Contributions</b>    | <b>Contributions</b> |
| <b>Primary Government:</b>     |                            |                          |                         |                      |
| Governmental Activities:       |                            |                          |                         |                      |
| General Government             | \$ 416,800                 | \$ -                     | \$ 10,000               | \$ -                 |
| Public Safety                  | 223,658                    | 24,493                   | -                       | -                    |
| Streets                        | 81,790                     | -                        | -                       | -                    |
| Sanitation                     | 56,107                     | 104,218                  | -                       | -                    |
| Total Governmental Activities  | <u>\$ 778,355</u>          | <u>\$ 128,711</u>        | <u>\$ 10,000</u>        | <u>\$ -</u>          |
| Business-Type Activities:      |                            |                          |                         |                      |
| Water and Sewer                | <u>\$ 802,043</u>          | <u>\$ 752,207</u>        | <u>\$ 74,629</u>        | <u>\$ -</u>          |
| Total Business-Type Activities | <u>\$ 802,043</u>          | <u>\$ 752,207</u>        | <u>\$ 74,629</u>        | <u>\$ -</u>          |
| Total Primary Government       | <u><u>\$ 1,580,398</u></u> | <u><u>\$ 880,918</u></u> | <u><u>\$ 84,629</u></u> | <u><u>\$ -</u></u>   |

**General Revenues:**

Taxes:  
Ad Valorem  
Tobacco and Beverage  
Franchise  
Sales and Use  
Licenses and Permits  
Interest Income  
Transfers  
Other Income  
Total General Revenues  
**Changes in Net Position**  
**Net Position - Beginning**  
**Net Position - Ending**

| Net (Expense) Revenue and Changes in Net Assets |                             |                     |
|-------------------------------------------------|-----------------------------|---------------------|
| Primary Government                              |                             |                     |
| Governmental<br>Activities                      | Business-Type<br>Activities | Total               |
| \$ (406,800)                                    | \$ -                        | \$ (406,800)        |
| (199,165)                                       | -                           | (199,165)           |
| (81,790)                                        | -                           | (81,790)            |
| 48,111                                          | -                           | 48,111              |
| <u>\$ (639,644)</u>                             | <u>\$ -</u>                 | <u>\$ (639,644)</u> |
| <br>                                            |                             |                     |
| <u>\$ -</u>                                     | <u>\$ 24,793</u>            | <u>\$ 24,793</u>    |
| <u>\$ -</u>                                     | <u>\$ 24,793</u>            | <u>\$ 24,793</u>    |
| <br>                                            |                             |                     |
| <u>\$ (639,644)</u>                             | <u>\$ 24,793</u>            | <u>\$ (614,851)</u> |
| <br>                                            |                             |                     |
| 25,683                                          | -                           | 25,683              |
| 605                                             | -                           | 605                 |
| 64,384                                          | -                           | 64,384              |
| 317,804                                         | -                           | 317,804             |
| 58,781                                          | -                           | 58,781              |
| 19,157                                          | 5,054                       | 24,211              |
| 35,000                                          | (35,000)                    | -                   |
| 10,996                                          | -                           | 10,996              |
| <u>532,410</u>                                  | <u>(29,946)</u>             | <u>502,464</u>      |
| (107,234)                                       | (5,153)                     | (112,387)           |
| 3,059,366                                       | 3,000,171                   | 6,059,537           |
| <u>\$ 2,952,132</u>                             | <u>\$ 2,995,018</u>         | <u>\$ 5,947,150</u> |

The accompanying notes are an integral part of this financial statement.

**Town of Bernice, Louisiana**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2025**

|                           | <b>General<br/>Fund</b> | <b>Sales Tax<br/>Fund</b> | <b>Railroad Grant<br/>Fund</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|---------------------------|-------------------------|---------------------------|--------------------------------|-----------------------------------------|
| <b>Assets</b>             |                         |                           |                                |                                         |
| <b>Assets</b>             |                         |                           |                                |                                         |
| Cash and Cash Equivalents | \$ 174,059              | \$ 413,092                | \$ 27,123                      | \$ 614,274                              |
| Accounts Receivable       | -                       | -                         | -                              | -                                       |
| Grants Receivable         | -                       | -                         | -                              | -                                       |
| Property Tax Receivable   | 5,113                   | -                         | -                              | 5,113                                   |
| Due From Other Funds      | -                       | -                         | -                              | -                                       |
| Prepaid Insurance         | 13,013                  | -                         | -                              | 13,013                                  |
| <b>Total Assets</b>       | <u>\$ 192,185</u>       | <u>\$ 413,092</u>         | <u>\$ 27,123</u>               | <u>\$ 632,400</u>                       |

**Liabilities and Fund Balances**

**Liabilities**

|                          |               |          |          |               |
|--------------------------|---------------|----------|----------|---------------|
| Accounts Payable         | \$ 22,388     | \$ -     | \$ -     | \$ 22,388     |
| Due To Other Funds       | 9,724         | -        | -        | 9,724         |
| Accrued Expenses         | 8,928         | -        | -        | 8,928         |
| <b>Total Liabilities</b> | <u>41,040</u> | <u>-</u> | <u>-</u> | <u>41,040</u> |

**Fund Balances**

|                            |                |                |               |                |
|----------------------------|----------------|----------------|---------------|----------------|
| Nonspendable               | 13,013         | -              | -             | 13,013         |
| Assigned                   | -              | 413,092        | -             | 413,092        |
| Restricted                 | -              | -              | -             | -              |
| Committed                  | -              | -              | 27,123        | 27,123         |
| Unassigned                 | 138,132        | -              | -             | 138,132        |
| <b>Total Fund Balances</b> | <u>151,145</u> | <u>413,092</u> | <u>27,123</u> | <u>591,360</u> |

|                                            |                   |                   |                  |                   |
|--------------------------------------------|-------------------|-------------------|------------------|-------------------|
| <b>Total Liabilities and Fund Balances</b> | <u>\$ 192,185</u> | <u>\$ 413,092</u> | <u>\$ 27,123</u> | <u>\$ 632,400</u> |
|--------------------------------------------|-------------------|-------------------|------------------|-------------------|

Total Fund Balances \$ 591,360

Amounts reported for *Governmental Activities* in the  
statement of net position are different because:

|                                     |          |
|-------------------------------------|----------|
| Deferred Outflows - Pension Related | 26,281   |
| Deferred Inflows - Pension Related  | (37,368) |

|                                                                                                                       |           |
|-----------------------------------------------------------------------------------------------------------------------|-----------|
| Capital assets used in governmental activities are not financial<br>resources and therefore not reported in the funds | 2,388,846 |
|-----------------------------------------------------------------------------------------------------------------------|-----------|

Long-Term debt and notes payable are not due and payable  
in the current period and, therefore, are not reported in the  
governmental funds

|                         |                 |
|-------------------------|-----------------|
| Net Pension Liability   | -               |
| State of Louisiana Loan | <u>(16,987)</u> |

|                                         |                     |
|-----------------------------------------|---------------------|
| Net Position of Governmental Activities | <u>\$ 2,952,132</u> |
|-----------------------------------------|---------------------|

The accompanying notes are an integral part of this financial statement.

**Town of Bernice, Louisiana**  
**Statements of Revenues, Expenditures and Changes**  
**in Fund Balances - Governmental Funds**  
**For the Year Ended December 31, 2025**

