

TOWN OF BOYCE, LOUISIANA

**Annual Financial Report
For the Year Ended May 31, 2022**



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November 21, 2022

Independent Auditors' Report

To the Honorable Mayor and Board of Aldermen
Town of Boyce, Louisiana

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Boyce, as of and for the year ended May 31, 2022, 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, the business-type activities, and each major fund of the Town of Boyce, as of May 31, 2022, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Boyce 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.

Emphasis-of-Matter

As discussed in Note 15 to the financial statements, the Town has suffered recurring losses from operations. Management's evaluation of the events and conditions and management's plans to mitigate these matters are also described in Note 15. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.



1407 Peterman Drive
Post Office Box 12178
Alexandria, Louisiana 71315

Voice: 318.442.1608
Fax: 318.487.2027
Online: CenlaCPAs.com

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 of Boyce'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.

Auditor's 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 auditor's 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 judgment 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 of Boyce'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 of Boyce'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 the information listed below to supplement the basic financial statements.

- Management's Discussion and Analysis
- Budgetary Comparison Information
- Schedule of Net Pension Liability Data
- Schedule of Employer Contributions

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 of Boyce's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to the Agency Head or Chief Executive Officer, the Schedule of Per Diem Paid to Board Members, and the Justice System Funding Schedules, described as additional information in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The additional information is the responsibility of management and was 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 additional information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2022 on our consideration of the Town of Boyce'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 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 Town of Boyce's internal control over financial reporting and compliance.



ROZIER, MCKAY & WILLIS
Certified Public Accountants



November 21, 2022

INDEPENDENT AUDITOR'S 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

The Honorable Mayor
And the Board of Alderman
Town of Boyce, 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 Boyce, Louisiana, as of and for the year ended May 31, 2022, and the related notes to the financial statements, which collectively comprise the Town of Boyce's basic financial statements, and have issued our report thereon dated November 21, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Boyce'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 Boyce's internal control. Accordingly, we do not express an opinion on the effectiveness of Boyce's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item **2022-002** to be a material weakness. 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.



1407 Peterman Drive
Post Office Box 12178
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Voice: 318.442.1608
Fax: 318.487.2027
Online: CenlaCPAs.com

Compliance

As part of obtaining reasonable assurance about whether the Town of Boyce’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 that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as items **2022-001, 2022-003, 2022-004, and 2022-006.**

Management’s Response to Findings

The Town of Boyce’s response to the findings identified in our audit is described in the accompanying schedule of findings. The Town of Boyce’s response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

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.



ROZIER, MCKAY & WILLIS
Certified Public Accountants

TOWN OF BOYCE

MANAGEMENT'S DISCUSSION AND ANALYSIS

May 31, 2022

This section of the Town of Boyce's annual financial report presents our discussion and analysis of the Town's financial performance during the fiscal year ended May 31, 2022.

Overview of Financial Statements

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Town's financial position and results of operations from differing perspectives which are described as follows:

Government –Wide Financial Statements

The government-wide financial statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Town's assets (including infrastructure acquired after June 1, 2004) and all of the Town's liabilities (including long-term debt).

The government-wide financial statements are divided into two categories, which are described as follows:

- **Governmental Activities** – Expenses incurred in connection with providing basic services including police protection, fire protection, culture, recreation, public works, and general administration are reported as governmental activities. The governmental activities are financed by taxes, license fees, fines, court cost, interest, grants, and contributions.
- **Business-Type Activities** – Expenses associated with providing utility services are recovered through fees paid by the customers that utilize these services. These activities are operated in a manner similar to commercial enterprises. Accordingly, activities associated with these services are reported as business-type activities.

Fund Financial Statements

Fund financial statements provide detailed information regarding the Town's most significant activities and are not intended to provide information for the Town as a whole. Funds are accounting devices that are used to account for specific sources of funds. The Town has two types of funds that are described as follows:

- **Governmental Funds** – These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental funds use a modified accrual basis of accounting that provides a short-term view of the Town's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

TOWN OF BOYCE

MANAGEMENT'S DISCUSSION AND ANALYSIS

May 31, 2022

- **Proprietary Fund** – These funds are used to account for activities that function in a manner similar to commercial enterprises, including activities associated with the Town's utility and sanitation services. Proprietary fund financial statements typically provide a more detailed presentation of the information reported in the business-type activities portion of the government-wide financial statements.

Financial Analysis of the Town as a Whole

A comparative analysis of government-wide data is presented as follows:

Net Position

A condensed version of the government-wide Statement of Net Position is presented as follows:

	For the Year Ended May 31, 2022			For the Year Ended May 31, 2021
	Governmental Activities	Business-Type Activities	Total	
<u>Assets:</u>				
Current and other assets	\$ 184,693	\$ 252,915	\$ 437,608	\$ 428,857
Capital assets	660,350	2,900,241	3,560,591	3,812,465
Total assets	<u>845,043</u>	<u>3,153,156</u>	<u>3,998,199</u>	<u>4,241,322</u>
Deferred Outflow of Resources	<u>329,786</u>	<u>60,408</u>	<u>390,194</u>	<u>289,392</u>
<u>Liabilities:</u>				
Current and other liabilities	173,465	471,716	645,181	781,247
Long-term liabilities	581,506	386,562	968,068	1,085,311
Total liabilities	<u>754,971</u>	<u>858,278</u>	<u>1,613,249</u>	<u>1,866,558</u>
Deferred Inflows of Resources	<u>161,683</u>	<u>53,159</u>	<u>214,842</u>	<u>29,321</u>
<u>Net Position:</u>				
Invested in Capital Assets (Net)	389,897	2,677,207	3,067,104	3,251,072
Restricted	18,752	31,781	50,533	50,487
Unrestricted	(150,474)	(406,861)	(557,335)	(666,724)
Total Net Position	<u>\$ 258,175</u>	<u>\$ 2,302,127</u>	<u>\$ 2,560,302</u>	<u>\$ 2,634,835</u>

As the presentation appearing above demonstrates, the largest portion of the Town's net position is invested in capital assets. Net position invested in capital assets consists of land, buildings, and equipment less any debt used to acquire the assets. The Town uses these capital assets to provide services to its citizens; consequently, these amounts are not available for future spending.

TOWN OF BOYCE

MANAGEMENT'S DISCUSSION AND ANALYSIS

May 31, 2022

An additional portion of the net position represent resources that are subject to restrictions that are imposed by agreements with the Town's bondholders.

The Town reports a deficit in unrestricted net position as a result of reporting liabilities associated with participation in cost sharing defined benefit pension plans.

Changes in Net Assets

A condensed version of the government-wide Statement of Changes in Net Position is presented as follows:

	For the Year Ended May 31, 2022			For the Year Ended May 31, 2021
	Governmental Activities	Business-Type Activities	Total	
<u>Revenues:</u>				
Program Revenue:				
Charges for Services	\$ 545,394	\$ 1,323,642	\$ 1,869,036	\$ 1,438,200
Operating Grants and Contributions	219,052	8,800	227,852	42,500
Capital Grants and Contributions	----	----	----	209,910
General Revenue:				
Property Taxes	34,886	----	34,886	29,536
Sales Taxes	835,707	----	835,707	879,821
Franchise Taxes	6,154	----	6,154	5,676
Occupational Licenses	74,531	----	74,531	75,307
Insurance Proceeds	----	----	----	66,943
Miscellaneous	14,938	172	15,110	5,725
Total Revenue	<u>1,730,662</u>	<u>1,332,614</u>	<u>3,063,276</u>	<u>2,753,618</u>
<u>Program Expenses:</u>				
General Government	265,346	----	265,346	278,331
Public Safety				
Police Department	963,304	----	963,304	726,147
Fire Department	61,062	----	61,062	53,028
Streets and Drainage	323,101	----	323,101	493,389
Recreation	28,390	----	28,390	27,374
Lights	----	618,248	618,248	501,756
Natural Gas System	----	255,669	255,669	184,416
Water	----	258,945	258,945	222,440
Sewer	----	270,982	270,982	277,099
Sanitation	----	92,762	92,762	89,798

TOWN OF BOYCE

MANAGEMENT'S DISCUSSION AND ANALYSIS

May 31, 2022

	<u>For the Year Ended May 31, 2022</u>			<u>For the Year Ended May 31, 2021</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
Total Expenses	<u>1,641,203</u>	<u>1,496,606</u>	<u>3,137,809</u>	<u>2,853,778</u>
Increase in Net Position				
Before Special Item and Transfers	89,459	(163,992)	(74,533)	(100,160)
Special Item – Hurricane Electric Restoration Transfers	---- (72,792)	---- 72,792	---- ----	(163,183) ----
Change in Net Position	<u>16,667</u>	<u>(91,200)</u>	<u>(74,533)</u>	<u>(263,343)</u>
Net Position Beginning	<u>241,508</u>	<u>2,393,327</u>	<u>2,634,835</u>	<u>2,898,178</u>
Net Position Ending	<u>\$ 258,175</u>	<u>\$ 2,302,127</u>	<u>\$ 2,560,302</u>	<u>\$ 2,634,835</u>

Governmental activities increased the Town's net position by \$16,667. This increase is due to an increase in ticket fine revenue and operating grants and contributions.

Business-type activities decreased the Town's net position by \$91,200. This decrease is due to increases in various expenses during the current year.

Financial Analysis of the Town's Funds

The Town's governmental funds reported combined fund balances of \$68,783, which represents an increase of \$56,084.

Amounts reported for business-type activities in the Town's individual funds are identical to the business-type activities reported in the government-wide presentation.

General Fund Budget Highlights

The general fund is the only fund required by law to adopt a budget. The budget was amended to increase appropriations and expenditures that were not anticipated when the original budget was adopted.

Capital Asset Administration

Highlights of the Town's capital asset administration are provided as follows:

- Equipment purchases for the governmental activities was limited a drug identification software for the Police Department.

