

Town of Bernice, Louisiana

*Financial Report
For The Year Ended December 31, 2020*



Town of Bernice, Louisiana
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For The Year Ended December 31, 2020

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CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

INDEPENDENT AUDITORS' REPORT

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

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, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Opinions

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 of Bernice, Louisiana, as of December 31, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-6 and 27-29 be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Bernice'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 Justice System Funding Schedules are the responsibility of management and were derived from and relates 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 information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2021, on our consideration of the Town of Bernice'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 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 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 of Bernice's internal control over financial reporting and compliance.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
September 17, 2021

**Town of Bernice
Management's Discussion and Analysis
For The Year Ended December 31, 2020**

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, 2020. Please read it in conjunction with the Town's financial statements, which follow this section.

Financial Highlights

The Town's net position decreased \$30,316.

Program and general revenues amounted to \$1,289,083.

Expenses for the year amounted to \$1,319,399.

Capital Asset additions amounted to \$50,295.

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
Management's Discussion and Analysis
For The Year Ended December 31, 2020**

Financial Analysis of the Funds

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

	Net Position					
	Governmental Activities		Business Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
<u>Assets</u>						
Current & Other	\$ 425,086	\$ 298,079	\$ 692,889	\$ 611,145	\$ 1,117,975	\$ 909,224
Capital Assets, net	2,296,331	2,362,936	3,129,101	3,266,464	5,425,432	5,629,400
Total Assets	<u>\$ 2,721,417</u>	<u>\$ 2,661,015</u>	<u>\$ 3,821,990</u>	<u>\$ 3,877,609</u>	<u>\$ 6,543,407</u>	<u>\$ 6,538,624</u>
<u>Liabilities</u>	\$ 54,661	\$ 38,604	\$ 1,924,425	\$ 1,905,381	\$ 1,979,086	\$ 1,943,985
<u>Net Position</u>						
Invested in Capital Assets, net of debt	2,296,331	2,362,936	1,647,233	1,732,347	3,943,564	4,095,283
Restricted	-	-	201,268	172,768	201,268	172,768
Unrestricted	370,425	259,475	49,064	67,113	419,489	326,588
Total Net Position	<u>\$ 2,666,756</u>	<u>\$ 2,622,411</u>	<u>\$ 1,897,565</u>	<u>\$ 1,972,228</u>	<u>\$ 4,564,321</u>	<u>\$ 4,594,639</u>

The largest portion of the Town's net position (86% and 88%) are invested in capital assets. 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 (4% and 5%) represents resources that are restricted to debt retirement.

The unrestricted net position (10% and 6%) can be used to finance the day-to-day operations of the Town without restraints.

**Town of Bernice
Management's Discussion and Analysis
For The Year Ended December 31, 2020**

Change in Net Position

	Governmental Activities		Business Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
REVENUES:						
Program Revenues						
Charges for Services	\$ 130,751	\$ 189,787	\$ 619,066	\$ 629,251	\$ 749,817	\$ 819,038
Grants and Contributions	-	37,500	-	65,140	-	102,640
General Revenues						
Taxes	316,930	267,611	-	-	316,930	267,611
Licenses	50,714	50,656	-	-	50,714	50,656
Other	171,531	3,346	91	188	171,622	3,534
Total Revenues	669,926	548,900	619,157	694,579	1,289,083	1,243,479
EXPENSES:						
General Government	385,778	411,729	-	-	385,778	411,729
Public Safety	157,307	131,797	-	-	157,307	131,797
Streets	31,609	33,898	-	-	31,609	33,898
Sanitation	50,887	24,062	-	-	50,887	24,062
Water and Sewer	-	-	693,818	699,592	693,818	699,592
Total Expenses	625,581	601,486	693,818	699,592	1,319,399	1,301,078
Increase (Decrease) in Net Position	44,345	(52,586)	(74,661)	(5,013)	(30,316)	(57,599)
Net Position, Beginning of Year	2,622,411	2,674,997	1,972,226	1,977,241	4,594,637	4,652,238
Net Position, End of Year	\$ 2,666,756	\$ 2,622,411	\$ 1,897,565	\$ 1,972,228	\$ 4,564,321	\$ 4,594,639

Governmental activities increased the Town's net position by \$44,345 for the year 2020. Key elements and highlights are:

- 1) The Town received \$155,000 for the sale of a building.
- 2) Depreciation of the capital assets accounted for \$102,790 of the expenses.