|                                                                                                                                                                                              | General<br>Fund | Sales Tax<br>Fund | Railroad Grant<br>Fund | Total<br>Governmental<br>Funds |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------------|------------------------|--------------------------------|
| <b>Revenues</b>                                                                                                                                                                              |                 |                   |                        |                                |
| Taxes                                                                                                                                                                                        |                 |                   |                        |                                |
| Ad Valorem                                                                                                                                                                                   | \$ 25,683       | \$ -              | \$ -                   | \$ 25,683                      |
| Tobacco and Beverage                                                                                                                                                                         | 605             | -                 | -                      | 605                            |
| Franchise                                                                                                                                                                                    | 64,384          | -                 | -                      | 64,384                         |
| Sales & Use                                                                                                                                                                                  | -               | 317,804           | -                      | 317,804                        |
| Licenses and Permits                                                                                                                                                                         | 58,781          | -                 | -                      | 58,781                         |
| Fines                                                                                                                                                                                        | 24,493          | -                 | -                      | 24,493                         |
| Charges for Services                                                                                                                                                                         | 104,218         | -                 | -                      | 104,218                        |
| Interest Income                                                                                                                                                                              | 4,432           | 14,725            | -                      | 19,157                         |
| Grant Income                                                                                                                                                                                 | 10,000          | -                 | -                      | 10,000                         |
| Other Revenues                                                                                                                                                                               | 10,996          | -                 | -                      | 10,996                         |
| Total Revenues                                                                                                                                                                               | 303,592         | 332,529           | -                      | 636,121                        |
| <b>Expenditures</b>                                                                                                                                                                          |                 |                   |                        |                                |
| General Government                                                                                                                                                                           | 328,033         | -                 | -                      | 328,033                        |
| Public Safety                                                                                                                                                                                | 213,689         | 4,800             | -                      | 218,489                        |
| Streets                                                                                                                                                                                      | 63,893          | -                 | -                      | 63,893                         |
| Sanitation                                                                                                                                                                                   | 56,107          | -                 | -                      | 56,107                         |
| Capital Outlay                                                                                                                                                                               | 37,099          | -                 | -                      | 37,099                         |
| Debt Payments                                                                                                                                                                                | 5,662           | -                 | -                      | 5,662                          |
| Total Expenditures                                                                                                                                                                           | 704,483         | 4,800             | -                      | 709,283                        |
| <b>Excess of Revenues over Expenditures</b>                                                                                                                                                  | (400,891)       | 327,729           | -                      | (73,162)                       |
| <b>Other Financing Sources (Uses)</b>                                                                                                                                                        |                 |                   |                        |                                |
| Operating Transfers - In                                                                                                                                                                     | 335,000         | -                 | -                      | 335,000                        |
| Operating Transfers - Out                                                                                                                                                                    | -               | (300,000)         | -                      | (300,000)                      |
| Total Other Financing Sources (Uses)                                                                                                                                                         | 335,000         | (300,000)         | -                      | 35,000                         |
| <b>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>                                                                                             | (65,891)        | 27,729            | -                      | (38,162)                       |
| <b>Fund Balances, Beginning of Year</b>                                                                                                                                                      | 217,036         | 385,363           | 27,123                 | 629,522                        |
| <b>Fund Balances, End of Year</b>                                                                                                                                                            | \$ 151,145      | \$ 413,092        | \$ 27,123              | \$ 591,360                     |
| Net Change in Fund Balances - Total Governmental Funds                                                                                                                                       |                 |                   |                        | \$ (38,162)                    |
| <i>Amounts reported for governmental activities in the statement of activities are different because:</i>                                                                                    |                 |                   |                        |                                |
| Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.                                   |                 |                   |                        | 5,662                          |
| Change in Net Pension Liability (including Deferrals)                                                                                                                                        |                 |                   |                        | 14,219                         |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets are depreciated over their useful life as depreciation expense. |                 |                   |                        |                                |
| Expenditures for Capital Outlay - Capitalized                                                                                                                                                |                 |                   |                        | 37,099                         |
| Less: Current Year Depreciation                                                                                                                                                              |                 |                   |                        | (126,052)                      |
| <b>Change in Net Position in Governmental Activities</b>                                                                                                                                     |                 |                   |                        | \$ (107,234)                   |

The accompanying notes are an integral part of this financial statement.

**Town of Bernice, Louisiana**  
**Statements of Net Position**  
**Proprietary Funds**  
**December 31, 2025**

|                                                 | <b><u>Water Fund</u></b>   | <b><u>Sewer Fund</u></b>   | <b><u>Consolidated<br/>Water and<br/>Sewer Funds</u></b> |
|-------------------------------------------------|----------------------------|----------------------------|----------------------------------------------------------|
| <b>Assets</b>                                   |                            |                            |                                                          |
| Current Assets                                  |                            |                            |                                                          |
| Cash and Cash Equivalents                       | \$ 11,660                  | \$ 105,401                 | \$ 117,061                                               |
| Accounts Receivable                             | 71,187                     | -                          | 71,187                                                   |
| Grants Receivable                               | -                          |                            | -                                                        |
| Due From Other Funds                            | 9,724                      | 311,637                    | 321,361                                                  |
| Inventory Supplies                              | 7,296                      | -                          | 7,296                                                    |
| Total Current Assets                            | <u>99,867</u>              | <u>417,038</u>             | <u>516,905</u>                                           |
| Noncurrent Assets:                              |                            |                            |                                                          |
| Restricted Cash and Investments                 | 220,065                    | 263,600                    | 483,665                                                  |
| Capital Assets, Net                             | 1,683,418                  | 1,897,080                  | 3,580,498                                                |
| Total Noncurrent Assets                         | <u>1,903,483</u>           | <u>2,160,680</u>           | <u>4,064,163</u>                                         |
| <b>Total Assets</b>                             | <u><u>\$ 2,003,350</u></u> | <u><u>\$ 2,577,718</u></u> | <u><u>\$ 4,581,068</u></u>                               |
| <b>Liabilities and Net Position</b>             |                            |                            |                                                          |
| <b>Liabilities</b>                              |                            |                            |                                                          |
| Current Liabilities                             |                            |                            |                                                          |
| Accounts Payable                                | \$ 5,971                   | \$ 8,102                   | \$ 14,073                                                |
| Accrued Expenses                                | 4,952                      | 4,711                      | 9,663                                                    |
| Due To Other Funds                              | 311,637                    | -                          | 311,637                                                  |
| Notes Payable - La Dept of H & H - Current      | 8,000                      | -                          | 8,000                                                    |
| Notes Payable FMHA - Current                    | 38,688                     | 21,614                     | 60,302                                                   |
| Total Current Liabilities                       | <u>369,248</u>             | <u>34,427</u>              | <u>403,675</u>                                           |
| Noncurrent Liabilities                          |                            |                            |                                                          |
| Customer Deposits Payable                       | 69,755                     | -                          | 69,755                                                   |
| Notes Payable - La Dept of H & H                | 76,000                     | -                          | 76,000                                                   |
| Notes Payable FMHA                              | 125,583                    | 911,037                    | 1,036,620                                                |
| Total Noncurrent Liabilities                    | <u>271,338</u>             | <u>911,037</u>             | <u>1,182,375</u>                                         |
| <b>Total Liabilities</b>                        | <u>640,586</u>             | <u>945,464</u>             | <u>1,586,050</u>                                         |
| <b>Net Position</b>                             |                            |                            |                                                          |
| Invested in Capital Assets, Net of Related Debt | 1,435,147                  | 964,429                    | 2,399,576                                                |
| Restricted for Debt Service                     | 220,065                    | 263,600                    | 483,665                                                  |
| Unrestricted                                    | (292,448)                  | 404,225                    | 111,777                                                  |
| Total Net Position                              | <u>1,362,764</u>           | <u>1,632,254</u>           | <u>2,995,018</u>                                         |
| <b>Total Liabilities and Net Position</b>       | <u><u>\$ 2,003,350</u></u> | <u><u>\$ 2,577,718</u></u> | <u><u>\$ 4,581,068</u></u>                               |

The accompanying notes are an integral part of this financial statement.

**Town of Bernice, Louisiana**  
**Statement of Revenues, Expenses and Changes**  
**in Net Position - Proprietary Funds**  
**For the Year Ended December 31, 2025**

|                                                 | <b><u>Water Fund</u></b>   | <b><u>Sewer Fund</u></b>   | <b><u>Consolidated<br/>Water and<br/>Sewer Funds</u></b> |
|-------------------------------------------------|----------------------------|----------------------------|----------------------------------------------------------|
| <b><u>Operating Revenues</u></b>                |                            |                            |                                                          |
| Water Revenue                                   | \$ 441,515                 | \$ -                       | \$ 441,515                                               |
| Sewer Revenue                                   | -                          | 264,500                    | 264,500                                                  |
| Grant Income                                    | 69,629                     | 5,000                      | 74,629                                                   |
| Reconnect and Water Tap Fees                    | 5,916                      | -                          | 5,916                                                    |
| Late Fees and Miscellaneous                     | 40,276                     | -                          | 40,276                                                   |
| Total Operating Revenues                        | <u>557,336</u>             | <u>269,500</u>             | <u>826,836</u>                                           |
| <b><u>Operating Expenses</u></b>                |                            |                            |                                                          |
| Audit Expense                                   | -                          | -                          | -                                                        |
| Billing Department                              | 20,647                     | -                          | 20,647                                                   |
| Depreciation                                    | 132,544                    | 67,701                     | 200,245                                                  |
| Insurance                                       | 64,145                     | 27,027                     | 91,172                                                   |
| Interest                                        | 16,333                     | 35,399                     | 51,732                                                   |
| Miscellaneous                                   | 40,312                     | 42,682                     | 82,994                                                   |
| Repairs                                         | 20,203                     | 11,712                     | 31,915                                                   |
| Retirement                                      | 880                        | 2,465                      | 3,345                                                    |
| Salaries                                        | 96,924                     | 69,514                     | 166,438                                                  |
| Sewer Tests                                     | -                          | 5,775                      | 5,775                                                    |
| Supplies                                        | 41,634                     | 13,269                     | 54,903                                                   |
| Taxes - Payroll                                 | 7,415                      | 5,318                      | 12,733                                                   |
| Utilities                                       | 27,079                     | 31,612                     | 58,691                                                   |
| Suspense                                        | 3,126                      | -                          | 3,126                                                    |
| Vehicle                                         | 17,296                     | 1,031                      | 18,327                                                   |
| Total Operating Expenses                        | <u>488,538</u>             | <u>313,505</u>             | <u>802,043</u>                                           |
| <b>Total Operating Income /(Loss)</b>           | <u>68,798</u>              | <u>(44,005)</u>            | <u>24,793</u>                                            |
| <b><u>Non Operating Revenues/(Expenses)</u></b> |                            |                            |                                                          |
| Transfers In                                    | -                          | -                          | -                                                        |
| Transfers Out                                   | -                          | (35,000)                   | (35,000)                                                 |
| Interest Income                                 | 3,548                      | 1,506                      | 5,054                                                    |
| Total Non Operating Revenues/(Expenses)         | <u>3,548</u>               | <u>(33,494)</u>            | <u>(29,946)</u>                                          |
| <b>Change in Net Position</b>                   | \$ 72,346                  | \$ (77,499)                | \$ (5,153)                                               |
| <b>Net Position, Beginning of Year</b>          | <u>1,290,418</u>           | <u>1,709,753</u>           | <u>3,000,171</u>                                         |
| <b>Net Position, End of Year</b>                | <u><u>\$ 1,362,764</u></u> | <u><u>\$ 1,632,254</u></u> | <u><u>\$ 2,995,018</u></u>                               |

The accompanying notes are an integral part of this financial statement.