TOWN OF BOYCE

MANAGEMENT'S DISCUSSION AND ANALYSIS

May 31, 2022

Debt Administration

Activity related to debt administration was limited to paying amounts contractually due on existing debt.

Factors Expected to Effect Future Operations

There are no significant events that are expected to have a significant influence on future operations.

TOWN OF BOYCE

Statement of Net Position

May 31, 2022

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS:</u>			
Cash and cash equivalents	\$ 137	\$ 79,653	\$ 79,790
Receivables (net)	184,556	141,481	326,037
Restricted assets			
Cash and cash equivalents	-	31,781	31,781
Capital Assets			
Non depreciable capital assets	170,007	20,337	190,344
Depreciable capital assets (net)	490,343	2,879,904	3,370,247
Total assets	845,043	3,153,156	3,998,199
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Pension funding deferrals	329,786	60,408	390,194
<u>LIABILITIES:</u>			
Accounts payable	115,910	316,667	432,577
Deposits due others	-	140,717	140,717
Long-term liabilities			
Compensated Absences	24,106	17,818	41,924
Net Pension Liability	344,502	160,042	504,544
Notes Payable			
Due within one year	57,555	14,332	71,887
Due in more than one year	212,898	208,702	421,600
Total liabilities	754,971	858,278	1,613,249
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Pension funding deferrals	161,683	53,159	214,842
<u>NET POSITION:</u>			
Invested in capital assets, net of related debt	389,897	2,677,207	3,067,104
Restricted for Debt Service	-	31,781	31,781
Restricted for Capital Improvements	18,752	-	18,752
Unrestricted	(150,474)	(406,861)	(557,335)
Total net position	\$ 258,175	\$ 2,302,127	\$ 2,560,302

The accompanying notes are an integral part of the financial statements.

TOWN OF BOYCE

Statement of Activities

Year Ended May 31, 2022

	Expenses	Program Revenues			Net (Expenses) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	
<u>Governmental Activities:</u>					
General government	\$ 265,346	\$ -	\$ 181,228	\$ -	\$ (84,118)
Public safety					
Police	963,304	446,729	16,333	-	(500,242)
Fire	61,062	-	-	-	(61,062)
Streets & drainage	323,101	90,000	21,491	-	(211,610)
Recreation	28,390	8,665	-	-	(19,725)
Total governmental activities	<u>1,641,203</u>	<u>545,394</u>	<u>219,052</u>	<u>-</u>	<u>(876,757)</u>
<u>Business-Type Activities:</u>					
Lights	618,248	668,091	-	-	49,843
Natural gas system	255,669	163,364	-	-	(92,305)
Water	258,945	166,038	8,800	-	(84,107)
Sewer	270,982	211,865	-	-	(59,117)
Sanitation	92,762	114,284	-	-	21,522
Total Business-Type Activities	<u>1,496,606</u>	<u>1,323,642</u>	<u>8,800</u>	<u>-</u>	<u>(164,164)</u>
Total Primary Government	<u>\$ 3,137,809</u>	<u>\$ 1,869,036</u>	<u>\$ 227,852</u>	<u>\$ -</u>	<u>\$ (1,040,921)</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF BOYCE

Statement of Activities (Continued)

Year Ended May 31, 2022

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business- Type Activities	Net (Expenses) Revenue
Net (Expense) Revenues (Continued From Previous Page	<u>\$ (876,757)</u>	<u>\$ (164,164)</u>	<u>\$ (1,040,921)</u>
<u>General Revenues:</u>			
Taxes:			
Ad Valorem	34,886	-	34,886
Sales Taxes	835,707	-	835,707
Franchise	6,154	-	6,154
Occupational Licenses	74,531	-	74,531
Miscellaneous	14,938	172	15,110
Transfers	<u>(72,792)</u>	<u>72,792</u>	<u>-</u>
Total General Revenues, Special Items, and Transfers	<u>893,424</u>	<u>72,964</u>	<u>966,388</u>
Change in Net Position	16,667	(91,200)	(74,533)
Net Position Beginning	<u>241,508</u>	<u>2,393,327</u>	<u>2,634,835</u>
Net Position Ending	<u>\$ 258,175</u>	<u>\$ 2,302,127</u>	<u>\$ 2,560,302</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF BOYCE

Balance Sheet

Governmental Funds - May 31, 2022

	General	Non-Major Fund	Total Governmental Funds
<u>Assets</u>			
Cash and cash equivalents	\$ 136	\$ 1	\$ 137
Receivables (net)	184,556	-	184,556
Total assets	\$ 184,692	\$ 1	\$ 184,693
<u>Liabilities and Fund Equity</u>			
<u>Liabilities:</u>			
Accounts and other payables	\$ 115,910	\$ -	\$ 115,910
Total liabilities	115,910	-	115,910
<u>Fund Balance:</u>			
Restricted	18,752	-	18,752
Assigned	-	1	1
Unassigned	50,030	-	50,030
Total fund equity	68,782	1	68,783
Total liabilities and fund equity	\$ 184,692	\$ 1	\$ 184,693

Reconciliation of the Governmental Funds Balance Sheets to the Statement of Net Assets

Total Fund Balances - Governmental Funds	\$ 68,783
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Land	170,007
Depreciable Assets (net)	490,343
	660,350
Long term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Fund Balance Sheet	
Capital Lease Payable	(270,453)
Compensated Absences	(24,106)
Net Pension Liability	(344,502)
	(639,061)
Deferred inflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet	
	(161,683)
Deferred outflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet	
	329,786
Net Assets of Governmental Activities	<u>\$ 258,175</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF BOYCE

Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds - Year Ended May 31, 2022

	General	Non-Major Fund	Total Governmental Funds
<u>Revenues:</u>			
Taxes:			
Ad valorem	\$ 34,886	\$ -	\$ 34,886
Sales tax	835,707	-	835,707
Franchise	6,154	-	6,154
Licenses and permits	74,531	-	74,531
Intergovernmental	309,052	-	309,052
Bonds and fines	446,729	-	446,729
Recreation Income	1,200	-	1,200
Rental Income	7,465	-	7,465
Miscellaneous	14,938	-	14,938
Total revenues	1,730,662	-	1,730,662
<u>Expenditures:</u>			
General government	254,332	-	254,332
Public safety			
Police Department	950,786	-	950,786
Fire Department	41,372	-	41,372
Streets & Drainage	232,924	-	232,924
Recreation	26,222	-	26,222
Capital Expenditures	27,805	-	27,805
Debt Service	68,345	-	68,345
Total expenditures	1,601,786	-	1,601,786
Excess (deficiency) of revenues over expenditures	128,876	-	128,876
<u>Other financing sources (uses):</u>			
Operating transfers (net)	(72,792)	-	(72,792)
Total other financing sources (uses)	(72,792)	-	(72,792)
Excess (deficiency) of revenues and expenditures and other uses	56,084	-	56,084
Fund balance - beginning of year	12,698	1	12,699
Fund balance - end of year	\$ 68,782	\$ 1	\$ 68,783

The accompanying notes are an integral part of the financial statements.

TOWN OF BOYCE

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities

Year Ended May 31, 2022

Net change in fund balances of Governmental Funds \$ 56,084

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays for the period.

Capital expenditures reported by Governmental Funds	27,805	
Depreciation expense reported on a government-wide basis	<u>(104,404)</u>	(76,599)

Governmental funds report pension expense based on contributions required for the current year; however, pension expense reported on the government wide basis is influenced by actuarial considerations. (18,200)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures by governmental funds. 1,094

Governmental funds report proceeds from debt as an other financing source; however, debt proceeds are classified as a liability in the government-wide presentation. -

Repayment of capital lease obligations are an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. 54,288

Change in net position of governmental activities \$ 16,667

The accompanying notes are an integral part of the financial statements.

TOWN OF BOYCE

Statement of Net Position

Proprietary Funds - Year Ended May 31, 2022

	Business-Type Activities - Enterprise Fund					Total
	Lights	Gas	Water	Sewer	Non-Major Funds	
<u>ASSETS:</u>						
Current assets:						
Cash and cash equivalents	\$ 68,057	\$ 10,666	\$ 115	\$ 815	\$ -	\$ 79,653
Receivables (net)	78,856	12,874	16,625	21,683	11,443	141,481
Total current assets	146,913	23,540	16,740	22,498	11,443	221,134
Restricted assets:						
Cash and cash equivalents	-	-	31,781	-	-	31,781
Noncurrent assets:						
Non-depreciable capital assets	-	3,127	9,210	8,000	-	20,337
Depreciable capital assets (net)	475,117	32,944	502,530	1,869,313	-	2,879,904
Total noncurrent assets	475,117	36,071	511,740	1,877,313	-	2,900,241
Total assets	622,030	59,611	560,261	1,899,811	11,443	3,153,156
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>						
Pension funding deferrals	14,373	15,364	15,369	15,302	-	60,408
<u>LIABILITIES:</u>						
Current liabilities:						
Accounts payable	233,885	13,719	22,956	35,078	11,029	316,667
Current portion of long-term debt	-	-	14,332	-	-	14,332
Total current assets	233,885	13,719	37,288	35,078	11,029	330,999
Noncurrent Liabilities:						
Compensated absences payable	4,455	4,454	4,455	4,454	-	17,818
Deposits due others	88,540	52,177	-	-	-	140,717
Long-Term Debt	-	-	208,702	-	-	208,702
Net Pension Liability	38,079	40,704	40,718	40,541	-	160,042
Total liabilities	364,959	111,054	291,163	80,073	11,029	858,278
<u>DEFERRED INFLOWS OF RESOURCES:</u>						
Pension funding deferrals	12,648	13,520	13,525	13,466	-	53,159
<u>NET POSITION</u>						
Invested in capital assets, net of related debt	475,117	36,071	288,706	1,877,313	-	2,677,207
Restricted for debt service	-	-	31,781	-	-	31,781
Unrestricted	(216,321)	(85,670)	(49,545)	(55,739)	414	(406,861)
Total net position	\$ 258,796	\$ (49,599)	\$ 270,942	\$ 1,821,574	\$ 414	\$ 2,302,127

The accompanying notes are an integral part of the financial statements.