The proprietary funds, water and sewer had a net operating loss of \$(74,661) for the year 2020. Key elements and highlights are:

- 1) Depreciation of the capital assets accounted for \$151,472 of the expenses.

**Town of Bernice
Management's Discussion and Analysis
For The Year Ended December 31, 2020**

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 2020 was amended December 17, 2020.

Capital Assets

The Town invested \$50,295 in capital assets for the year 2020.

Economic Factors and Next Year's Budget

The Town has prepared its 2021 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, 2020

Assets	Governmental Activities	Business-Type Activities	Total
Cash and Cash Equivalents	\$ 390,634	\$ 57,941	\$ 448,575
Accounts Receivable	13,820	56,523	70,343
Property Tax Receivable	11,250	-	11,250
Due From Other Funds	-	370,205	370,205
Prepaid Insurance	9,382	-	9,382
Inventory Supplies	-	6,952	6,952
Restricted Assets			
Cash	-	201,268	201,268
Capital Assets, net	2,296,331	3,129,101	5,425,432
Total Assets	\$ 2,721,417	\$ 3,821,990	\$ 6,543,407
Liabilities and Net Position			
Liabilities			
Accounts Payable	\$ 32,404	\$ 12,260	\$ 44,664
Accrued Expenses	4,813	9,526	14,339
Due to Other Funds	457	369,748	370,205
Long-Term Liabilities			
Customer Deposits Payable	-	51,023	51,023
Due Within One Year	5,662	53,832	59,494
Due In More Than One Year	11,325	1,428,036	1,439,361
Total Liabilities	54,661	1,924,425	1,979,086
Net Position			
Invested in Capital Assets, Net of Related Debt	2,296,331	1,647,233	3,943,564
Restricted For:			
Debt Service	-	201,268	201,268
Unrestricted	370,425	49,064	419,489
Total Net Position	2,666,756	1,897,565	4,564,321
Total Liabilities and Net Position	\$ 2,721,417	\$ 3,821,990	\$ 6,543,407

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

Town of Bernice, Louisiana
Statement of Activities
December 31, 2020

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Operating Grants and Contributions</u>
Primary Government:				
Governmental Activities:				
General Government	\$ 385,778	\$ -	\$ -	\$ -
Public Safety	157,307	25,140	-	-
Streets	31,609	-	-	-
Sanitation	50,887	105,611	-	-
Total Governmental Activities	<u>\$ 625,581</u>	<u>\$ 130,751</u>	<u>\$ -</u>	<u>\$ -</u>
Business-Type Activities:				
Water and Sewer	\$ 693,818	\$ 619,066	\$ -	\$ -
Total Business-Type Activities	<u>\$ 693,818</u>	<u>\$ 619,066</u>	<u>\$ -</u>	<u>\$ -</u>
Total Primary Government	<u>\$ 1,319,399</u>	<u>\$ 749,817</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:

Taxes:
Ad Valorem
Tobacco and Beverage
Franchise
Sales and Use
Licenses and Permits
Interest Income
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 Activities	Business-Type Activities	Total
\$ (385,778)	\$ -	\$ (385,778)
(132,167)	-	(132,167)
(31,609)	-	(31,609)
54,724	-	54,724
<u>\$ (494,830)</u>	<u>\$ -</u>	<u>\$ (494,830)</u>
<u>\$ -</u>	<u>\$ (74,752)</u>	<u>\$ (74,752)</u>
<u>\$ -</u>	<u>\$ (74,752)</u>	<u>\$ (74,752)</u>
<u>\$ (494,830)</u>	<u>\$ (74,752)</u>	<u>\$ (569,582)</u>
26,489	-	26,489
728	-	728
32,260	-	32,260
257,453	-	257,453
50,714	-	50,714
779	91	870
170,752	-	170,752
<u>539,175</u>	<u>91</u>	<u>539,266</u>
44,345	(74,661)	(30,316)
<u>2,622,411</u>	<u>1,972,226</u>	<u>4,594,637</u>
<u>\$ 2,666,756</u>	<u>\$ 1,897,565</u>	<u>\$ 4,564,321</u>