**Town of Bernice, Louisiana**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2025**

|                                                                                                          | <b><u>Water and<br/>Sewer Fund</u></b> |
|----------------------------------------------------------------------------------------------------------|----------------------------------------|
| <b><u>Cash Flows From Operating Activities</u></b>                                                       |                                        |
| Cash Received from Customers                                                                             | \$ 749,879                             |
| Cash Payments to Suppliers for Goods and Services                                                        | (421,585)                              |
| Cash Payments to Employees for Services                                                                  | (180,704)                              |
| Other Receipts (Payments)                                                                                | 23,908                                 |
| Net Cash Provided (Used) by Operating Activities                                                         | <u>171,498</u>                         |
| <b><u>Cash Flows From Capital and Related Financing Activities</u></b>                                   |                                        |
| Purchase of Capital Assets                                                                               | (74,260)                               |
| Principal Paid on Note Payable - FMHA                                                                    | (59,173)                               |
| Principal Paid on Note Payable - La Dept. of Health & Hospitals                                          | (8,000)                                |
| Net Cash Provided (Used) in Capital and Related Financing Activities                                     | <u>(141,433)</u>                       |
| <b><u>Cash Flows From Investing Activities</u></b>                                                       |                                        |
| Interest Income                                                                                          | 5,054                                  |
| Net Cash Provided (Used) by Investing Activities                                                         | <u>5,054</u>                           |
| <b>Net Increase/(Decrease) in Cash And Cash Equivalents</b>                                              | <u>35,119</u>                          |
| <b>Cash And Cash Equivalents, Beginning of Year</b>                                                      | 565,607                                |
| <b>Cash And Cash Equivalents, End of Year</b>                                                            | <u><u>\$ 600,726</u></u>               |
| <b>Reconciliation of Operating Income/(Loss) to Net Cash<br/>Provided/(Used) by Operating Activities</b> |                                        |
| Operating Income/(Loss)                                                                                  | \$ 24,793                              |
| <i>Adjustments to Reconcile Net Loss to Net Cash<br/>Provided (Used) by Operating Activities:</i>        |                                        |
| Depreciation                                                                                             | 200,245                                |
| Increase in Accounts Receivable                                                                          | (6,732)                                |
| Decrease in Accounts Payable                                                                             | (2,303)                                |
| Increase in Accrued Expenses                                                                             | 1,812                                  |
| Transfers In/Out, net                                                                                    | (35,000)                               |
| Increase in Meter Deposits                                                                               | 4,404                                  |
| Decrease in Due to/from Other Funds, net                                                                 | (15,721)                               |
| Net Cash Provided/(Used) by Operating Activities                                                         | <u><u>\$ 171,498</u></u>               |

The accompanying notes are an integral part of this financial statement

**Town of Bernice, Louisiana**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2025**

The Town of Bernice is located in Union Parish. The Town was incorporated under the provisions of the Lawrason Act.

The Town operates under a Mayor-Board of Alderman form of government. The Board of Alderman of the Town of Bernice is comprised of five aldermen, elected for four-year terms, who are compensated as shown in this report. The Town serves approximately 2,000 citizens by providing police protection, fire protection, water/sewer services, sanitation services, street maintenance and various administrative functions such as legislation of town ordinances and the enforcement of the same. The Town employs approximately twenty people to serve the needs of the citizens of the Town of Bernice.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of Bernice, Louisiana, have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

### **A. Financial Reporting Entity**

As the municipal governing authority, for reporting purposes, the Town of Bernice is considered a separate financial reporting entity. The financial reporting entity consists of (a) primary government (municipality), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

#### **Component Units**

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Town of Bernice for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the municipality to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity financial statements would be misleading if data on the organization were not included because of the nature or significance of the relationship.

As required by generally accepted accounting principles, these financial statements present the Town of Bernice (the primary government). The Town of Bernice has no component units.

**Town of Bernice, Louisiana**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Basis of Presentation**

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) changes to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets liabilities, fund balance, revenues, and expenditures. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

The funds of the Town are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least ten percent (10%) of the corresponding total for all funds of that category or type.
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least five percent (5%) of the corresponding total for all government and enterprise funds combined.
- c. The Town's management believes that the fund is particularly important to the financial statement users.

**Town of Bernice, Louisiana**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The funds are grouped into two fund types as described below:

**Governmental Funds:** Governmental funds account for all or most of the Town of Bernice's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between the governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations. The following are the Town's governmental funds:

1. General fund – to account for all financial resources, except those required to be accounted for in other funds.
2. Special revenue funds – to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Proprietary Funds:** Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. The proprietary fund of the Town of Bernice is an:

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

Water and Sewer Funds – Accounts for provision of water and sewerage services to the 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.

**C. Measurement focus and basis of accounting**

Measurement focus refers to what is being measured; whereas, basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements and fund financial statements for the proprietary fund are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recorded when earned, including unbilled utility services which are accrued. Expenses are recognized at the time the liability is incurred.

**Town of Bernice, Louisiana**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. As a general guideline, the Town considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred. The revenues susceptible to accrual are ad valorem taxes, sales, taxes, interest income, intergovernmental revenues, and charges for services. All other governmental fund revenues are recognized when received.

**D. Budget Information**

The Town of Bernice prepared operating budgets for the year ended December 31, 2025. The proposed budgets were published in the official journal and made available for public inspection. A public hearing for the proposed budgets was held on December 12, 2024, and the budgets were adopted by the mayor and council members. The budgets presented anticipated revenues and expenditures on a basis consistent with generally accepted accounting principles. The budgets were amended December 9, 2025. Appropriations lapse at year end and must be re-appropriated for the following year to be expended.

**E. Deposits and Investments**

Cash and cash equivalents consist of cash on hand, demand deposits, interest-bearing demand deposits, and short-term time deposits with original maturities of three months or less from date of acquisition.

Under state law, the Town of Bernice may invest funds in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

**F. Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activities columns of the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$5,000 or more for capitalizing assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Prior to January 1, 2004, governmental funds’ infrastructure assets were not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

**Town of Bernice, Louisiana**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

| <u>Asset Class</u>                | <u>Estimated Useful Lives</u> |
|-----------------------------------|-------------------------------|
| Buildings and Improvements        | 40 Years                      |
| Water and Sewer System            | 25-40 Years                   |
| Improvements Other than Buildings | 15-40 Years                   |
| Machinery and Equipment           | 3-15 Years                    |
| Vehicles                          | 5-15 Years                    |
| Infrastructure                    | 40 Years                      |

**G. Compensated Absences**

All unpaid vacation must be taken during the current year or it lapses at December 31. Therefore, there is no accrual of unpaid vacation. Unused sick pay shall be rolled over from year to year with the maximum accumulation of 30 days. There is no accrual for unpaid sick pay.

**H. Equity Classifications – Government-wide Statements**

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The Town reports three categories of net position, as follows:

- **Net investment in capital assets** - consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- **Restricted net position** - net position is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- **Unrestricted net position** - consists of all other net position that does not meet the definition of the above two components and is available for general use by the Town.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, management applies unrestricted net position first, unless a determination is made to use restricted net position. The Town's policy concerning which to apply first varies with the intended use and legal requirements. Management typically makes this decision on a transactional basis at the incurrence of the expenditure.

**I. Fund Equity of Fund Financial Statements**

Accounting standards require governmental fund balance to be reported in as many as five classifications as listed below:

Nonspendable - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted - represents balances where constraints have been established by parties outside the Town's office or imposed by law through constitutional provisions or enabling legislation.

Committed - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority.

**Town of Bernice, Louisiana**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Assigned - represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted nor committed.

Unassigned - represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Town's office reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned and unassigned amounts are available, the Town's office reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

**J. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds during the reporting period. Actual results could differ from those estimates.