TOWN OF BOYCE

Statement of Revenues, Expenditures, and Changes in Fund Net Position Proprietary Funds - Year Ended May 31, 2022

	Business-Type Activities - Enterprise Funds					Total
	Lights	Gas	Water	Sewer	Non-Major Funds	
<u>Operating revenues:</u>						
Charges for services	\$ 649,748	\$ 160,493	\$ 160,214	\$ 198,649	\$ 112,113	\$ 1,281,217
Delinquent charges	15,301	2,563	3,044	3,494	2,171	26,573
Other operating income	3,042	308	2,780	9,722	-	15,852
Total operating revenues	668,091	163,364	166,038	211,865	114,284	1,323,642
<u>Operating expenses:</u>						
Salaries	51,573	55,148	55,169	54,925	-	216,815
Purchases (Electricity and Natural Gas)	423,535	75,540	-	-	-	499,075
Collection Expense	-	-	-	-	92,762	92,762
Repairs and maintenance	26,842	47,640	38,423	17,955	-	130,860
Legal and professional	9,470	10,049	9,508	20,757	-	49,784
Payroll taxes and benefits	32,854	32,594	34,256	32,396	-	132,100
Insurance	12,412	9,312	9,312	9,312	-	40,348
Utilities	-	-	6,885	6,185	-	13,070
Depreciation	42,720	2,127	26,335	104,093	-	175,275
Other	18,842	23,259	67,246	25,359	-	134,706
Total operating expenses	618,248	255,669	247,134	270,982	92,762	1,484,795
Operating income (loss)	49,843	(92,305)	(81,096)	(59,117)	21,522	(161,153)
<u>Non-operating revenues (expenses):</u>						
Interest income	160	3	8	1	-	172
Operating grants	-	-	8,800	-	-	8,800
Interest expense	-	-	(11,811)	-	-	(11,811)
Change in net position before capital grants and transfers	50,003	(92,302)	(84,099)	(59,116)	21,522	(163,992)
<u>Capital grants and transfers:</u>						
Operating transfers (net)	(87,279)	83,268	63,354	34,517	(21,068)	72,792
Change in Net Position	(37,276)	(9,034)	(20,745)	(24,599)	454	(91,200)
Total net position - beginning of year	296,072	(40,565)	291,687	1,846,173	(40)	2,393,327
Total net position - end of year	\$ 258,796	\$ (49,599)	\$ 270,942	\$ 1,821,574	\$ 414	\$ 2,302,127

The accompanying notes are an integral part of the financial statements.

TOWN OF BOYCE

Statement of Cash Flows

Proprietary Funds - Year Ended May 31, 2022

	Business-Type Activities - Enterprise Funds					Total
	Lights	Gas	Water	Sewer	Non-Major Fund	
<u>Cash flow from operating activities:</u>						
Cash received from customers	\$ 649,043	\$ 165,557	\$ 166,038	\$ 215,762	\$ 111,203	\$ 1,307,603
Cash payments to suppliers of goods and services	(516,289)	(196,624)	(163,561)	(197,453)	(90,135)	(1,164,062)
Cash payments to employees for service	(51,937)	(55,513)	(55,533)	(55,290)	-	(218,273)
Net cash provided (used) by operating activities	80,817	(86,580)	(53,056)	(36,981)	21,068	(74,732)
<u>Cash flows from non-capital financing activities:</u>						
Grant proceeds	-	-	8,800	-	-	8,800
Operating transfers in (out)	(87,279)	83,268	63,354	34,517	(21,068)	72,792
Net cash provided (used) by non-capital financing activities	(87,279)	83,268	72,154	34,517	(21,068)	81,592
<u>Cash flows from capital and related financing activities:</u>						
Principle paid on capital debt	-	-	(13,618)	-	-	(13,618)
Interest paid on capital debt	-	-	(11,811)	-	-	(11,811)
Net cash provided (used) by capital and related financing activities	-	-	(25,429)	-	-	(25,429)
<u>Cash flows from investing activities:</u>						
Interest and other income	160	3	8	1	-	172
Net cash provided (used) by investing activities	160	3	8	1	-	172
Net increase (decrease) in cash	(6,302)	(3,309)	(6,323)	(2,463)	-	(18,397)
Beginning cash balance	74,359	13,975	38,219	3,278	-	129,831
Ending cash balance	68,057	10,666	31,896	815	-	111,434
Cash - restricted	-	-	31,781	-	-	31,781
Cash - unrestricted	\$ 68,057	\$ 10,666	\$ 115	\$ 815	\$ -	\$ 79,653
<u>Reconciliation of operating income (loss) to net cash</u>						
Operating Income (loss)	\$ 49,843	\$ (92,305)	\$ (81,096)	\$ (59,117)	\$ 21,522	\$ (161,153)
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	42,720	2,127	26,335	104,093	-	175,275
(Increase) decrease in accounts receivable	(22,727)	549	-	3,897	(3,081)	(21,362)
(Increase) decrease in net pension liability	6,677	5,495	7,151	5,354	-	24,677
(Decrease) increase in accounts payable	989	(3,725)	(5,082)	(90,843)	2,627	(96,034)
(Decrease) increase in meter deposits	3,679	1,644	-	-	-	5,323
(Decrease) increase in compensated absences	(364)	(365)	(364)	(365)	-	(1,458)
Net cash provided (used) by operating activities	\$ 80,817	\$ (86,580)	\$ (53,056)	\$ (36,981)	\$ 21,068	\$ (74,732)

There were no operating, investing, or financing activities during the year that did not result in cash receipts or payments.

The accompanying notes are an integral part of the financial statements.

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Basis of Presentation

The Town of Boyce (the Town) was incorporated under the provisions of the Lawrason Act and operates under a Mayor-Board of Aldermen form of government. The Town provides various services including public safety (police and fire protection), streets and drainage, public improvements, utility (gas, water, electricity, sewerage, and sanitation), and general administrative services.

The accounting and reporting practices of the Town of Boyce, Louisiana, conform to generally accepted accounting principles as applicable to governmental units on a consistent basis between periods.

The following is a summary of the more significant accounting policies.

Financial Reporting Entity

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

Governmental Accounting Standards Board established criteria for determining which component units should be considered part of the Town of Boyce, Louisiana, for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. Criteria to be considered in determining financial accountability 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 of the organization is not included because of the nature or significance of the relationship.

Based upon the above criteria, the Town of Boyce has no component units for the year ended May 31, 2022.

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2022

Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize activities as either governmental activities or business-type activities, which are described as follows:

- Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.
- Business-type activities rely on fees and charges for support and operate in a manner similar to private sector enterprises.

The government-wide and fund financial statements present the Town's financial position and results of operations from differing perspectives which are described as follows:

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the Town as a whole. The effect of most interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude any fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service or business-type activity. Program revenues include charges for services, fines, court cost, contributions associated with a particular function and most grants.

Fund Financial Statements

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Separate financial statements are provided for governmental funds and proprietary funds. In addition, separate financial statements are presented for any fiduciary activities. Major individual funds are reported as separate columns in the fund financial statements. The Town's major funds are described as follows:

- Major Governmental Funds
General Fund - The general fund is the primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.
- Major Business-Type Funds
Electricity System – Used to account for electricity distribution, which is supported by user charges.
Natural Gas System – Used to account for natural gas distribution, which is supported by user charges.

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2022

Water System – Used to account for water distribution, which is supported by user charges.

Sewer System – Used to account for sewer collection and treatment, which is supported by user charges.

Business-type funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with the funds ongoing operations. Principal operating revenues are charges to customers for electricity, natural gas, water, sewer, and sanitation services.

Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

<u>Financial Statement Presentation</u>	<u>Basis of Accounting</u>	<u>Measurement Focus</u>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements:		
Governmental Funds	Modified Accrual Basis	Current Financial Resources
Proprietary Funds	Accrual Basis	Economic Resources
Fiduciary Funds	Accrual Basis	Economic Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year-end. In addition, expenses are generally recorded when a liability has been incurred; however, debt service, compensated absences, claims and judgments are recorded as expenses when payment is made. Furthermore, when the current financial resources measurement focus is used, amounts recorded as assets excluding capital assets and the acquisition of capital assets is treated as an expenditure. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are reported as another financing source and repayment of long-term debt is reported as an expenditure.

Non-Exchange Transactions

Revenue from certain non-exchange transactions cannot be properly measured prior to collection. Furthermore, it is not practical to determine the probability of collection resulting from certain non-exchange transactions such as traffic citations. Consequently, revenue from franchise taxes, fines and court cost is not recognized until it is collected.

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2022

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Restricted Assets

Restricted assets represent resources that must be expended in a specific manner. Restrictions of this nature are imposed by various contractual obligations including grant agreements and bond covenants. In situations where it is permissible to spend restricted resources, the Town typically depletes the available restricted resources before consuming unrestricted resources.

Budget Practices

Budgets including any amendments are prepared in the manner prescribed by Louisiana revised statutes. Town budgets present revenue and expenditures on a basis which is consistent with generally accepted accounting principles. Budgets are adopted annually for the general fund and each special revenue fund. The remaining funds are not required to adopt budgets.

Capital Assets

Capital assets are carried at historical cost or estimated historical cost including interest incurred during construction. Prior to July 1, 1989, there were few records supporting the cost; therefore, cost related to the Town's utility system were estimated based on information furnished by the Town's consulting engineers. Cost of buildings and equipment acquired prior to July 1, 1989, were estimated based on replacement cost.

Infrastructure capital assets consisting of streets, bridges, sidewalks, and drainage systems acquired before June 1, 2004, are excluded from capital assets. Depreciation associated with capital assets is computed using the straight-line method over the estimated useful lives of the assets.

Cash and Cash Equivalents

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit, and highly liquid investments. Credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by State Law. Furthermore, interest rate risk associated with certificates of deposits is typically mitigated by purchasing instruments that mature in one year or less.