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

Town of Bernice, Louisiana
Balance Sheet
Governmental Funds
December 31, 2020

Assets	General Fund	Sales Tax Fund	Railroad Grant Fund	Total Governmental Funds
Cash and Cash Equivalents	\$ 154,794	\$ 208,717	\$ 27,123	\$ 390,634
Accounts Receivable	13,820	-	-	13,820
Property Tax Receivable	11,250	-	-	11,250
Due From Other Funds	-	-	-	-
Prepaid Insurance	9,382	-	-	9,382
Total Assets	\$ 189,246	\$ 208,717	\$ 27,123	\$ 425,086

Liabilities and Fund Balances

Liabilities				
Accounts Payable	\$ 32,404	\$ -	\$ -	\$ 32,404
Due To Other Funds	457	-	-	457
Accrued Expenses	4,813	-	-	4,813
Total Liabilities	37,674	-	-	37,674
Fund Balances				
Nonspendable	9,382	-	-	9,382
Assigned	-	208,717	-	208,717
Restricted	-	-	-	-
Committed	-	-	27,123	27,123
Unassigned	142,190	-	-	142,190
Total Fund Balances	151,572	208,717	27,123	387,412
Total Liabilities and Fund Balances	\$ 189,246	\$ 208,717	\$ 27,123	\$ 425,086

Total Fund Balances \$ 387,412

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

Capital assets used in governmental activities are not financial resources and therefore not reported in the funds 2,296,331

Long-Term debt and notes payable are not due and payable in the current period and, therefore, are not reported in the governmental funds (16,987)

Net Position of Governmental Activities \$ 2,666,756

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, 2020

	General Fund	Sales Tax Fund	Railroad Grant Fund	Total Governmental Funds
Revenues				
Taxes				
Ad Valorem	\$ 26,489	\$ -	\$ -	\$ 26,489
Tobacco and Beverage	728	-	-	728
Franchise	32,260	-	-	32,260
Sales & Use	-	257,453	-	257,453
Licenses and Permits	50,714	-	-	50,714
Fines	25,140	-	-	25,140
Charges for Services	105,611	-	-	105,611
Interest Income	305	474	-	779
Grant Income	-	-	-	-
Other Revenues	170,752	-	-	170,752
Total Revenues	411,999	257,927	-	669,926
Expenditures				
General Government	288,650	-	-	288,650
Public Safety	152,507	4,800	-	157,307
Streets	31,609	-	-	31,609
Sanitation	50,887	-	-	50,887
Capital Outlay	36,185	-	-	36,185
Total Expenditures	559,838	4,800	-	564,638
Excess of Revenues over Expenditures	(147,839)	253,127	-	105,288
Other Financing Sources (Uses)				
Operating Transfers - In	200,000	-	-	200,000
Operating Transfers - Out	-	(200,000)	-	(200,000)
Total Other Financing Sources (Uses)	200,000	(200,000)	-	-
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	52,161	53,127	-	105,288
Fund Balances, Beginning of Year	99,411	155,590	27,123	282,124
Fund Balances, End of Year	\$ 151,572	\$ 208,717	\$ 27,123	\$ 387,412
Net Change in Fund Balances - Total Governmental Funds				\$ 105,288
<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
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				
				36,185
Less: Current Year Depreciation				
				(102,790)
Change in Net Position in Governmental Activities				\$ 44,345

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

Town of Bernice, Louisiana
Statements of Net Position
Proprietary Funds
December 31, 2020