**K. 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.

**2. 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, 2025, taxes were levied on property with assessed valuations totaling \$5,216,965 and were dedicated as follows:

|                           |            |
|---------------------------|------------|
| General corporate purpose | 5.47 mills |
|---------------------------|------------|

Total taxes levied were \$25,683. Taxes receivable at December 31, 2025, consisted of the following:

|                  |                |
|------------------|----------------|
| Taxes Receivable | <u>\$5,113</u> |
|------------------|----------------|

**Town of Bernice, Louisiana**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2025**

**3. CASH AND CASH EQUIVALENTS**

At December 31, 2025, the Town of Bernice has cash and cash equivalents (book balances) totaling \$731,335 unrestricted and \$483,665 restricted as follows:

|                 |                    |
|-----------------|--------------------|
| Demand Deposits | \$1,086,211        |
| Petty Cash      | 100                |
| Time Deposits   | <u>128,689</u>     |
| Total           | <u>\$1,215,000</u> |

These deposits are stated at cost, which approximates market. The Town does not have a policy for custodial credit risk; however, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2025, the Town of Bernice has \$1,308,392 in deposits (collected bank balances). These deposits are secured from risk by \$500,000 of federal deposit insurance and \$846,011 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town of Bernice that the fiscal agent has failed to pay deposited funds upon demand.

**4. RECEIVABLES**

|            | <u>General Fund</u> |    | <u>Proprietary Fund</u> |    | <u>Total</u>  |
|------------|---------------------|----|-------------------------|----|---------------|
| Ad Valorem |                     |    |                         |    |               |
| Taxes      | \$ 5,113            | \$ | -                       | \$ | 5,113         |
| Fines      | -                   |    | -                       |    | -             |
| Grants     | -                   |    | -                       |    | -             |
| Fees       | <u>-</u>            |    | <u>71,187</u>           |    | <u>71,187</u> |
| Totals     | <u>\$ 5,113</u>     | \$ | <u>71,187</u>           | \$ | <u>76,300</u> |

**5. INTERFUND RECEIVABLES, PAYABLES**

|              | <u>Interfund<br/>Receivables</u> |    | <u>Interfund<br/>Payables</u> |
|--------------|----------------------------------|----|-------------------------------|
| General Fund | \$ -                             | \$ | 9,724                         |
| Water Fund   | 9,724                            |    | 311,638                       |
| Sewer Fund   | <u>311,638</u>                   |    | <u>-</u>                      |
| Totals       | <u>\$ 321,362</u>                | \$ | <u>321,362</u>                |

**6. RESTRICTED ASSETS – PROPRIETARY FUND**

Restricted assets of the proprietary funds were comprised of the following at December 31, 2025:

|                       |                  |
|-----------------------|------------------|
| Cash for Debt Service | <u>\$483,665</u> |
|-----------------------|------------------|

**Town of Bernice, Louisiana**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2025**

**7. CAPITAL ASSETS**

|                                              | Balance<br>12/31/2024 | Additions          | Deletions   | Balance<br>12/31/2025 |
|----------------------------------------------|-----------------------|--------------------|-------------|-----------------------|
| <u>Governmental Activities</u>               |                       |                    |             |                       |
| Land                                         | \$ 259,385            | \$ -               | \$ -        | \$ 259,385            |
| Building and Improvements                    | 1,452,117             | 32,010             | -           | 1,484,127             |
| Improvements Other Than Buildings            | 2,306,156             | -                  | -           | 2,306,156             |
| Infrastructure                               | 715,888               | -                  | -           | 715,888               |
| Machinery and Equipment                      | 117,008               | 5,089              | -           | 122,097               |
| Vehicles                                     | 392,475               | -                  | -           | 392,475               |
| Total                                        | 5,243,029             | 37,099             | -           | 5,280,128             |
| Less: Accumulated Depreciation               |                       |                    |             |                       |
| Buildings and Improvements                   | 525,165               | 41,276             | -           | 566,441               |
| Improvements Other Than Buildings            | 1,355,828             | 61,116             | -           | 1,416,944             |
| Infrastructure                               | 388,970               | 17,897             | -           | 406,867               |
| Machinery and Equipment                      | 117,008               | 594                | -           | 117,602               |
| Vehicles                                     | 378,259               | 5,169              | -           | 383,428               |
| Total                                        | 2,765,230             | 126,052            | -           | 2,891,282             |
| Governmental Activities, Capital Assets, net | \$ <u>2,477,799</u>   | \$ <u>(88,953)</u> | \$ <u>-</u> | \$ <u>2,388,846</u>   |

|                                               | Balance<br>12/31/2024 | Additions           | Deletions   | Balance<br>12/31/2025 |
|-----------------------------------------------|-----------------------|---------------------|-------------|-----------------------|
| <u>Business Type Activities</u>               |                       |                     |             |                       |
| Land                                          | \$ 13,162             | \$ -                | \$ -        | \$ 13,162             |
| Water and Sewer System                        | 4,654,154             | -                   | -           | 4,654,154             |
| Computer Equipment                            | 7,998                 | -                   | -           | 7,998                 |
| Machinery and Equipment                       | 778,087               | 74,260              | -           | 852,347               |
| Sewer Rehab                                   | 2,708,021             | -                   | -           | 2,708,021             |
| Total                                         | 8,161,422             | 74,260              | -           | 8,235,682             |
| Less: Accumulated Depreciation                |                       |                     |             |                       |
| Water and Sewer System                        | 3,147,838             | 78,420              | -           | 3,226,256             |
| Computer Equipment                            | 7,998                 | -                   | -           | 7,998                 |
| Machinery and Equipment                       | 555,865               | 54,125              | -           | 609,990               |
| Sewer Rehab                                   | 743,240               | 67,700              | -           | 810,940               |
| Total                                         | 4,454,941             | 200,245             | -           | 4,655,184             |
| Business Type Activities, Capital Assets, net | \$ <u>3,706,481</u>   | \$ <u>(125,985)</u> | \$ <u>-</u> | \$ <u>3,580,498</u>   |

**Town of Bernice, Louisiana**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2025**

**7. CAPITAL ASSETS (continued)**

Depreciation expense reported by the various functions is presented as follows:

|                                               |                   |
|-----------------------------------------------|-------------------|
| <u>Governmental Activities</u>                |                   |
| General Government                            | \$ 102,986        |
| Public Safety                                 | 5,169             |
| Streets                                       | <u>17,897</u>     |
| Total Depreciation - Governmental Activities  | <u>\$ 126,052</u> |
| <br><u>Business Type Activities</u>           |                   |
| Water and Sewer                               | <u>\$ 200,245</u> |
| Total Depreciation - Business type Activities | <u>\$ 200,245</u> |

**8. INVENTORIES**

Inventories are valued at cost primarily by using first in, first out (FIFO) method. Inventories of the Enterprise Fund consists of repair materials, spare parts and consumable supplies. These inventories are accounted for using the consumption method.

**9. RETIREMENT PLANS**

All employees of the Town of Bernice, Louisiana, are members of the Social Security System. The Town contributed \$29,722 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 2025 totaled \$3,547.

**10. 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.

|                                |                   |
|--------------------------------|-------------------|
| Debt Payable January 1, 2025   | \$ 201,725        |
| Debt Issued                    | -                 |
| Debt Retired                   | <u>37,454</u>     |
| Debt Payable December 31, 2025 | 164,271           |
| Less: Current Maturities       | <u>38,688</u>     |
| Long-term Debt                 | <u>\$ 125,583</u> |

**Town of Bernice, Louisiana**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2025**

**10. LONG-TERM DEBT – PROPRIETARY FUND (continued)**

| <u>Year Ending December 31,</u> | <u>Principal</u>  | <u>Interest</u>  | <u>Total</u>      |
|---------------------------------|-------------------|------------------|-------------------|
| 2026                            | 38,688            | 10,853           | 49,541            |
| 2027                            | 41,009            | 8,532            | 49,541            |
| 2028                            | 43,470            | 6,071            | 49,541            |
| 2029                            | <u>41,104</u>     | <u>4,474</u>     | <u>45,578</u>     |
| Total                           | \$ <u>164,271</u> | \$ <u>29,930</u> | \$ <u>194,201</u> |

**Sewer Revenue Bond:**

Sewer improvement construction dated December 14, 2011, interest rate 3.75%, original bond issuance \$1,151,000. Bond is payable over a forty (40) year period, with a payment falling due on December 14, 2012, and with amortized payments of principal and interest in the amount of \$4,685 each beginning on January 14, 2013, and continuing on the fourteenth (14th) day of each month thereafter.

|                                |                   |
|--------------------------------|-------------------|
| Debt Payable January 1, 2025   | \$ 953,472        |
| Debt Issued                    | -                 |
| Debt Retired                   | <u>20,821</u>     |
| Debt Payable December 31, 2025 | 932,651           |
| Less: Current Maturities       | <u>21,614</u>     |
| Long-term Debt                 | \$ <u>911,037</u> |

| <u>Year Ending December 31,</u> | <u>Principal</u>  | <u>Interest</u>   | <u>Total</u>        |
|---------------------------------|-------------------|-------------------|---------------------|
| 2026                            | 21,614            | 34,606            | 56,220              |
| 2027                            | 22,438            | 33,782            | 56,220              |
| 2028                            | 23,294            | 32,926            | 56,220              |
| 2029                            | 24,183            | 32,037            | 56,220              |
| 2030-2034                       | 135,479           | 145,621           | 281,100             |
| 2035-2039                       | 163,369           | 117,731           | 281,100             |
| 2040-2044                       | 197,005           | 84,095            | 281,100             |
| 2045-2049                       | 237,562           | 43,538            | 281,100             |
| 2050-2051                       | <u>107,707</u>    | <u>4,256</u>      | <u>111,963</u>      |
| Total                           | \$ <u>932,651</u> | \$ <u>528,592</u> | \$ <u>1,461,243</u> |

**Water Tank Renovation Bond**

The Town received financing from the Louisiana Department of Health and Hospitals for the renovation of the water system water tank. The renovation was completed in 2016. The amount financed was \$217,221 with \$65,166 of the debt forgiven leaving a balance due of \$152,055. This amount will be repaid with the issuance of revenue bonds series 2015. Interest at 2.95% and administration fees at .5% are due twice a year. Principal payment are due annually.