Internal Activity

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without expectation of repayment, the transaction is reported as a transfer. Transfers are treated as a source of income by the recipient and as an expense or expenditure by the provider. If repayment is eventually expected to occur, interfund receivables and payables are recorded.

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2022

Compensated Absences

Accumulated unpaid vacation and compensatory pay have been accrued when incurred in the Proprietary Funds (using the accrual basis of accounting). These amounts relating to the Governmental Funds have been presented in the government-wide financial statements.

Fund Balance Classification

Approval of the majority of the Town's Board of Aldermen is required to approve the commitment of fund balances. In situations where it is permissible to spend restricted or committed resources, the Town typically depletes the available restricted or committed resources before consuming unrestricted resources.

Statement of Cash Flows

For the purpose of reporting cash flows, cash and cash equivalents includes all cash on hand, cash in banks and certificates of deposit.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash deposited in banks is stated at cost, which approximates market. Under state law, these deposits 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 May 31, 2022, the Town had \$111,571 in deposits (\$189,103 collected bank balance). These deposits are fully secured by federal deposit insurance. These amounts include restricted amounts of \$31,781 restricted for Business-Type Debt Service and \$18,752 restricted for Capital Improvements.

NOTE 3 – TAXES

Ad Valorem Taxes

The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Rapides Parish. For the year ended May 31, 2022, taxes of 6.560 mills were levied on property and were dedicated to general corporate purposes. This tax does not expire.

Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Revenues from ad valorem taxes are recognized as revenue in the year billed.

Sales Taxes

Sales taxes are collected by the Parish of Rapides and remitted to the Town on a monthly basis. Since all tax levies are unrestricted, all sales tax proceeds are reported as revenue by the general fund. For the year ended May 31, 2022, the Town has levied sales taxes described as follows:

- A 1% sales tax has been approved by the citizens, with no expiration, to cover any needs by the Town.

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2022

- A 1% sales tax has been approved by the citizens commencing April 1, 2017, with no expiration, to cover any needs by the Town.
- The Town is also entitled to receive a portion of a parish wide sales tax.

NOTE 4 - RECEIVABLES

Details related to receivables, as of May 31, 2022, are presented as follows:

	Governmental Activities	Business- Type Activities	Total
<u>Accounts Receivable</u>			
Charges for Services	\$ ----	\$ 144,884	\$ 144,884
<u>Due From Other Governmental Units</u>			
Sales Taxes	184,556	----	184,556
Total Receivables	184,556	144,884	329,440
Allowance for Doubtful Accounts	----	(3,403)	(3,403)
Net Receivables	<u>\$ 184,556</u>	<u>\$ 141,481</u>	<u>\$ 326,037</u>

NOTE 5 – CAPITAL ASSETS

Changes in governmental and business-type capital assets are presented as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
<u>Governmental Activities</u>				
Non Depreciable Capital Assets				
Land	\$ 170,007	\$ ----	\$ ----	\$ 170,007
Depreciable Capital Assets				
Buildings and Improvements	900,677	----	----	900,677
Furniture, Fixtures and Equipment	1,427,052	27,805	----	1,454,857
Infrastructure	1,592,486	----	----	1,592,486
Accumulated Depreciation	(3,353,273)	(104,404)	----	(3,457,677)
Total	<u>566,942</u>	<u>(76,599)</u>	<u>----</u>	<u>490,343</u>
Total Governmental Activities	<u>\$ 736,949</u>	<u>\$ (76,599)</u>	<u>\$ ----</u>	<u>\$ 660,350</u>

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2022

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<u>Business-Type Activities</u>				
Non Depreciable Capital Assets				
Land	\$ 20,337	\$ ----	\$ ----	\$ 20,337
Construction in Process	----	----	----	----
Total	<u>20,337</u>	<u>----</u>	<u>----</u>	<u>20,337</u>
Depreciable Capital Assets				
Utility System	6,826,355	----	----	6,826,355
Utility Buildings	22,357	----	----	22,357
Utility Equipment	399,279	----	----	399,279
Accumulated Depreciation	(4,192,812)	(175,275)	----	(4,368,087)
Total	<u>3,055,179</u>	<u>(175,275)</u>	<u>----</u>	<u>2,879,904</u>
Total Business-Type Activities	<u>\$ 3,075,516</u>	<u>\$ (175,275)</u>	<u>\$ ----</u>	<u>\$ 2,900,241</u>

Depreciation expense charged to various functions presented on the statement of activities is presented as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Government	\$ 6,933	\$ ----	\$ 6,933
Police Department	20,838	----	20,838
Fire Department	19,690	----	19,690
Street & Drainage	54,775	----	54,775
Recreation	2,168	----	2,168
Lights	----	42,720	42,720
Gas	----	2,127	2,127
Water	----	26,335	26,335
Sewer	----	104,093	104,093
Total Depreciation Expense	<u>\$ 104,404</u>	<u>\$ 175,275</u>	<u>\$ 279,679</u>

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS MAY 31, 2022

NOTE 6 - LONG-TERM LIABILITIES

The Town's long-term debt is summarized as follows:

	Governmental Activities	Business-Type Activities	Total
Revenue bonds payable	\$ ----	\$ 223,034	\$ 223,034
Capital Leases	270,453	----	270,453
Total long-term debt	270,453	223,034	493,487
Due within one year	(57,555)	(14,332)	(71,887)
Due in more than one year	<u>\$ 212,898</u>	<u>\$ 208,702</u>	<u>\$ 421,600</u>

The following changes occurred in liabilities reported in the Governmental Activities during the year ended May 31, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental Activities</u>				
Capital Lease	\$ 324,741	\$ ----	\$ 54,288	\$ 270,453
<u>Business-type Activities</u>				
Utility revenue bonds	236,652	----	13,618	223,034
Total long-term debts	<u>\$ 561,393</u>	<u>\$ ----</u>	<u>\$ 67,906</u>	<u>\$ 493,487</u>

Revenue Bonds

The Town has issued revenue bonds that are secured by and payable solely from a pledge of funds generated by a specific revenue source. Revenue bonds outstanding at May 31, 2022, are described as follows:

\$428,100 Utilities Revenue Bonds Series 1994, dated March 14, 1995, with an effective rate of interest of 5.125% to maturity. The bonds mature serially on the 14th of each month in amounts ranging from \$291 to \$2,253. Final maturity is scheduled for March 14, 2034, unless the Town elects to redeem the bonds prior to maturity.	<u>\$ 223,034</u>
Total Revenue Bonds	<u>\$ 223,034</u>

Maturity of Long-Term Debt

A schedule of maturities of long-term debt excluding compensated absences and capital leases is presented as follows:

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS MAY 31, 2022

<u>Year Ended May 31st</u>	<u>Principle</u>	
	<u>Revenue</u>	<u>Interest</u>
	<u>Bonds</u>	
<u>Business-Type Activities</u>		
2023	\$ 14,332	\$ 11,097
2024	15,084	10,345
2025	15,876	9,553
2026	16,709	8,720
2027	17,586	7,844
2028-2032	102,776	24,370
2033-2034	40,671	1,855
Total Business-Type	<u>\$ 223,034</u>	<u>\$ 73,784</u>

Total interest charged to expense for the business-type activities was \$11,811.

Capital Lease

Details regarding capital leases outstanding at May 31, 2022 are as follows:

A capital lease in the amount of \$129,414 for the purchase of three public safety vehicles. The lease has an interest rate of 4.50% and is due in 72 monthly installments of \$2,130 with the final payment due January of 2026.	\$ 86,041
A capital lease in the amount of \$32,959 for the purchase of a new Street vehicle. The lease has an interest rate of 2.59% and is due in 60 monthly installments of \$586 with the final payment due September of 2025.	22,980
A capital lease in the amount of \$181,611 for the purchase of Street equipment including a trackhoe, skid steer and grapple, zero-turn mower, and a generator. The lease has an interest rate of 3.493% and is due in 72 monthly installments of \$2,850 with the final payment due July of 2027.	161,432
Total Capital Leases	<u>\$ 270,453</u>

A schedule of the future minimum lease payments is presented below:

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS MAY 31, 2022

<u>Year Ended May 31st</u>	<u>Governmental Activities</u>
2023	\$ 66,794
2024	66,794
2025	66,794
2026	54,171
2027	34,200
2028	5,730
Total minimum lease payments	294,483
Less amount representing interest	(24,030)
Present value of future minimum lease payments	<u>\$ 270,453</u>

Compensated Absences

Compensated absences refer to the Town's obligation to provide vested accrued leave benefits that have been earned by its employees. These liabilities are typically liquidated by the fund responsible for providing the employees compensation. Details of the accrued leave benefits are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Compensated Absences	\$ 25,200	\$ ----	\$ 1,094	\$ 24,106
<u>Business-type Activities</u>				
Compensated Absences	19,276	----	1,458	17,818
Total long-term debts	<u>\$ 44,476</u>	<u>\$ ----</u>	<u>\$ 2,552</u>	<u>\$ 41,924</u>

NOTE 7 - RISK MANAGEMENT

Town of Boyce is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks of loss are covered by a comprehensive commercial insurance policy and participation in a public entity risk pool that operates as a common insurance program. Claims resulting from these risks have historically not exceeded insurance coverage.

NOTE 8 – ACCOUNTS AND OTHER PAYABLES

Details related to amounts reported as accounts and other payables are provided as follows:

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS MAY 31, 2022

		Payable to Vendors	
	Governmental Activities	\$ 115,910	
	Payable to Vendors	Payable Under Construction Contract	Total
Business-Type Activities			
Lights	\$ 233,885	\$ ----	\$ 233,885
Gas	13,719	----	13,719
Water	22,956	----	22,956
Sewer	35,078	----	35,078
Non-Major	11,029	----	11,029
Total business-type activities	<u>\$ 316,667</u>	<u>\$ ----</u>	<u>\$ 316,667</u>

NOTE 9 - RESTRICTED RESOURCES

Bond covenants require the Town to establish bank accounts which serve as debt service and depreciation reserves. Funds may be disbursed from these accounts only under specific circumstances described by the bond covenants. The Town also has the remaining balance of a municipal lease with KS State Bank in a Vendor's Payable Account. These funds may be used to either purchase more equipment or to be applied toward the Town's current outstanding lease balance.