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Consolidated Water and Sewer Funds</u>
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 12,409	\$ 45,532	\$ 57,941
Accounts Receivables	56,523	-	56,523
Due From Other Funds	-	370,204	370,204
Inventory Supplies	6,952	-	6,952
Total Current Assets	<u>75,884</u>	<u>415,736</u>	<u>491,620</u>
Noncurrent Assets:			
Restricted Cash and Investments	57,668	143,600	201,268
Capital Assets, Net	893,518	2,235,584	3,129,102
Total Noncurrent Assets	<u>951,186</u>	<u>2,379,184</u>	<u>3,330,370</u>
Total Assets	<u>\$ 1,027,070</u>	<u>\$ 2,794,920</u>	<u>\$ 3,821,990</u>
Liabilities and Net Position			
Liabilities			
Current Liabilities			
Accounts Payable	\$ 6,172	\$ 6,088	\$ 12,260
Accrued Expenses	6,668	2,858	9,526
Due To Other Funds	369,749	-	369,749
Notes Payable - La Dept of H & H - Current	7,000	-	7,000
Notes Payable FMHA - Current	28,908	17,980	46,888
Total Current Liabilities	<u>418,497</u>	<u>26,926</u>	<u>445,423</u>
Noncurrent Liabilities			
Customer Deposits Payable	51,023	-	51,023
Notes Payable - La Dept of H & H	114,000	-	114,000
Notes Payable FMHA	302,577	1,011,402	1,313,979
Total Noncurrent Liabilities	<u>467,600</u>	<u>1,011,402</u>	<u>1,479,002</u>
Total Liabilities	<u>886,097</u>	<u>1,038,328</u>	<u>1,924,425</u>
Net Position			
Invested in Capital Assets, Net of Related Debt	441,033	1,206,202	1,647,235
Restricted for Debt Service	57,668	143,600	201,268
Unrestricted	(357,728)	406,790	49,062
Total Net Position	<u>140,973</u>	<u>1,756,592</u>	<u>1,897,565</u>
Total Liabilities and Net Position	<u>\$ 1,027,070</u>	<u>\$ 2,794,920</u>	<u>\$ 3,821,990</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, 2020

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Consolidated Water and Sewer Funds</u>
<u>Operating Revenues</u>			
Water Revenue	\$ 303,270	\$ -	\$ 303,270
Sewer Revenue	-	277,589	277,589
Grant Income	-	-	-
Reconnect and Water Tap Fees	3,925	-	3,925
Late Fees and Miscellaneous	34,283	-	34,283
Total Operating Revenues	341,478	277,589	619,067
<u>Operating Expenses</u>			
Audit Expense	6,333	6,333	12,666
Billing Department	15,317	-	15,317
Depreciation	83,770	67,701	151,471
Insurance	38,830	16,653	55,483
Interest	25,667	38,923	64,590
Miscellaneous	36,907	3,040	39,947
Repairs	30,088	4,860	34,948
Retirement	719	497	1,216
Salaries	137,579	68,674	206,253
Sewer Tests	-	3,542	3,542
Supplies	19,583	13,772	33,355
Taxes - Payroll	10,525	5,254	15,779
Utilities	22,284	26,529	48,813
Vehicle	6,182	4,257	10,439
Total Operating Expenses	433,784	260,035	693,819
Total Operating Income /(Loss)	(92,306)	17,554	(74,752)
<u>Non Operating Revenues/(Expenses)</u>			
Transfers In	-	-	-
Interest Income	51	40	91
Total Non Operating Revenues/(Expenses)	51	40	91
Change in Net Position	\$ (92,255)	\$ 17,594	\$ (74,661)
Net Position, Beginning of Year	233,228	1,738,998	1,972,226
Net Position, End of Year	\$ 140,973	\$ 1,756,592	\$ 1,897,565