**Town of Bernice, Louisiana**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2025**

**10. LONG-TERM DEBT – PROPRIETARY FUND (continued)**

|                                |                         |
|--------------------------------|-------------------------|
| Debt Payable January 1, 2025   | \$ 92,000               |
| Debt Issued                    | -                       |
| Debt Retired                   | <u>8,000</u>            |
| Debt Payable December 31, 2025 | 84,000                  |
| Less: Current Maturities       | <u>8,000</u>            |
| Long-term Debt                 | <u><u>\$ 76,000</u></u> |

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u>  | <u>Total</u>     |
|---------------------------------|------------------|------------------|------------------|
| 2026                            | 8,000            | 2,478            | 10,478           |
| 2027                            | 8,000            | 2,242            | 10,242           |
| 2028                            | 9,000            | 2,006            | 11,006           |
| 2029                            | 9,000            | 1,740            | 10,740           |
| 2030                            | 9,000            | 1,475            | 10,475           |
| 2031-2034                       | <u>41,000</u>    | <u>3,068</u>     | <u>44,068</u>    |
| Total                           | \$ <u>84,000</u> | \$ <u>13,009</u> | \$ <u>97,009</u> |

**11. GENERAL FUND 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. During 2014, the Town began paying back its portion of cost for the project which was calculated at \$56,623. The Town is repaying the balance in ten equal yearly installments of \$5,662. As of December 31, 2025, \$16,987 remains due and will be repaid in four yearly installment in the year ending December 31, 2028.

**12. PENSION PLAN – MPERS**

**MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM**

All full-time police officers engaged in law enforcement are required to participate in the Municipal Police Employees' Retirement System (MPERS), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. Members who started prior to January 1, 2013, can retire at or after age 55 with 12 years of creditable service, at or after age 50 with 20 years of creditable service, or at any age with 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3-1/3 percent of the member's average final compensation multiplied by his years of creditable service, not to exceed 100 percent of his average final compensation.

Average final compensation is the average annual earned compensation of a member for any period of 36 successive or joined months of service that produces the highest average.

Members who started on or after January 1, 2013, retire under one of two plans, Hazardous Duty or Non Hazardous Duty. Under Hazardous Duty, at or after age 55 with 12 years of creditable service, or at any age with 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of the member's average final compensation, not to

**Town of Bernice, Louisiana**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2025**

**12. PENSION PLAN – MPERS (continued)**

exceed 100 percent of his average final compensation. Under Non Hazardous Duty, at or after age 60 with 10 years of creditable service, 25 years of credible service at age 55, or at any age with 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 1/2 percent of the member's average final compensation, not to exceed 100 percent of his average final compensation.

For these members, average final compensation is the average annual earned compensation of a member for any period of 60 successive or joined months of service that produces the highest average.

The system also provides death and disability benefits. Benefits are established by state statute.

Funding Policy - State statute requires covered employees to contribute 10 percent of their salaries to the system. The Town was required to contribute 35.6% for June 30, 2025 and 33.475% for June 30, 2026 of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The Town's contributions to the System for the years ending December 31, 2025, 2024, and 2023 were \$21,235, \$759 and \$11,296, respectively, equal to the required contributions for the year.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees' Retirement System, 8401 United Plaza Blvd., Baton Rouge, Louisiana 70809-7017, or by calling (225) 929-7411.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2025, the Town reported a liability of \$0 for its proportionate share of the net pension liability for the MPERS plan. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the MPERS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2025, the Town's proportion was 0%, which was a decrease of .004943% from its proportion measured as of June 30, 2024.

For the year ended December 31, 2025, the Town recognized pension expense of (\$657) net of employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$0.

At December 31, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Town of Bernice, Louisiana**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2025**

**12. PENSION PLAN – MPERS (continued)**

|                                                                                                               | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Differences between expected and actual experience                                                            | \$ -                              | \$ -                             |
| Changes of assumptions                                                                                        | -                                 | -                                |
| Net difference between projected and actual earnings on pension plan investments                              | -                                 | -                                |
| Changes in proportion and differences between Employer contributions and proportionate share of contributions | 12,719                            | (37,368)                         |
| Employer contributions subsequent to the measurement date                                                     | 13,562                            | -                                |
| Total                                                                                                         | <u>\$ 26,281</u>                  | <u>\$ (37,368)</u>               |

The Town reported a total of \$13,562 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2025, which will be recognized as a reduction in net pension liability in the year ended June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

| Year | MPERS                    |
|------|--------------------------|
| 2026 | \$ (657)                 |
| 2027 | (13,376)                 |
| 2028 | (10,616)                 |
| 2029 | -                        |
|      | <u><u>\$(24,649)</u></u> |

**Actuarial Assumptions**

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2025, is as follows:

**Town of Bernice, Louisiana**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2025**

**12. PENSION PLAN – MPERS (continued)**

|                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Valuation Date</b>                           | June 30, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Actuarial Cost Method</b>                    | Entry Age Normal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Actuarial Assumptions:</b>                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Expected Remaining Service Lives</b>         | 4 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Investment Rate of Return/Inflation Rate</b> | 6.75%, net of investment expense, 2.50% inflation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Projected salary increases</b>               | 4.70 to 13% based on years of service                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Mortality</b>                                | <p>For employees, the Pub-2016 Public Retirement Plan Mortality Table for Safety Below-Median Employees multiplied by 125% for males and 125% for females, each with full generational projection using the MP2021 scale</p> <p>For disabled lives, the Pub-2016 Public Retirement Plan Mortality Table for Safety Disable Retirees multiplied by 125% for males and 125% for females, each with full generational projection using the MP2021 scale was used</p> <p>For annuitants and beneficiaries, the Pub-2016 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 125% for males and 125% for females, each with full generational projection using the MP2021 scale was used</p> |

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2019, through June 30, 2024, and the review of similar law enforcement mortality. A change was made full generational mortality which combines the use of a base mortality table which appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combines with a standard table to produce current levels of mortality.

The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long-term rate of return is 8.12% for the year ended June 30, 2025.

**Town of Bernice, Louisiana**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2025**

**12. PENSION PLAN – MPERS (continued)**

The best estimates of the arithmetic nominal rates of return for each major asset class included in the system's target allocation as of June 30, 2025, are summarized in the following table:

| <b>Asset Class</b>                 | <b>Target Allocation</b> | <b>Long-Term Expected<br/>Portfolio Real Rate of<br/>Return</b> |
|------------------------------------|--------------------------|-----------------------------------------------------------------|
| Equity                             | 51.00%                   | 3.20%                                                           |
| Fixed Income                       | 35.00%                   | 1.21%                                                           |
| Alternative Investments            | 14.00%                   | 1.04%                                                           |
| Other                              | 0.00%                    | 0.00%                                                           |
| Total                              | 100%                     | 5.45%                                                           |
| Inflation                          |                          | 2.67%                                                           |
| Expected Arithmetic Nominal Return |                          | 8.12%                                                           |

**Discount Rate**

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following table presents the Town's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the Town's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

|                | <b>1.0% Decrease</b> | <b>Current Discount<br/>Rate</b> | <b>1.0% Increase</b> |
|----------------|----------------------|----------------------------------|----------------------|
| MPERS          |                      |                                  |                      |
| Rates          | 5.75%                | 6.75%                            | 7.75%                |
| TOB Share- NPL | \$ -                 | \$ -                             | \$ -                 |

**Town of Bernice, Louisiana**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2025**

**13. 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 are 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.

**14. TOWN OF BERNICE, LOUISIANA, ELECTED OFFICIALS**

| <u>Name</u>         | <u>Position</u>     | <u>Salary</u>    | <u>Expires</u> |
|---------------------|---------------------|------------------|----------------|
| Mildred Ferguson    | Mayor               | \$ 33,529        | 12/31/26       |
| Larry Jones         | Chief of Police     | 32,078           | 12/31/26       |
| Oliver Gene Terral  | Alderman District 1 | 3,500            | 12/31/26       |
| Lanell George Clubs | Alderman District 2 | 2,750            | 12/31/26       |
| Karen Hall          | Alderman District 3 | 2,875            | 12/31/26       |
| Joanna Ward         | Alderman District 4 | 2,875            | 12/31/26       |
| Amy Pesnell         | Alderman District 5 | 2,875            | 12/31/26       |
| Total               |                     | <u>\$ 80,482</u> |                |

**15. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 30, 2025, the date that the financial statements were available to be issued, and determined that no events occurred that require disclosure.