NOTE 10 - TRANSFERS

In the ordinary course of business, the Town routinely transfers resources between its funds for various reasons. A description of the transfers and the purpose for the transfers is presented as follows:

	Transfers In	Transfers Out	Net
Transfer of resources to cover expenses			
Governmental Activities	\$ ----	\$ (72,792)	\$ (72,792)
Business-Type Activities			
Lights	----	(87,279)	(87,279)
Gas	83,268	----	83,268

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2022

Water	63,354	----	63,354
Sewer	34,517	----	34,517
Non-major fund	----	(21,068)	(21,068)
Total Business-Type	<u>181,139</u>	<u>(108,347)</u>	<u>72,792</u>
Total Transfers	<u>\$ 181,139</u>	<u>\$ (181,139)</u>	<u>\$ ----</u>

NOTE 11 – PENSION PLAN

Substantially all Town employees of the Town of Boyce, Louisiana, are members of statewide retirement systems. The system is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Information regarding the plan is presented as follows:

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Municipal Employees' Retirement System	\$ 261,071	\$ 98,542	\$ 86,715
Municipal Police Employees' Retirement System	243,473	291,652	128,126
Total All Plans	<u>504,544</u>	<u>390,194</u>	<u>214,841</u>
Portion Applicable to Business Type Activities			
Electricity System	38,079	14,373	12,648
Natural Gas System	40,704	15,364	13,520
Water System	40,718	15,369	13,525
Sewer System	40,541	15,302	13,466
Total Business Type Activities	<u>160,042</u>	<u>60,408</u>	<u>53,159</u>
Portion Applicable to Governmental Type Activities	<u>\$ 344,502</u>	<u>\$ 329,786</u>	<u>\$ 161,683</u>

Municipal Employees' Retirement System of Louisiana:

Plan Description - The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B. All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3 percent for each year retirement precedes age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100 percent of final average salary. Final

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2022

average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

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 Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Funding Policy – Under Plan B, members are required by state statute to contribute 5.0 percent of their annual covered salary and the Town of Boyce is required to contribute at an actuarially determined rate. The Town's contribution is currently 15.50 percent. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Boyce are established and may be amended by state statute. 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 were equal to the required contributions for the year.

Financial Summary – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available stand alone financial report. The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at mersla.com. The plans net pension liability was determined at June 30, 2021 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 277,663,255
Plan Fiduciary Net Position	219,732,397
Net Pension Liability	<u>57,930,858</u>
Town's Proportionate Share (Percentage)	0.450659%
Town's Proportionate Share (Dollar)	<u>\$ 261,071</u>

The Town's proportionate share has been determined based on employer contributions received by the plan. The net pension liability presented above was not affected by any special funding situations. Changes in the Town's proportionate share of Plan's net pension liability during the measurement period ending June 30, 2021 are provided as follows:

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2022

Beginning Net Pension Liability		\$ 348,471
Employer Contributions		(54,034)
<u>Pension Expense</u>		
Proportionate Share of Plan Pension Expense	71,217	
Employee Contributions	<u>(11,263)</u>	59,954
Changes in Deferred Outflows of Resources		(23,247)
Changes in Deferred Inflows of Resources		<u>(70,073)</u>
Ending Net Pension Liability		<u>\$ 261,071</u>

There were no changes between June 30, 2021 and the Plan's measurement date that are expected to have a significant effect on the Town's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences Between Expected and Actual Experience	\$ ----	\$ 10,774	\$ (10,774)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	----	70,552	(70,552)
Changes of Assumptions	10,565	----	10,565
Changes in Proportion	35,049	5,389	29,660
Employer Contributions Made After the Measurement Date	<u>52,928</u>	----	<u>52,928</u>
Total Deferrals	98,542	86,715	11,827
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>52,928</u>	----	<u>52,928</u>
Deferrals Subject to Amortization	<u>\$ 45,614</u>	<u>\$ 86,715</u>	<u>\$ (41,101)</u>

Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

<u>For the Year Ending:</u>	
May 31, 2023	\$ (292)
May 31, 2024	2,282
May 31, 2025	(18,298)
May 31, 2026	<u>(24,793)</u>
Total	<u>\$ (41,101)</u>

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2022

A summary of the actuarial methods and assumptions used in determining the total pension liability as of the measurement date are as follows:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Expected Remaining Service Lives	3 years
Actuarial Assumptions:	
Investment Rate of Return	6.85%, net of pension plan investment expense, including inflation
Inflation Rate	2.5%
Salary Increases, including inflation and merit increases:	
- 1 to 4 years of service	7.4%
- More than 4 years of service	4.9%
Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Employee mortality	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Disabled lives mortality	PubG-2010(B) Disabled retiree Table set equal to 120% for males and females with the full generational MP2018 scales.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2021 are summarized in the following table:

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2022

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public Equity	53%	2.31%
Public Fixed Income	38%	1.65%
Alternatives	9%	0.39%
Totals	100%	4.35%
Inflation		2.60%
Expected Arithmetic Nominal Return		6.95%

The discount rate used to measure the total pension liability was 6.85%. 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 System'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 to changes in the discount has been determined by measuring net pension liability at a discount rate that is one percentage point lower and one percentage point higher than the current rate. The results are presented as follows:

	1% Decrease 5.85% Discount Rate	Current Discount Rate 6.85%	1% Increase 7.85% Discount Rate
Net Pension Liability	\$ 400,537	\$ 261,071	\$ 143,109

Municipal Police Employees' Retirement System of Louisiana

Plan Description - All full-time police department employees engaged in law enforcement are eligible to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2022

Funding Policy - Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The contribution requirements of plan members and the Town are established and may be amended by state statute. 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 plan were equal to the required contributions for each of the past three years.

Financial Summary – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available stand alone financial report. The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at lampers.org. The plans net pension liability was determined at June 30, 2021 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 3,350,028,394
Plan Fiduciary Net Position	2,816,973,727
Net Pension Liability	<u>533,054,667</u>
Town's Proportionate Share (Percentage)	0.045675%
Town's Proportionate Share (Amount)	<u>\$ 243,473</u>

The Town's proportionate share has been determined based on employer contributions received by the plan. The net pension liability presented above was not affected by any special funding situations. Changes in the Town's proportionate share of Plan's net pension liability during the measurement period ending June 30, 2021 are provided as follows:

Beginning Net Pension Liability	\$ 197,915
Employer Contributions	(47,034)
<u>Pension Expense</u>	
Proportionate Share of Plan Pension Expense	103,972
Employee Contributions	<u>(10,207)</u>
Change in Deferred Outflows of Resources	114,273
Change in Deferred Inflows of Resources	<u>(115,446)</u>
Ending Net Pension Liability	<u>\$ 243,473</u>

There were no changes between June 30, 2021 and the Plan's measurement date that are expected to have a significant effect on the Town's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS MAY 31, 2022

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Resources
Differences Between Expected and Actual Experience	\$ ----	\$ 7,498	\$ (7,498)
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments	----	113,683	(113,683)
Changes of Assumptions	26,963	6,945	20,018
Changes in Proportion	203,418	----	203,418
Employer Contributions Made After the Measurement Date	61,271	----	61,271
Total Deferrals	291,652	128,126	163,526
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	61,271	----	61,271
Deferrals Subject to Amortization	<u>\$ 230,381</u>	<u>\$ 128,126</u>	<u>\$ 102,255</u>

Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

<u>For the Year Ending:</u>	
May 31, 2023	\$ 60,995
May 31, 2024	50,533
May 31, 2025	29,893
May 31, 2026	<u>(39,166)</u>
Total	<u>\$ 102,255</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of the measurement date are as follows:

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2022

Valuation Date	June 30, 2021		
Actuarial Cost Method	Entry Age Normal Cost		
Investment Rate of Return	6.750%, net of investment expense		
Expected Remaining Service Lives	4 Years		
Inflation Rate	2.50%		
Projected Salary Increases Including Inflation and Merit	<u>Years of Service</u>	<u>Salary Growth Rate</u>	
	1 - 2	12.30%	
	Above 2	4.70%	
Mortality Rates	For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 sale was used. For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used. For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.		
Cost-of-Living Adjustments	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 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, 2021 are summarized in the following table:

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2022

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
Equity	55.50%	3.47%
Fixed Income	30.50%	0.59%
Alternatives	14.00%	1.01%
Other	0.00%	0.00%
Totals	<u>100.00%</u>	<u>5.07%</u>
Inflation		<u>2.22%</u>
Expected Arithmetic Nominal Return		<u>7.29%</u>

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 System'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.

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, 2014 through June 30, 2019 and review of similar law enforcement mortality. A change was made full generational mortality which combines the use of a base mortality table with appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to produce current levels of mortality.

Sensitivity to changes in the discount has been determined by measuring net pension liability at a discount rate that is one percentage point lower and one percentage point higher than the current rate. The results are presented as follows:

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2022

	<u>1% Decrease 5.75%</u> <u>Discount Rate</u>	<u>Current Discount</u> <u>Rate 6.75%</u>	<u>1% Increase 7.75%</u> <u>Discount Rate</u>
Net Pension Liability	\$ 424,334	\$ 243,473	\$ 92,514

NOTE 12 – ON BEHALF PAYMENTS

The State Louisiana provides supplemental pay for public safety employees that meet certain requirements. Amounts reported as revenue and expenditures in connection with State Supplemental Pay are presented as follows:

Police Department	\$ 16,333
Total	<u>\$ 16,333</u>

NOTE 13 – CONTINGENCIES

Existing conditions that may have financial consequences in the future are referred to as contingencies. Contingencies existing at May 31, 2022, are described as follows:

Litigation

Like most governmental units with extensive and diverse operations, the Town is occasionally named as a defendant in litigation. Based on consultation with Town Attorney and insurance carrier, there are no anticipated claims that are expected to exceed available insurance coverage.