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, 2020

	Water and Sewer Fund
<u>Cash Flows From Operating Activities</u>	
Cash Received from Customers	\$ 619,067
Cash Payments to Suppliers for Goods and Services	(317,258)
Cash Payments to Employees for Services	(223,248)
Other Receipts (Payments)	-
Net Cash Provided (Used) by Operating Activities	78,561
<u>Cash Flows From Capital and Related Financing Activities</u>	
Purchase of Capital Assets	(14,108)
Principal Paid on Note Payable - FMHA	(45,249)
Principal Paid on Note Payable - La Dept. of Health & Hospitals	(7,000)
Net Cash Provided (Used) in Capital and Related Financing Activities	(66,357)
<u>Cash Flows From Investing Activities</u>	
Interest Income	91
Net Cash Provided (Used) by Investing Activities	91
Net Increase/(Decrease) in Cash And Cash Equivalents	12,295
Cash And Cash Equivalents, Beginning of Year	246,914
Cash And Cash Equivalents, End of Year	\$ 259,209
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities	
Operating Income/(Loss)	\$ (74,752)
<i>Adjustments to Reconcile Net Loss to Net Cash Provided (Used) by Operating Activities:</i>	
Depreciation	151,471
Decrease in Receivables	1,868
Increase in Inventory	(2,322)
Increase in Accounts Payable	2,500
Increase in Accrued Expenses	1,455
Increase in Meter Deposits	7,000
Increase in Due to Other Funds, net	(8,659)
Net Cash Provided/(Used) by Operating Activities	\$ 78,561

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, 2020

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 persons 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, 2020

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) charges 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, 2020

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.

Town of Bernice, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2020

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.

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, 2020. 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 10, 2019, 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 8, 2020. 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.

Town of Bernice, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2020

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:

<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.

Town of Bernice, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2020

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.

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.

Town of Bernice, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2020

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, 2020, taxes were levied on property with assessed valuations totaling \$4,842,512 and were dedicated as follows:

General corporate purpose 5.47 mills

Total taxes levied were \$26,489. Taxes receivable at December 31, 2020 consisted of the following:

Taxes Receivable \$11,250

3. CASH AND CASH EQUIVALENTS

At December 31, 2020, the Town of Bernice has cash and cash equivalents (book balances) totaling \$448,575 unrestricted and \$201,268 restricted as follows:

Demand Deposits	\$511,747
Petty Cash	100
Time Deposits	<u>137,996</u>
Total	<u>\$649,843</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, 2020, the Town of Bernice has \$689,321 in deposits (collected bank balances). These deposits are secured from risk by \$500,000 of federal deposit insurance and \$238,477 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	\$	11,250	\$	-	\$	11,250
Fines		13,820		-		13,820
Fees		-		56,523		56,523
Totals	\$	<u>25,070</u>	\$	<u>56,523</u>	\$	<u>81,593</u>

Town of Bernice, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2020

5. INTERFUND RECEIVABLES, PAYABLES

		Interfund Receivables		Interfund Payables
General Fund	\$	-	\$	458
Water Fund		458		370,205
Sewer Fund		370,205		-
Totals	\$	370,663	\$	370,663

6. RESTRICTED ASSETS – PROPRIETARY FUND

Restricted assets of the proprietary funds were comprised of the following at December 31, 2020:

Cash for Debt Service	<u>\$201,268</u>
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7. CAPITAL ASSETS

	Balance 12/31/2019	Additions	Deletions	Balance 12/31/2020
<u>Governmental Activities</u>				
Land	\$ 259,385	\$ -	\$ -	\$ 259,385
Building and Improvements	931,475	-	-	931,475
Improvements Other Than Buildings	2,306,156	-	-	2,306,156
Infrastructure	715,888	-	-	715,888
Machinery and Equipment	117,008	-	-	117,008
Vehicles	356,289	36,186	-	392,475
Total	4,686,201	36,186	-	4,722,387
Less: Accumulated Depreciation				
Buildings and Improvements	500,519	22,201	-	522,720
Improvements Other Than Buildings	1,049,965	61,400	-	1,111,365
Infrastructure	299,484	17,898	-	317,382
Machinery and Equipment	117,008	-	-	117,008
Vehicles	356,289	1,291	-	357,580
Total	2,323,265	102,790	-	2,426,055
Governmental Activities, Capital Assets, net	\$ 2,362,936	\$ (66,604)	\$ -	\$ 2,296,332