**Town of Bernice, Louisiana**  
**Budgetary Comparison Schedule - General Fund**  
**For the Year Ended December 31, 2025**

|                                                                                                          | <b>Budgeted Amounts</b> |                   | <b>Actual<br/>Amounts</b> | <b>Variance With<br/>Final Budget</b> |
|----------------------------------------------------------------------------------------------------------|-------------------------|-------------------|---------------------------|---------------------------------------|
|                                                                                                          | <b>Original</b>         | <b>Final</b>      | <b>GAAP<br/>Basis</b>     | <b>Favorable<br/>(Unfavorable)</b>    |
| <b>Revenues</b>                                                                                          |                         |                   |                           |                                       |
| Taxes                                                                                                    |                         |                   |                           |                                       |
| Ad Valorem                                                                                               | \$ 23,000               | \$ 21,000         | \$ 25,683                 | \$ 4,683                              |
| Tobacco and Beverage                                                                                     | -                       | -                 | 605                       | 605                                   |
| Franchise                                                                                                | 45,000                  | 60,000            | 64,384                    | 4,384                                 |
| Licenses and Permits                                                                                     | 52,000                  | 55,406            | 58,781                    | 3,375                                 |
| Fines                                                                                                    | 35,000                  | 20,000            | 24,493                    | 4,493                                 |
| Charges for Services                                                                                     | 106,000                 | 106,000           | 104,218                   | (1,782)                               |
| Interest Income                                                                                          | 2,000                   | 10,000            | 4,432                     | (5,568)                               |
| Grant Income                                                                                             | -                       | 179,629           | 10,000                    | (169,629)                             |
| Other Revenues                                                                                           | 3,500                   | 9,200             | 10,996                    | 1,796                                 |
| Total Revenues                                                                                           | <u>266,500</u>          | <u>461,235</u>    | <u>303,592</u>            | <u>(157,643)</u>                      |
| <b>Expenditures</b>                                                                                      |                         |                   |                           |                                       |
| General Government                                                                                       | 298,330                 | 372,532           | 328,033                   | 44,499                                |
| Public Safety                                                                                            | 170,000                 | 214,787           | 213,689                   | 1,098                                 |
| Streets                                                                                                  | 61,500                  | 61,500            | 63,893                    | (2,393)                               |
| Sanitation                                                                                               | 50,000                  | 50,000            | 56,107                    | (6,107)                               |
| Capital Outlay                                                                                           | -                       | -                 | 37,099                    | (37,099)                              |
| Debt Payments                                                                                            | -                       | -                 | 5,662                     | (5,662)                               |
| Total Expenditures                                                                                       | <u>579,830</u>          | <u>698,819</u>    | <u>704,483</u>            | <u>(5,664)</u>                        |
| <b>Excess of Revenues over Expenditures</b>                                                              | <u>(313,330)</u>        | <u>(237,584)</u>  | <u>(400,891)</u>          | <u>(163,307)</u>                      |
| <b>Other Financing Sources (Uses)</b>                                                                    |                         |                   |                           |                                       |
| Operating Transfers - In                                                                                 | 300,000                 | 290,000           | 335,000                   | 45,000                                |
| Operating Transfers - Out                                                                                | -                       | -                 | -                         | -                                     |
| Total Other Financing Sources (Uses)                                                                     | <u>300,000</u>          | <u>290,000</u>    | <u>335,000</u>            | <u>45,000</u>                         |
| <b>Excess of Revenues and Other Financing<br/>Sources Over Expenditures and Other<br/>Financing Uses</b> | <u>(13,330)</u>         | <u>52,416</u>     | <u>(65,891)</u>           | <u>(118,307)</u>                      |
| <b>Fund Balances, Beginning of Year</b>                                                                  | 217,036                 | 217,036           | 217,036                   | -                                     |
| <b>Fund Balances, End of Year</b>                                                                        | <u>\$ 203,706</u>       | <u>\$ 269,452</u> | <u>\$ 151,145</u>         | <u>\$ (118,307)</u>                   |

See independent auditors' report.

**Town of Bernice, Louisiana**  
**Budgetary Comparison Schedule - Sales Tax Fund**  
**For the Year Ended December 31, 2025**

|                                                                                                          | <b>Budgeted Amounts</b> |                   | <b>Actual<br/>Amounts</b> | <b>Variance With<br/>Final Budget</b> |
|----------------------------------------------------------------------------------------------------------|-------------------------|-------------------|---------------------------|---------------------------------------|
|                                                                                                          | <b>Original</b>         | <b>Final</b>      | <b>GAAP<br/>Basis</b>     | <b>Favorable<br/>(Unfavorable)</b>    |
| <b>Revenues</b>                                                                                          |                         |                   |                           |                                       |
| Taxes                                                                                                    |                         |                   |                           |                                       |
| Sales & Use                                                                                              | \$ 319,075              | \$ 319,075        | \$ 317,804                | \$ (1,271)                            |
| Interest Income                                                                                          | -                       | -                 | 14,725                    | 14,725                                |
| Total Revenues                                                                                           | <u>319,075</u>          | <u>319,075</u>    | <u>332,529</u>            | <u>13,454</u>                         |
| <b>Expenditures</b>                                                                                      |                         |                   |                           |                                       |
| General Government                                                                                       | -                       | -                 | -                         | -                                     |
| Public Safety                                                                                            | 4,800                   | 4,800             | 4,800                     | -                                     |
| Total Expenditures                                                                                       | <u>4,800</u>            | <u>4,800</u>      | <u>4,800</u>              | <u>-</u>                              |
| <b>Excess of Revenues over Expenditures</b>                                                              | <u>314,275</u>          | <u>314,275</u>    | <u>327,729</u>            | <u>13,454</u>                         |
| <b>Other Financing Sources (Uses)</b>                                                                    |                         |                   |                           |                                       |
| Operating Transfers Out                                                                                  | <u>(300,000)</u>        | <u>(280,000)</u>  | <u>(300,000)</u>          | <u>(20,000)</u>                       |
| <b>Excess of Revenues and Other Financing<br/>Sources Over Expenditures and Other<br/>Financing Uses</b> | <u>14,275</u>           | <u>34,275</u>     | <u>27,729</u>             | <u>(6,546)</u>                        |
| <b>Fund Balances, Beginning of Year</b>                                                                  | 385,363                 | 385,363           | 385,363                   | -                                     |
| <b>Fund Balances, End of Year</b>                                                                        | <u>\$ 399,638</u>       | <u>\$ 419,638</u> | <u>\$ 413,092</u>         | <u>\$ (6,546)</u>                     |

See independent auditors' report.

**Town of Bernice, Louisiana**  
**Notes to Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2025**

Budgetary Comparison Schedule:

1. Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the GAAP basis, and variances between the final budget and the actual data.

2. Budget Amendments and Revisions

The budget is adopted by the Board of Aldermen. Amendments can be made on the approval of the Board of Aldermen. A budgetary comparison is presented for all major funds consistent with accounting principles generally accepted in the United States of America.

**Town of Bernice, Louisiana**  
**Schedule of Proportionate Share of Net Pension Liability**  
**Municipal Police Employees' Retirement System**  
**For the Year Ended December 31, 2025**

| <u>Year<br/>Ended<br/>June 30,</u> | <u>Employer's<br/>Proportion<br/>of the<br/>Net Pension<br/>Liability<br/>(Asset)</u> | <u>Employer's<br/>Proportionate<br/>Share of the<br/>Net Pension<br/>Liability<br/>(Asset)</u> | <u>Employer's<br/>Covered<br/>Employee<br/>Payroll</u> | <u>Employer's<br/>Proportionate Share<br/>of the Net Pension<br/>Liability (Asset) as a<br/>Percentage of its<br/>Covered Employee<br/>Payroll</u> | <u>Plan Fiduciary<br/>Net Position<br/>as a Percentage<br/>of the Total<br/>Pension Liability</u> |
|------------------------------------|---------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| 2023                               | 0.0062%                                                                               | \$ 65,925                                                                                      | \$ 34,845                                              | 189.20%                                                                                                                                            | 71.30%                                                                                            |
| 2024                               | 0.0049%                                                                               | \$ 44,783                                                                                      | \$ 2,236                                               | 2002.82%                                                                                                                                           | 75.84%                                                                                            |
| 2025                               | 0.0000%                                                                               | \$ -                                                                                           | 62,068                                                 | 0.00%                                                                                                                                              | 81.94%                                                                                            |

*This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with YE December 31, 2023.*

\* The amounts presented have a measurement date of the previous fiscal year end.