Grant Compliance

The Town receives state and federal assistance through various grant programs. Management is confident that all significant grant conditions have been met; however, grantor agencies routinely review grant activity and could request reimbursement if a dispute occurs regarding compliance with grant conditions.

NOTE 14 – DEFICIT FUND BALANCE

The Gas Fund has a deficit fund balance. If the deficit cannot be eliminated through future operations, the general fund will appropriate resources necessary to alleviate the deficit.

NOTE 15 – EMPHASIS-OF-MATTER

The Town has experienced significant operating losses over the past four fiscal years. In addition to the operating loss in the current year, the Town's electrical system was decimated by Hurricane Laura in the prior year causing the Town extensive hurricane damages. While not substantial, these conditions create some potential doubt that the Town will be able to meet its obligations as they become due in the foreseeable future. The Town's deteriorating financial condition could potentially discourage community investment, economic development, or similar activities.

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2022

The Town's plan to alleviate this situation is based in part off of future anticipated collections from the Federal Emergency Management Agency related to the aforementioned damages from Hurricane Laura, reimbursed expenditures from a local road district maintenance tax, and a decrease in working hours and reduction of personnel. Lastly, another sales tax passed in the subsequent year for public safety, which has the potential to increase Town revenues significantly.

TOWN OF BOYCE

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual

Year ended May 31, 2022

	Budget Amounts		Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Taxes	\$ 740,000	\$ 848,000	\$ 876,747	\$ 28,747
License and permits	34,000	49,000	74,531	25,531
Intergovernmental	-	280,000	309,052	29,052
Bonds and fines	180,000	450,000	446,729	(3,271)
Recreation Income	500	2,000	1,200	(800)
Rental Income	1,000	1,000	7,465	6,465
Insurance Proceeds	-	-	-	-
Miscellaneous	23,010	72,760	14,938	(57,822)
Total revenues	<u>978,510</u>	<u>1,702,760</u>	<u>1,730,662</u>	<u>27,902</u>
<u>Expenditures:</u>				
General government	230,500	345,900	254,332	91,568
Public safety	532,576	750,326	992,158	(241,832)
Streets and sanitation	139,700	195,400	232,924	(37,524)
Recreation	39,200	63,100	26,222	36,878
Capital Expenditures	-	50,000	27,805	22,195
Debt Service	60,060	67,095	68,345	(1,250)
Other Public Works	-	220,000	-	220,000
Total expenditures	<u>1,002,036</u>	<u>1,691,821</u>	<u>1,601,786</u>	<u>90,035</u>
Excess (deficiency) of revenues over expenditures	<u>(23,526)</u>	<u>10,939</u>	<u>128,876</u>	<u>117,937</u>
Other financing sources (uses):				
Operating transfers (net)	<u>95,000</u>	<u>(22,454)</u>	<u>(72,792)</u>	<u>(50,338)</u>
Total other financing sources (uses)	<u>95,000</u>	<u>(22,454)</u>	<u>(72,792)</u>	<u>(50,338)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>71,474</u>	<u>(11,515)</u>	<u>56,084</u>	<u>67,599</u>
Fund balance - beginning of year	<u>66,806</u>	<u>12,698</u>	<u>12,698</u>	<u>-</u>
Fund balance - end of year	<u>\$ 138,280</u>	<u>\$ 1,183</u>	<u>\$ 68,782</u>	<u>\$ 67,599</u>

TOWN OF BOYCE

Schedule of Net Pension Liability Data Cost Sharing Retirement Systems

Retirement System / Measurement Date	Share of Collective Net Pension Liability		Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Pension Plans Fiduciary Net Position as a Percentage of Total Pension Liability
	Percent	Amount		Covered Payroll	Total Pension Liability
Municipal Employees' Retirement System					
June 30, 2015	0.31755%	215,822	184,940	116.7%	66.2%
June 30, 2016	0.24928%	206,628	198,554	104.1%	63.3%
June 30, 2017	0.26446%	228,823	227,525	100.6%	63.5%
June 30, 2018	0.32040%	271,006	298,569	90.8%	65.6%
June 30, 2019	0.40558%	354,806	297,384	119.3%	66.1%
June 30, 2020	0.38453%	348,471	335,804	103.8%	66.3%
June 30, 2021	0.45066%	261,071	341,471	76.5%	79.1%
Municipal Police Employees' Retirement System					
June 30, 2017	0.00197%	17,225	22,545	76.4%	70.1%
June 30, 2018	0.00774%	65,443	35,421	184.8%	71.9%
June 30, 2019	0.01133%	102,877	63,252	162.6%	71.0%
June 30, 2020	0.02141%	197,915	156,674	126.3%	70.9%
June 30, 2021	0.04568%	243,473	204,476	119.1%	84.1%

TOWN OF BOYCE

Schedule of Employer Contributions Cost Sharing Retirement Systems

Retirement System / Fiscal Year Ending	Statutorily Required Employer Contributions	Contributions Recognized By the Pension Plan	Difference Between Required and Recognized Contributions	Covered Payroll	Contributions Recognized as a Percentage of Covered Payroll
Municipal Employees' Retirement System					
June 30, 2015	17,569	20,932	(3,363)	184,940	11.32%
June 30, 2016	21,575	17,398	4,177	198,554	8.76%
June 30, 2017	29,798	21,652	8,146	227,525	9.52%
June 30, 2018	41,609	31,646	9,963	298,569	10.60%
June 30, 2019	41,634	43,395	(1,761)	297,384	14.59%
June 30, 2020	41,634	42,199	(565)	335,804	12.57%
June 30, 2021	51,659	54,034	(2,375)	341,471	15.82%
Municipal Police Employees' Retirement System					
June 30, 2017	6,950	1,871	5,079	22,545	8.30%
June 30, 2018	11,392	7,032	4,360	35,421	19.85%
June 30, 2019	20,489	11,421	9,068	63,252	18.06%
June 30, 2020	20,489	21,546	(1,057)	156,674	13.75%
June 30, 2021	52,763	47,034	5,729	204,476	23.00%

TOWN OF BOYCE

Schedule of Compensation Paid to Board Members

Year ended May 31, 2022

Alma Moore	\$	15,000
Lucretia McCoy		10,800
Kelvin McCoy		8,400
Linda Fisher		8,400
Cathy Fisher		8,400
Peggy Brew		8,400
		<hr/>
Total Compensation	\$	<u>59,400</u>

TOWN OF BOYCE

Schedule of Compensation, Benefits and Other Payments to the Agency Head or Chief Executive Officer Year ended May 31, 2022

Agency Head Name: Mayor
Alma Moore

PURPOSE

Salary	\$	15,000
Benefits		-
Reimbursements		1,317

TOWN OF BOYCE

**Justice System Funding Schedule - Collecting / Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session -
Cash Basis Presentation
For the Year Ended May 31, 2022**

	First Six Month Period Ended November 30, 2021	Second Six Month Period Ended May 31, 2022
Beginning Balance of Amounts Collected	\$ 218,780	\$ 464,526
Add: Collections		
Criminal Court Costs/Fees	3,330	3,600
Criminal Fines - Contempt	20,500	23,000
Criminal Fines - Other	206,209	242,404
Service/Collection Fees	20,621	24,240
Subtotal Collections	<u>250,660</u>	<u>293,244</u>
Less: Disbursements to Governments & Nonprofits		
Louisiana Commission on Law Enforcement - Court Cost/Fees	204	181
Louisiana Commission on Law Enforcement - Court Cost/Crime Victim Fees	59	162
Crimestopper of Rapides Parish - Criminal Court Cost/Fees	1,136	1,982
North Louisiana Criminalistics Laboratory Commission - Criminal Court Cost/Fees	2,660	2,123
Louisiana Trail Court Case Management Information System - Criminal Court Cost/Fees	567	991
Louisiana Traumatic Head and Spinal Cord Injury - Criminal Court Fees	-	40
Louisiana Judicial College	288	518
Less: Amounts Retained by the Town of Boyce		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	<u>-</u>	<u>-</u>
Subtotal Disbursements / Retainage	<u>4,914</u>	<u>5,997</u>
Ending Balance of Amounts Collected but not Disbursed	<u>\$ 464,526</u>	<u>\$ 751,773</u>

Town of Boyce
Schedule of Findings
For the Year Ended May 31, 2022

PART I – Summary of Auditor’s Results:

- The Independent Auditor’s Report on the financial statements for the Town of Boyce as of May 31, 2022 and for the year then ended expressed an unmodified opinion.
- The results of the audit disclosed instances of noncompliance (**Findings 2022-001, 2022-003, 2022-004, and 2022-006**) that are considered to be material to the financial statements of the Town of Boyce.
- One material weakness in internal control over financial reporting was reported in connection with the audit (**2022-002**).
- The audit did not disclose any findings which are required to be reported as significant deficiencies in internal control over financial reporting.

PART II – Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

Finding 2022-001 – Noncompliance with Louisiana Record Retention Laws

- *Criteria:* Louisiana Revised Statutes require municipalities to retain all public records, and requires persons and public bodies having control or custody of any public record to exercise diligence and care in preserving the public record for the period of time specified for such record by the State Archivist.
- *Condition:* The Town was unable to provide certain public records relating to credit card purchases to the Town Auditors upon request, as they were unable to be located.
- *Effect:* The Town was not in compliance with Louisiana Revised Statutes related to record retention, requiring the audit team to perform alternative procedures.
- *Cause:* The employees responsible for retaining certain files did not follow Louisiana Revised Statutes, and the Town did not retain custody of some files required to be retained by the Town.
- *Recommendation:* We recommend that the Town retain all records in accordance with the Town’s retention schedule, and in accordance with Louisiana Law.