Town of Bernice, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2020

	Balance 12/31/2019	Additions	Deletions	Balance 12/31/2020
<u>Business Type Activities</u>				
Land	\$ 13,162	\$ -	\$ -	\$ 13,162
Water and Sewer System	3,661,168	-	-	3,661,168
Computer Equipment	7,998	-	-	7,998
Machinery and Equipment	524,194	14,109	-	538,303
Sewer Rehab	2,708,021	-	-	2,708,021
Total	6,914,543	14,109	-	6,928,652
Less: Accumulated				
Depreciation				
Water and Sewer System	2,847,508	58,463	-	2,905,971
Computer Equipment	7,998	-	-	7,998
Machinery and Equipment	387,836	25,308	-	413,144
Sewer Rehab	404,737	67,701	-	472,438
Total	3,648,079	151,472	-	3,799,551
Business Type Activities, Capital Assets, net	\$ 3,266,464	\$ (137,363)	\$ -	\$ 3,129,101

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

<u>Governmental Activities</u>	
General Government	\$ 78,257
Public Safety	6,636
Streets	17,897
Total Depreciation - Governmental Activities	\$ 102,790
 <u>Business Type Activities</u>	
Water and Sewer	\$ 151,472
Total Depreciation - Business type Activities	\$ 151,472

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 \$32,206 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 2020 totaled \$3,842.

Town of Bernice, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2020

10. POST RETIREMENT BENEFITS

The Town provides no post retirement benefits for its employees.

11. 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, 2020		\$	359,468
Debt Issued			-
Debt Retired			<u>27,983</u>
Debt Payable December 31, 2020			331,485
Less: Current Maturities			<u>28,908</u>
Long-term Debt		\$	<u>302,577</u>

Year Ending December 31,	Principal	Interest	Total
2021	28,908	20,633	49,541
2022	30,643	18,898	49,541
2023	32,481	17,060	49,541
2024	34,430	15,111	49,541
2025	36,498	13,043	49,541
2026-2029	<u>168,525</u>	<u>29,556</u>	<u>198,081</u>
Total	\$ <u>331,485</u>	\$ <u>114,301</u>	\$ <u>445,786</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 \$4,685.00 each beginning on January 14, 2013 and continuing on the fourteenth (14th) day of each month thereafter.

Debt Payable January 1, 2020		\$	1,046,649
Debt Issued			-
Debt Retired			<u>17,267</u>
Debt Payable December 31, 2020			1,029,382
Less: Current Maturities			<u>17,924</u>
Long-term Debt		\$	<u>1,011,458</u>

Town of Bernice, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2020

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	17,924	38,296	56,220
2022	18,607	37,613	56,220
2023	19,317	36,903	56,220
2024	20,054	36,166	56,220
2025-2029	112,348	168,752	281,100
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	107,717	4,256	111,973
Total	\$ <u>1,029,382</u>	\$ <u>712,971</u>	\$ <u>1,742,353</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.

Debt Payable January 1, 2020	\$ 128,000
Debt Issued	-
Debt Retired	<u>7,000</u>
Debt Payable December 31, 2020	121,000
Less: Current Maturities	<u>7,000</u>
Long-term Debt	\$ <u>114,000</u>

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	7,000	4,175	11,175
2022	7,000	3,933	10,933
2023	7,000	3,157	10,157
2024	8,000	2,950	10,950
2025	8,000	2,714	10,714
2026-2029	34,000	8,467	52,467
2030-2034	50,000	4,543	54,543
Total	\$ <u>121,000</u>	\$ <u>29,939</u>	\$ <u>150,939</u>

Town of Bernice, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2020

12. 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, 2020, \$16,987 remains due and will be repaid in 3 equal yearly installments through the year ending December 31, 2023.