**Town of Bernice, Louisiana**  
**Schedule of the Employer's Contributions**  
**Municipal Police Employees' Retirement System**  
**For the Year Ended December 31, 2025**

| Year<br>Ended<br>December 31, | Contractually<br>Required<br>Contribution <sup>1</sup> | Contributions in<br>Relation to<br>Contractually<br>Required<br>Contribution <sup>2</sup> | Contribution<br>Deficiency<br>(Excess) | Employer's<br>Covered<br>Employee<br>Payroll <sup>3</sup> | Contributions<br>as a % of<br>Covered<br>Employee<br>Payroll |
|-------------------------------|--------------------------------------------------------|-------------------------------------------------------------------------------------------|----------------------------------------|-----------------------------------------------------------|--------------------------------------------------------------|
| 2023                          | \$ 11,296                                              | \$ 11,296                                                                                 | \$ -                                   | \$ 34,845                                                 | 32.42%                                                       |
| 2024                          | \$ 759                                                 | \$ 759                                                                                    | \$ -                                   | \$ 2,236                                                  | 33.94%                                                       |
| 2025                          | \$ 21,235                                              | \$ 21,235                                                                                 | \$ -                                   | 62,068                                                    | 34.21%                                                       |

*This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with YE December 31, 2023.*

***For reference only:***

<sup>1</sup> *Employer contribution rate multiplied by employer's covered employee payroll*

<sup>2</sup> *Actual employer contributions remitted to the Muniicpal Police Employees' Retirement System*

<sup>3</sup> *Employer's covered employee payroll amount for the year ended noted.*

**Town of Bernice, Louisiana**  
**Schedule of Compensation, Benefits and Other Payments to Agency Head**  
**For the Year Ended December 31, 2025**

**Agency Head:**

Mildred Ferguson, Mayor

**Purpose:**

|                                                        |                                |
|--------------------------------------------------------|--------------------------------|
| Salary                                                 | \$ 23,600                      |
| Benefits - Retirement                                  | 731                            |
| Benefits - Insurance                                   | 4,398                          |
| Reimbursements                                         | -                              |
| Car Allowance                                          | <u>4,800</u>                   |
| <b>Total Compensation, Benefits and Other Payments</b> | <b><u><u>\$ 33,529</u></u></b> |

See independent auditors' report.

**Town of Bernice, Louisiana**  
**LCDBG Funds**  
**Balance Sheet**  
**December 31, 2025**

**Assets**

|                             |                     |
|-----------------------------|---------------------|
| Cash                        | \$ 13               |
| Due From Other Governments: | <u>-</u>            |
| <b><u>Total Assets</u></b>  | <b><u>\$ 13</u></b> |

**Liabilities and Fund Balance**

**Liabilities**

|                          |          |
|--------------------------|----------|
| Accounts Payable         | \$ -     |
| Due To Other Funds       | <u>-</u> |
| <b>Total Liabilities</b> | <b>-</b> |

**Fund Balance**

|                                                  |                     |
|--------------------------------------------------|---------------------|
| Restricted                                       | <u>13</u>           |
| <b><u>Total Liabilities and Fund Balance</u></b> | <b><u>\$ 13</u></b> |

See independent auditors' report.

**Town of Bernice, Louisiana**  
**LCDBG Funds**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended December 31, 2025**

|                                                            |                         |
|------------------------------------------------------------|-------------------------|
| <b><u>Revenues</u></b>                                     |                         |
| LCDBG Program                                              | \$ -                    |
| Miscellaneous Revenues                                     | -                       |
| Total Revenues                                             | <u>-</u>                |
| <br><b><u>Expenditures</u></b>                             |                         |
| Administrative Services                                    | -                       |
| Engineering Services                                       | -                       |
| Total Expenditures                                         | <u>-</u>                |
| <br><b><u>Deficiency of Revenues Over Expenditures</u></b> | <br>-                   |
| <br><b><u>Fund Balance - Beginning</u></b>                 | <br><u>13</u>           |
| <br><b><u>FUND BALANCE - ENDING</u></b>                    | <br><u><u>\$ 13</u></u> |

See independent auditors' report.

**Town of Bernice**  
**Collecting/Disbursing Entity Schedule**  
**As Required By Act 87 of 2020 Regular Legislative Session**  
**For the Year Ended December 31, 2025**

|                                                                                                                           | First Six<br>Month Period<br>Ended<br>6/30/2025 | Second Six<br>Month Period<br>Ended<br>12/31/2025 |
|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|---------------------------------------------------|
| Cash Basis Presentation                                                                                                   |                                                 |                                                   |
| Beginning Balance of Amounts Collected (i.e. cash on hand)                                                                | \$ -                                            | \$ -                                              |
| Add: Collections                                                                                                          |                                                 |                                                   |
| Criminal Court Costs/Fees                                                                                                 | 12,207                                          | 9,840                                             |
| Criminal Fines - Contempt                                                                                                 | -                                               | -                                                 |
| Criminal Fines - Other                                                                                                    | 33                                              | 75                                                |
| Restitution                                                                                                               | -                                               | -                                                 |
| Service/Collection Fees                                                                                                   | 357                                             | 349                                               |
| Total Collections                                                                                                         | <u>12,597</u>                                   | <u>10,264</u>                                     |
| Less: Disbursements To Governments & Nonprofits:                                                                          |                                                 |                                                   |
| Union Parish Crime Stoppers, Criminal Court Costs/Fees                                                                    | 132                                             | 122                                               |
| Treasurer, State of Louisiana - CMIS, Criminal Court Costs/Fees                                                           | 72                                              | 61                                                |
| Louisiana Commission on Law Enforcement, Criminal Court<br>Costs/Fees                                                     | 141                                             | 115                                               |
| Department of Health and Human Services, Traumatic Health<br>and Spinal Cord Injury Trust Fund, Criminal Court Costs/Fees | 205                                             | 215                                               |
| Louisiana Supreme Court, Criminal Court Costs/Fees                                                                        | 36                                              | 61                                                |
| North Louisiana Criminalistics Lab Commission, Criminal<br>Court Costs/Fees                                               | 40                                              | 70                                                |
| Less: Amounts Retained by Collecting Agency                                                                               |                                                 |                                                   |
| Amounts Self Disbursed for Criminal Fines - Other                                                                         | 11,614                                          | 9,271                                             |
| Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies                                            |                                                 |                                                   |
| Other Disbursements to Individuals                                                                                        | 357                                             | 349                                               |
| Total Disbursements/Retainage                                                                                             | <u>\$ 12,597</u>                                | <u>\$ 10,264</u>                                  |
| Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)                                 | \$ -                                            | \$ -                                              |

See independent auditors' report.

# CAMERON, HINES & COMPANY

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**Certified Public Accountants**

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## **INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and Board of Aldermen  
Town of Bernice  
Bernice, Louisiana:

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, of the Town of Bernice, Louisiana (the Town), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated June 30, 2026.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-002 that we consider to be material weaknesses.

To the Honorable Mayor and Board of Aldermen  
Town of Bernice  
Bernice, Louisiana  
Page 2

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2025-001.

### **Town of Bernice, Louisiana's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Cameron Hines & Company (APAC)*

West Monroe, Louisiana  
June 30, 2026

**Town of Bernice, Louisiana**  
**Schedule of Findings and Questioned Costs**  
**For The Year Ended December 31, 2025**

Honorable Mayor and Board of Aldermen of  
Bernice, Louisiana

We have audited the financial statements of the governmental activities and each major fund of the Town of Bernice, as of and for the year ended December 31, 2025, which collectively comprise the basic financial statements and have issued our report thereon dated June 30, 2026. 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. Our audit of the financial statements as of December 31, 2025, resulted in an unmodified opinion.

**Section I- Summary of Auditors' Results**

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness ☒ yes ☐ no

Significant Deficiencies not considered to be  
Material Weaknesses ☐ yes ☒ no

Compliance

Noncompliance Material to Financial Statements ☒ yes ☐ no

B. Federal Awards: N/A

Material Weakness Identified ☐ yes ☐ no

Significant Deficiencies not considered to be  
Material Weaknesses ☐ yes ☐ no

Type of Opinion on Compliance for Major Programs

Unmodified ☐ Qualified ☐

Disclaimer ☐ Adverse ☐

Are there findings required to be reported in accordance with Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), subpart F?

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster):

Dollar threshold used to distinguish between Type A and Type B Programs.

Is the auditee a "low-risk" auditee, as defined by Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), subpart F?

**Town of Bernice, Louisiana**  
**Schedule of Findings and Questioned Costs**  
**For The Year Ended December 31, 2025**

**Section II - Financial Statement Findings**

**2025-001 Unfavorable Budget Variance**

**Condition:**

The Town's actual expenditures for the year exceeded budgeted expenditures by greater than five percent.

**Criteria:**

Louisiana Revised Statute 39:1311 requires the Town to amend its budget if there is a 5% or greater shortage in actual revenues as compared to budgeted revenues or a 5% or greater overage in actual expenditures as compared to budgeted expenditures.

**Cause:**

The Town did not amend its budget for the variances in expenditures.

**Potential Effect:**

The Town is not in compliance with state budget law.

**Recommendation:**

The Town should continue to monitor revenues and expenditures throughout the year to ensure actual revenues and expenditures are within the five percent variance of the budgeted revenues and expenditures.

**Response:**

The Town will continue to monitor revenues and expenditures throughout the year as compared to budgeted revenues and expenditures and amend budgets in compliance with Louisiana Revised Statute 39:1311.

**2025-002 Unrecorded Transactions**

**Condition:**

The Town failed to record transactions related to federal grants received.

**Criteria:**

The Town should make the auditors aware of all transactions made within the Town's grant bank account.

**Cause:**

Grant funds were deposited into the grant bank account, and checks were written from the account. However, these transactions were not recorded in the Town's financial system.