Finding 2022-002 – Accounting Practices and Financial Reporting

- *Criteria:* To foster accountability over financial reporting, the Town’s accounting system should contain several elements, including readily available documentation, prompt payments of obligations when funds allow, proper classification of transactions, and the production of timely, relevant financial reports to management.
- *Condition:* The Town’s generally dysfunctional nature of accounting practices has contributed to a variety of problems, including documentation being unavailable, finance charges and late fees for non-payment of accounts payable, and management’s inability to properly evaluate financial decisions because of a lack of timely, accurate information.

Town of Boyce
Schedule of Findings
For the Year Ended May 31, 2022

- *Effect:* The Town has experienced a significant financial decline, in part precipitated by the dysfunction of the accounting system. In addition, finance charges and late fees have been incurred, and the Town has been noncompliant with the State's record retention laws.
- *Cause:* The Town's accounting personnel require additional training, and the Town's management must commit to fostering a proper control environment in the future.
- *Recommendation:* We recommend that the Town implement monitoring activities, including the institution of monthly finance committee meetings, to ensure that financial reporting is properly performed. We also recommend that the Town's accounting personnel undergo additional training, and special attention is paid to monitoring accounts payable so that finance charges and late fees can be minimized in the future.

Finding 2022-003 – Noncompliance with Lawrason Act

- *Criteria:* The Lawrason Act requires municipalities to hold no fewer than one regular meeting in each month on a date and at a place and hour to be fixed by ordinance.
- *Condition:* The Town did not hold at least one regular meeting in each month on a date and at a place and hour fixed by ordinance.
- *Effect:* The Town was not in compliance with the Lawrason Act, which governs the operations of the Town.
- *Cause:* The Town's Mayor and Board of Alderman were unable to reach a quorum for multiple months of the year.
- *Recommendation:* We recommend that the Town make every effort to meet with a quorum at least once per a month, in order to stay in compliance with the Lawrason Act.

Finding 2022-004 – Debt Covenants

- *Criteria:* The Town is subject to several debt covenants, in accordance with its previously issued Utility Revenue Bonds.
- *Condition:* The Town did not comply with its debt covenants by failing to deposit \$106 per month into the Reserve Fund and \$100 per month into the Contingency Fund.
- *Effect:* The Town was not in compliance with its debt covenants at the end of the year.
- *Cause:* The Town's accounting personnel failed to make the required monthly transfer.
- *Recommendation:* We recommend that the Town establish a tickler system, to ensure that all required monthly transfers are performed in the future.

Finding 2022-005 – Credit Card Usage

- *Criteria:* As a Best Practice, the Town should pay off its credit card debt every month.

Town of Boyce
Schedule of Findings
For the Year Ended May 31, 2022

- *Condition:* The Town incurred interest charges on its credit card for several periods during the year.
- *Effect:* The Town is not utilizing its financial resources in an efficient manner. In addition, the Town may be violating Louisiana Revised Statutes requiring all debt to be approved by the State Bond Commission.
- *Cause:* The Town of Boyce's deteriorating financial condition led to cash flow challenges, and Town's management had to make choices regarding which obligations the Town would pay.
- *Recommendation:* We recommend that the Town prioritize paying its credit card off in the future, to enable the Town to conserve resources by eliminating interest payments.

Finding 2022-006 – Natural Gas Revenues

- *Criteria:* The Town of Boyce charges customers of its Natural Gas System a minimum rate for use of the Town's natural gas distribution system, and charges an additional fee based upon the customers usage and the price of the underlying commodity. Inputting the change in the price of the commodity requires the Town's accounting personnel to input the calculation into the Town's billing system.
- *Condition:* In the current year, Town personnel did not input the price of the underlying commodity into the Town's utility billing system correctly for an extended period.
- *Effect:* The Town underbilled customers of its Natural Gas System by a significant amount. As such, the Town was not in compliance with its ordinance establishing Natural Gas billing practices. In addition, the Town may have violated the Louisiana Constitution, by giving away something of value without receiving a reciprocal exchange.
- *Cause:* The Town did not have any process to review natural gas bills before they were given to customers. As such, no internal controls were in place to ensure that bills were properly calculated.
- *Recommendation:* We recommend that the Town assign an additional member of its accounting personnel the duty of recalculating gas billings before they are finalized, to insure that the correct commodity price is applied to each bill for issuance.

PART III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS WHICH SHALL INCLUDE AUDIT FINDINGS AS DEFINED BY THE UNIFORM CIRCULAR:

- None

TOWN OF BOYCE, LOUISIANA
Managements Corrective Action Plan
For the Year Ended May 31, 2022

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

Finding 2022-001: Noncompliance with Louisiana Record Retention Laws

The Town was unable to provide certain public records relating to credit card purchases to the Town Auditors upon request, as they were unable to be located. The Town was not in compliance with Louisiana Revised Statutes related to record retention, requiring the audit team to perform alternative procedures.

Finding 2022-002: Accounting Practices and Financial Reporting

The Town's generally dysfunctional nature of accounting practices has contributed to a variety of problems, including documentation being unavailable, finance charges and late fees for non-payment of accounts payable, and management's inability to properly evaluate financial decisions because of a lack of timely, accurate information. The Town has experienced a significant financial decline, in part precipitated by the dysfunction of the accounting system. In addition, finance charges and late fees have been incurred, and the Town has been noncompliant with the State's record retention laws.

Finding 2022-003: Noncompliance with Lawrason Act

The Town did not hold at least one regular meeting in each month on a date and at a place and hour fixed by ordinance. The Town's Mayor and Board of Alderman were unable to reach a quorum for multiple months of the year.

Finding 2022-004: Debt Covenants

The Town did not comply with the debt covenants to deposit money monthly into the Water Reserve or Contingency Funds. The Town is required to deposit \$106 per month into the Water Reserve Fund and \$100 per month into the Contingency Fund. The Town's accounting personnel failed to make the required monthly transfer.

Finding 2022-006: Natural Gas Revenues

In the current year, the Town of Boyce did not bill its natural gas customers appropriately. A large portion of the Town's customer base as underbilled for several months during the year, causing a significant loss to the Town.

2022-001: Response

We will retain all records in accordance with the Town's retention schedule and in accordance with Louisiana Law.

2022-002: Response

We will implement monitoring activities, including the institution of monthly finance committee meetings, to ensure that financial reporting is properly performed. In addition, the Town's accounting personnel will undergo additional training, and we will ensure special attention is paid to monitoring accounts payable so that finance charges and late fees can be minimized in the future.

2022-003: Response

We will make every effort to meet with a quorum at least once per month in order to stay in compliance with the Lawrason Act.

2022-004: Response

We will more closely monitor the debt covenant provisions in the future and ensure that all required monthly transfers are performed in the future.

2022-006: Response

We will assign a second member of our accounting personnel the task of reviewing each month's billings before they are sent to customers.

TOWN OF BOYCE, LOUISIANA
Managements Corrective Action Plan
For the Year Ended May 31, 2022

SECTION II - MANAGEMENT LETTER

Finding 2022-005: Credit Card Usage

The Town incurred interest charges on its credit card for several periods during the year. The Town is not utilizing its financial resources in an efficient manner. In addition, the Town may be violating Louisiana Revised Statutes requiring all debt to be approved by the State Bond Commission.

2022-005: Response

The Town will prioritize paying its credit card off in the future to enable the Town to conserve resources by eliminating interest payments.

TOWN OF BOYCE, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended May 31, 2022

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

Finding 2021-001: Noncompliance with Salaries set by Ordinance

The Town of Boyce previously adopted ordinances setting the salary for the Police Chief, Town Clerk, and Utility Superintendent. In the current year, the Town did not pay these three officials in accordance with the Town's ordinances. When the Town reduced its operating hours from 40 to 32, the Town's payroll clerk reduced the Town Clerk and Utility Superintendent's salary accordingly. However, this was done in error, as the ordinance established a set salary. In addition, the payroll clerk paid the Police Chief an incorrect amount several times throughout the year.

Resolved:

Management more carefully reviews amounts paid to officials and employees whose salaries are set by ordinance.

Finding 2021-002: Noncompliance with Louisiana Record Retention Laws

The Town was unable to provide certain public records relating to credit card purchases to the Town Auditors upon request, as they were unable to be located. The Town was not in compliance with Louisiana Revised Statutes related to record retention, requiring the audit team to perform alternative procedures.

Unresolved:

See Managements Corrective Action Plan, Finding 2022-001.

Finding 2021-003: Noncompliance with Louisiana Government Budget Act

The Town's General Fund expenditures exceeded budgeted appropriations by more than the variances allowed by law. This variance occurred due to management failing to properly budget salaries, related expenses, and other various operating expenditures. Management should review the budget to actual expenditures each month and amend the budget when actual expenditures exceed budgeted expenditures by more than 5%. This will allow management to closely monitor the Town's expenditures and reduce the risk of purchases that were not properly authorized.

Resolved:

Management more closely monitors revenues and expenditures and amends the budget when necessary.

Finding 2021-004: Late Payment to Retirement Systems

The Town of Boyce is a participate in two statewide retirement systems, which have requirements established by Louisiana Revised Statutes, including prompt payment of all amounts owed to the retirement systems. The Town of Boyce did not make all required payments to the two statewide retirement systems timely.

Resolved:

Management more closely monitors retirement payments and ensures that all required retirement obligations are paid timely.

Finding 2021-005: Accounting Practices and Financial Reporting

The Town's generally dysfunctional nature of accounting practices has contributed to a variety of problems, including documentation being unavailable, finance charges and late

Unresolved:

See Managements Corrective Action Plan, Finding 2022-002.

TOWN OF BOYCE, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended May 31, 2022

fees for non-payment of accounts payable, and management's inability to properly evaluate financial decisions because of a lack of timely, accurate information. The Town has experienced a significant financial decline, in part precipitated by the dysfunction of the accounting system. In addition, finance charges and late fees have been incurred, and the Town has been noncompliant with the State's record retention laws.