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. PENDING LITIGATION AND CONTINGENT LIABILITIES

The Town has an open claim on their worker's compensation insurance policy as of September 17, 2021. The outcome of this claim is unknown at this time.

Legal Council has not been advised by the Town of Bernice nor have they obtained any independent information from other sources, nor are aware of any fact giving rise to any possible unasserted claims or assessments, which are probable of assertion.

15. TOWN OF BERNICE, LOUISIANA, ELECTED OFFICIALS

<u>Name</u>	<u>Position</u>	<u>Salary</u>	<u>Expires</u>
Mildred Ferguson	Mayor	\$ 21,893	12/31/22
Eddie Horton	Chief of Police	53,223	12/31/22
Oliver Gene Terral	Alderman District 1	3,000	12/31/22
John Levingston	Alderman District 2	2,400	12/31/22
Karen Hall	Alderman District 3	2,400	12/31/22
James Montgomery	Alderman District 4	2,400	12/31/22
Amy Pesnell	Alderman District 5	2,400	12/31/22
Total		\$ <u>87,716</u>	

16. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 17, 2021, 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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u> <u>Basis</u>	<u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
Revenues				
Taxes				
Ad Valorem	\$ 24,000	\$ 24,000	\$ 26,489	\$ 2,489
Tobacco and Beverage	-	-	728	728
Franchise	32,260	32,260	32,260	-
Licenses and Permits	46,000	50,000	50,714	714
Fines	75,000	43,000	25,140	(17,860)
Charges for Services	75,000	100,000	105,611	5,611
Interest Income	-	-	305	305
Other Revenues	17,000	11,000	170,752	159,752
Total Revenues	<u>269,260</u>	<u>260,260</u>	<u>411,999</u>	<u>151,739</u>
Expenditures				
General Government	232,765	257,287	288,650	(31,363)
Public Safety	187,000	138,000	152,507	(14,507)
Streets	32,000	31,600	31,609	(9)
Sanitation	18,000	43,000	50,887	(7,887)
Capital Outlay	-	-	36,185	(36,185)
Total Expenditures	<u>469,765</u>	<u>469,887</u>	<u>559,838</u>	<u>(89,951)</u>
Excess of Revenues over Expenditures	<u>(200,505)</u>	<u>(209,627)</u>	<u>(147,839)</u>	<u>61,788</u>
Other Financing Sources (Uses)				
Operating Transfers - In	205,000	190,000	200,000	10,000
Operating Transfers - Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>205,000</u>	<u>190,000</u>	<u>200,000</u>	<u>10,000</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>4,495</u>	<u>(19,627)</u>	<u>52,161</u>	<u>71,788</u>
Fund Balances, Beginning of Year	88,798	115,836	99,411	10,901
Fund Balances, End of Year	<u>\$ 93,293</u>	<u>\$ 96,209</u>	<u>\$ 151,572</u>	<u>\$ 82,689</u>

See independent auditors' report.

Town of Bernice, Louisiana
Budgetary Comparison Schedule - Sales Tax Fund
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>GAAP</u> <u>Basis</u>	<u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
Revenues				
Taxes				
Sales & Use	\$ 185,000	\$ 237,000	\$ 257,453	\$ 20,453
Interest Income	120	85	474	389
Total Revenues	<u>185,120</u>	<u>237,085</u>	<u>257,927</u>	<u>20,842</u>
Expenditures				
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>
Excess of Revenues over Expenditures	<u>180,320</u>	<u>232,285</u>	<u>253,127</u>	<u>20,842</u>
Other Financing Sources (Uses)				
Operating Transfers Out	<u>(205,000)</u>	<u>(190,000)</u>	<u>(200,000)</u>	<u>(10,000)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(24,680)</u>	<u>42,285</u>	<u>53,127</u>	<u>10,842</u>
Fund Balances, Beginning of Year	3,880	23,805	155,590	100,588
Fund Balances, End of Year	<u>\$ (20,800)</u>	<u>\$ 66,090</u>	<u>\$ 208,717</u>	<u>\$ 111,430</u>

See independent auditors' report.