**Potential Effect:**

Grant revenue and expenditures could be inaccurately reflected on the financial statements.

**Town of Bernice, Louisiana**  
**Schedule of Findings and Questioned Costs**  
**For The Year Ended December 31, 2025**

**2025-002      Unrecorded Transactions (Continued)**

Recommendation:

The Town should record all transactions that flow through the Town's grant bank account, so they may be reflected in the financial statements as a whole.

Response:

The Town Clerk will set up the appropriate new accounts in the Town's financial software system to ensure all grant activity is recorded properly and reflected in the financial statements.

**Section III - Federal Award Findings and Questioned Costs**

This section is not applicable.

**Town of Bernice, Louisiana**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended December 31, 2025**

**2024-001      Unfavorable Budget Variance**

Condition:

The Town's actual revenues were lower than budgeted revenues, and actual expenditures for the year exceeded budgeted expenditures, both by greater than five percent.

Recommendation:

The Town should continue to monitor revenues and expenditures throughout the year to ensure actual revenues and expenditures are within the five percent variance of the budgeted revenues and expenditures.

Current Status:

Finding is repeated as 2025-001.

**2024-002      Unrecorded Transactions**

Condition:

The Town failed to record transactions related to federal grants received.

Recommendation:

The Town should record all transactions that flow through the Town's grant bank account, so they may be reflected in the financial statements as a whole.

Current Status:

Finding is repeated as 2025-002.

**TOWN OF BERNICE, LOUISIANA**

*Independent Accountants' Report on  
Applying Agreed-Upon Procedures*

*For the Year Ended December 31, 2025*



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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Town of Bernice and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025, through December 31, 2025. The Town of Bernice's (the Town) management is responsible for those C/C areas identified in the SAUPs.

The Town has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025, through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### 1) Written Policies and Procedures

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- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:<sup>1</sup>
  - i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - ii. **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
  - iii. **Disbursements**, including processing, reviewing, and approving.
  - iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff

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<sup>1</sup> For governmental organizations, the practitioner may eliminate those categories and subcategories not applicable to the organization's operations. For quasi-public organizations, including nonprofits, the practitioner may eliminate those categories and subcategories not applicable to public funds administered by the quasi-public.

- procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
  - vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
  - vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
  - viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
  - ix. ***Ethics***<sup>2</sup>, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
  - x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
  - xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
  - xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Findings:** Twenty-four exceptions noted where the Town's policies and procedures did not address the required subcategories listed above.

## ***2) Board or Finance Committee***<sup>3</sup>

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- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

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<sup>2</sup> The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

<sup>3</sup> These procedures are not applicable to entities managed by a single elected official, such as a sheriff or assessor.

- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds<sup>4</sup>, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds<sup>5</sup> if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.<sup>6</sup>

**Findings:** One exception noted where the Town did not reference or include, in the minutes, budget-to-actual comparisons on the required funds on a monthly or quarterly basis. One exception noted where the board/finance committee did not receive written updates of the progress of resolving audit findings, according to management's corrective action plan pertaining to the prior year's audit findings.

### **3) Bank Reconciliations**

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- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts<sup>7</sup> (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

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<sup>4</sup>Proprietary fund types are defined under GASB standards and include enterprise and internal service funds. The related procedure addresses these funds as a way to verify that boards are provided with financial information necessary to make informed decisions about entity operations, including proprietary operations that are not required to be budgeted under the Local Government Budget Act.

<sup>5</sup> R.S. 24:513 (A)(1)(b)(iv) defines public funds.

<sup>6</sup> No exception is necessary if management's opinion is that the cost of taking corrective action for findings related to improper segregation of duties or inadequate design of controls over the preparation of the financial statements being audited exceeds the benefits of correcting those findings.

<sup>7</sup> Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Findings:** Five exceptions noted where there was no evidence that a member of management or board member had reviewed the bank reconciliation. The detail of outstanding items did not have accompanying dates, so we were unable to test management's research of items that were outstanding for more than twelve months.

#### **4) Collections (excluding electronic funds transfers)<sup>8</sup>**

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- A. Obtain a listing of deposit sites<sup>9</sup> for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations<sup>10</sup> and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
  - i. Employees responsible for cash collections do not share cash drawers/registers;
  - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
  - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank*

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<sup>8</sup> The Collections category is not required to be performed if the entity has a third-party contractor performing all collection functions (e.g., receiving collections, preparing deposits, and making deposits).

<sup>9</sup> A deposit site is a physical location where a deposit is prepared and reconciled.

<sup>10</sup> A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school district a collection location may be a classroom and a deposit site may be the school office. For school boards only, the practitioner should consider the deposit site and collection location to be the same if there is a central person (secretary or bookkeeper) through which collections are deposited.

*statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:*

- i. Observe that receipts are sequentially pre-numbered.<sup>11</sup>
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe that the deposit was made within one business day of receipt<sup>12</sup> at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v. Trace the actual deposit per the bank statement to the general ledger.

**Findings:** Three exceptions noted where a deposit was not made within one business day of receipt at the collection location.

#### ***5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)***

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- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
  - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
  - ii. At least two employees are involved in processing and approving payments to vendors;
  - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
  - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
  - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

*[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]*

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<sup>11</sup> The practitioner is not required to test for completeness of revenues relative to classroom collections by teachers.

<sup>12</sup> As required by Louisiana Revised Statute 39:1212.

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
  - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

**Findings:** No exceptions noted.

#### ***6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)***

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- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards<sup>13</sup>. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
  - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have

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<sup>13</sup> Including cards used by school staff for either school operations or student activity fund operations.

10 transactions subject to inspection)<sup>14</sup>. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

- D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees’ authorization has been removed.

**Findings:** Two exceptions noted where there was no evidence that the combined statement and supporting documentation was reviewed and approved by someone other than the authorized cardholder. Five exceptions noted where a transaction was not supported by an original itemized receipt. Twelve exceptions noted where a transaction did not have written documentation of the business/public purpose.

#### ***7) Travel and Travel-Related Expense Reimbursements<sup>15</sup> (excluding card transactions)***

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- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));
  - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
  - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
  - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Findings:** No exceptions noted.

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<sup>14</sup> For example, if 3 of the 5 cards selected were fuel cards, transactions would only be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #7B were fuel cards, procedure #7C would not be applicable.

<sup>15</sup> Non-travel reimbursements are not required to be inspected under this category.

## 8) Contracts

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- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
  - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law<sup>16</sup> (e.g., solicited quotes or bids, advertised), if required by law;
  - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
  - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
  - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

**Findings:** No exceptions noted.

## 9) Payroll and Personnel

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- A. Obtain a listing of employees and officials<sup>17</sup> employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
  - i. Observe that all selected employees or officials<sup>18</sup> documented their daily attendance and leave (e.g., vacation, sick, compensatory);
  - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
  - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
  - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

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<sup>16</sup> If the entity has adopted the state Procurement Code, replace "Louisiana Public Bid Law" with "Louisiana Procurement Code."

<sup>17</sup> "Officials" would include those elected, as well as board members who are appointed.

<sup>18</sup> Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

**Findings:** Three exceptions noted where the attendance and leave of the employee did not have evidence of approval.

#### 10) *Ethics*<sup>19</sup>

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
  - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
  - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

**Findings:** No exceptions noted.

#### 11) *Debt Service*<sup>20</sup>

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- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve

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<sup>19</sup> The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the procedures should be performed.

<sup>20</sup> This AUP category is generally not applicable to nonprofit entities. However, if applicable, the procedures should be performed.

balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

**Findings:** No exceptions noted.

### ***12) Fraud Notice<sup>21</sup>***

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- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Findings:** No exceptions noted.

### ***13) Information Technology Disaster Recovery/Business Continuity***

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- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
  - i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
  - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
  - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

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<sup>21</sup> Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs and the notice is available for download at [www.la.gov/hotline](http://www.la.gov/hotline)

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267<sup>22</sup>. The requirements are as follows:
- i. Hired before June 9, 2020 - completed the training; and
  - ii. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

**Findings:** We performed the procedure and discussed the results with management.

#### ***14) Prevention of Sexual Harassment<sup>23</sup>***

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
  - ii. Number of sexual harassment complaints received by the agency;
  - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
  - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - v. Amount of time it took to resolve each complaint.

**Findings:** No exceptions noted.

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<sup>22</sup> While it appears to be a good practice for charter schools to ensure its employees are trained to keep their information technology assets safe from cyberattack, charter schools do not appear required to comply with 42:1267. An individual charter school, though, through specific provisions of its charter, may mandate that all employees/officials receive cybersecurity training.

<sup>23</sup> While it appears to be a good practice for charter schools to ensure it has policies and training for sexual harassment, charter schools do not appear required to comply with the Prevention of Sexual Harassment Law (R.S. 42:341 et seq). An individual charter school, through the specific provisions of its charter, may mandate sexual harassment training.

## ***Management's Response***

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We agree with the results of the procedures and will address the identified exceptions.

We were engaged by the Town to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Cameron, Hines & Company (APAC)*

West Monroe, Louisiana  
June 30, 2026