Town of Bernice, Louisiana
Notes to Budgetary Comparison Schedule
For the Year Ended December 31, 2020

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
Schedules of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2020

Agency Head:

Mildred Ferguson, Mayor

Purpose:

Salary	\$ 21,893
Benefits - Retirement	648
Benefits - Insurance	-
Car Allowance	4,800
Reimbursements	-
Travel	425
Total Compensation, Benefits and Other Payments	<u>\$ 27,766</u>

See independent auditors' report.

Town of Bernice, Louisiana
LCDBG Funds
Balance Sheet
December 31, 2020

Assets

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

Liabilities and Fund Balance

Liabilities

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

Fund Balance

Restricted		<u>13</u>
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<u>Total Liabilities and Fund Balance</u>	\$	<u>13</u>
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See independent auditors' report.

Town of Bernice, Louisiana
LCDBG Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2020

<u>Revenues</u>	
LCDBG Program	\$ 428,028
Miscellaneous Revenues	-
Total Revenues	<u>428,028</u>
<u>Expenditures</u>	
Administrative Services	17,400
Engineering Services	<u>410,628</u>
Total Expenditures	<u>428,028</u>
<u>Deficiency of Revenues Over Expenditures</u>	-
<u>Fund Balance - Beginning</u>	<u>13</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ 13</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, 2020

	First Six Month Period Ended 6/30/2020	Second Six Month Period Ended 12/31/2020
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$0	\$0
Add: Collections		
Criminal Fines - Other	12,500	15,534
Total Collections	<u>12,500</u>	<u>15,534</u>
Less: Disbursements To Governments & Nonprofits:		
Union Parish Crime Stoppers, Criminal Fines - Other	458	128
Treasurer, State of Louisiana - CMIS, Criminal Fines - Other	229	64
Louisiana Commission on Law Enforcement, Criminal Fines - Other	449	131
Department of Health and Human Services, Traumatic Health and Spinal Cord Injury Trust Fund, Criminal Fines - Other	865	225
Louisiana Supreme Court, Criminal Fines - Other	115	32
North Louisiana Criminalistics Lab Commission, Criminal Fines - Other	120	20
Less: Amounts Retained by Collecting Agency		
Amounts Self Disbursed for Criminal Fines - Other	10,264	14,876
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Other Disbursements to Individuals	0	58
Total Disbursements/Retainage	<u>12,500</u>	<u>15,534</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	\$0	\$0

See independent auditor's report.

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

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, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town of Bernice's basic financial statements, and have issued our report thereon dated September 17, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Bernice's internal control over financial reporting (internal control) to determine the 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 of Bernice'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Bernice'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 responses as item 20-01.

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
September 17, 2021

Town of Bernice, Louisiana
Schedule of Findings and Responses
For The Year Ended December 31, 2020

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, 2020, which collectively comprise the basic financial statements and have issued our report thereon dated September 17, 2021. 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, 2020 resulted in an unmodified opinion.

Section I - Summary of Auditors' Reports

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

	Yes	No
<u>Internal Control</u>		
Material Weaknesses		X
Significant Deficiencies		X
 <u>Compliance</u>		
Noncompliance Material to Financial Statements	X	

B. Federal Awards – N/A

Section II - Financial Statement Findings

20-01 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's Office to amend its budget if there is a 5% or greater overage in budgeted revenues as compared to actual revenues or a 5% or greater overage in actual expenditures as compared to budgeted expenditures.

Cause:

Unknown

Town of Bernice, Louisiana
Schedule of Findings and Responses
For The Year Ended December 31, 2020

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.

Section III - Federal Award Findings and Questioned Costs

This section is not applicable for this entity.

**Town of Bernice, Louisiana
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2020**

Internal Control and Compliance Material to the Financial Statements

Findings

19-01 – The Town’s actual expenditures for the year exceeded budgeted expenditures by greater than five percent.

Response

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

Management Letter

No management letter was issued.