Finding 2021-006: Noncompliance with Lawrason Act

The Town did not hold at least one regular meeting in each month on a date and at a place and hour fixed by ordinance. The Town's Mayor and Board of Alderman were unable to reach a quorum for two months of the year, in part due to the health issues of several individuals.

Finding 2021-007: Debt Covenants

The Town did not comply with the debt covenants to deposit money monthly into the Water Reserve Fund. The Town is required to deposit \$106 per month into the Water Reserve Fund. The Town's accounting personnel failed to make the required monthly transfer.

Finding 2021-010: Improper Payment to Town Clerk

In the current year, the Town Clerk received a check for compensatory time that elapsed at the end of 2016. The Town may have made an improper payment to the Town Clerk for compensatory time, in violation of its leave policy. The Town's lack of a comprehensive, written employee policy, as well as a deficient control environment, allowed this payment to occur.

Unresolved:

See Managements Corrective Action Plan, Finding 2022-003.

Unresolved:

See Managements Corrective Action Plan, Finding 2022-004.

Resolved:

Management ensures that all payments are made in accordance with the Town's leave policy.

SECTION II - MANAGEMENT LETTER

Finding 2021-008: Vehicle Policies

As a Best Practice, the Town should adopt policies dictating the proper use of the Town's vehicles. In addition, this policy should be adopted by management and the Town's board of aldermen, to foster greater accountability. The Town, lacking such a policy, has created a potential framework for fraud, waste, or abuse related to the improper use of vehicles. Town employees, or management, may be using vehicles in an improper or wasteful fashion.

Finding 2021-009: Credit Card Usage

The Town incurred interest charges on its credit card for several periods during the year. The Town is not utilizing its financial resources in an efficient manner. In addition, the Town may be violating Louisiana Revised Statutes requiring all debt to be approved by the State Bond Commission.

Resolved:

Management ensures that all Town vehicles are not used in a way that is improper or wasteful.

Unresolved:

See Managements Corrective Action Plan, Finding 2022-005.

APPENDIX A
Statewide Agreed-Upon Procedures



Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the Town of Boyce and
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Town of Woodworth (the Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period June 1, 2021 through May 31, 2022. The Entity's management is responsible for those C/C areas identified in the SAUPs.

The entity 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 described above. 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.

We were engaged 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 entity 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.

Rozier, McKay & Willis
Certified Public Accountants
Alexandria, Louisiana
November 21, 2022



1407 Peterman Drive
Post Office Box 12178
Alexandria, Louisiana 71315

Voice: 318.442.1608
Fax: 318.487.2027
Online: CenlaCPAs.com

Town of Boyce

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Written Policies and Procedures		
Agreed-Upon Procedure	Results	Managements' Response
<p>1 Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories.</p> <ul style="list-style-type: none">• Budgeting• Purchasing• Disbursements• Receipts• Payroll/Personnel• Contracting• Credit Cards• Travel and expense reimbursements• Ethics• Debt Service• Disaster Recovery / Business Continuity• Sexual Harassment	<p>The Town maintains a comprehensive payroll/personnel policy. The Town has not adopted any other written policies or procedures.</p>	<p><i>We will review each of the items and add written policies and procedures as necessary.</i></p>

Town of Boyce

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
<p>2 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:</p> <p>a) 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.</p> <p>b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. <i>Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.</i></p>	<p>The Town failed to meet with a quorum each month.</p> <p>Budget-to-actual comparisons were not presented at the monthly meetings.</p>	<p><i>In the future, we will ensure that meetings are promptly rescheduled when the original meeting must be cancelled.</i></p> <p><i>We will provide a report to the Council at each monthly meeting in the future.</i></p>

Town of Boyce

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund.	For the previous year the general fund reported a positive unrestricted fund balance.	<i>No findings or criticisms were reported.</i>

Town of Boyce

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Bank Reconciliations		
Agreed-Upon Procedure	Results	Managements' Response
<p>3 Obtain a listing of client 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 (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 selected each account, and observe that:</p> <p>a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);</p> <p>b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and</p> <p>c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.</p>	<p>Reconciliations were completed within a 2-month period.</p> <p>Evidence of review by an appropriate party was present.</p> <p>Management has not researched the items outstanding more than 12 months.</p>	<p><i>No findings or criticisms were reported.</i></p> <p><i>No findings or criticisms were reported.</i></p> <p><i>We will research the outstanding items and take appropriate action.</i></p>

Town of Boyce

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Collections (excluding EFTs)		
Agreed-Upon Procedure	Results	Managements' Response
<p>4 Obtain a listing of <u>deposit sites</u> 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).</p>	<p>The list was provided and deposits were selected.</p>	<p><i>No findings or criticisms were reported.</i></p>
<p>5 For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, 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:</p> <p style="margin-left: 20px;">a) Employees that are responsible for cash collections do not share cash drawers/registers.</p>	<p>The Town does not accept currency. Therefore, there are no cash drawers/registers.</p>	<p><i>No findings or criticisms were reported.</i></p>

Town of Boyce

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Collections (excluding EFTs)		
Agreed-Upon Procedure	Results	Managements' Response
<p>b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.</p>	<p>Due to the limited staff size, the employee responsible for collecting cash may, at times, make the deposit.</p>	<p><i>Due to limited resources, we are unable to hire that staff necessary for proper segregation of duties. We will determine the cost benefit of additional staff members with our auditors.</i></p>
<p>c) Each employee responsible for collecting cash is not 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.</p>	<p>Duties are appropriately segregated.</p>	<p><i>No findings or criticisms were reported.</i></p>
<p>d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.</p>	<p>Duties are appropriately segregated.</p>	<p><i>No findings or criticisms were reported.</i></p>
<p>6 Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.</p>	<p>Appropriate coverage has been maintained.</p>	<p><i>No findings or criticisms were reported.</i></p>
<p>7 Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (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) . Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as</p>		

Town of Boyce

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Collections (excluding EFTs)		
Agreed-Upon Procedure	Results	Managements' Response
<p>a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:</p> <p>a. Observe that receipts are sequentially pre-numbered.</p> <p>b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.</p> <p>c. Trace the deposit slip total to the actual deposit per the bank statement.</p> <p>d. Observe that the deposit was made within one business day of receipt 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).</p> <p>e. Trace the actual deposit per the bank statement to the general ledger.</p>	<p>Not Applicable, as the Town does not except currency as a form of payment and typical collections arrive by mail or through electronic forms of payment.</p> <p>Not Applicable, as described above, receipts are not applicable.</p> <p>Deposit slips agreed with the bank statements.</p> <p>Deposits were remitted within a single business day.</p> <p>Deposits appearing on the bank statement agree with the general ledger.</p>	<p><i>No findings or criticisms were reported.</i></p>

Town of Boyce

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
8 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).	All transactions are processed at the Town's Municipal Complex.	No findings or criticisms were reported.
9 For each location selected under #8 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, inquire of employees about their job duties), and observe that job duties are properly segregated such that:		
a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.	Multiple employees are involved.	No findings or criticisms were reported.
b) At least two employees are involved in processing and approving payments to vendors.	Multiple employees are involved.	No findings or criticisms were reported.
c) 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.	Due to the nature of the accounting system, it is not practical to limit access to particular components. This limitation is mitigated by requiring each check to be signed by two parties.	No findings or criticisms were reported.

Town of Boyce

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	Results	Managements' Response
<p>11 Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.</p> <p>12 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:</p> <p>a. Observe that 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) was reviewed and approved, in writing, by someone other than the authorized card holder.</p> <p>b. Observe that finance charges and late fees were not assessed on the selected statements.</p>	<p>The requested information was provided.</p> <p>No evidence of independent review and approval was present.</p> <p>There were finance charges and late fees on the selected statements.</p>	<p><i>No findings or criticisms were reported.</i></p> <p><i>In the future, we will have each statement reviewed by an official other than the cardholder.</i></p> <p><i>We are working to ensure that expenses are paid promptly.</i></p>

Town of Boyce

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	Results	Managements' Response
13 Using the monthly statements or combined statements selected under #12 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 (i.e. each card should have 10 transactions subject to testing). 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).	Several of the statements selected did not have the original itemized receipt.	<i>In the future, we will attach the original itemized receipt to each statement.</i>

Town of Boyce

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Travel and Expense Reimbursement		
Agreed-Upon Procedure	Results	Managements' Response
<p>14 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, 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:</p> <p>a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).</p> <p>b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.</p> <p>c. 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 policy (procedure #1h).</p>	<p>Appropriate per diem rates have been utilized.</p> <p>Actual costs were supported by appropriate documentation.</p> <p>Business purposes were adequately documented.</p>	<p><i>No findings or criticisms were reported.</i></p> <p><i>No findings or criticisms were reported.</i></p> <p><i>No findings or criticisms were reported.</i></p>

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Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Travel and Expense Reimbursement		
Agreed-Upon Procedure	Results	Managements' Response
d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.	The reimbursement was not always reviewed and approved by someone other than the person receiving the reimbursement.	<i>In the future, we will have an additional individual review the reimbursements.</i>

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Schedule of Procedures, Results and Managements' Response (Continued)

Contracts		
Agreed-Upon Procedure	Results	Managements' Response
<p>15 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. Alternately, 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:</p> <p>a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.</p> <p>b. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).</p> <p>c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.</p> <p>d. 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.</p>	<p>Management has asserted that no construction activity was undertaken during the year and no additional contracts were awarded for professional services, materials and supplies, or leases.</p> <p>See Above</p> <p>See Above</p> <p>See Above</p> <p>See Above</p>	<p><i>No findings or criticisms were reported.</i></p>

Town of Boyce

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Schedule of Procedures, Results and Managements' Response (Continued)

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
<p>16 Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.</p>	<p>The list was provided and a selection has been performed.</p>	<p><i>No findings or criticisms were reported.</i></p>
<p>17 Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:</p> <p>a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).</p> <p>b. Observe that supervisors approved the attendance and leave of the selected employees/officials.</p> <p>c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.</p> <p>d. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.</p>	<p>Attendance was properly documented.</p> <p>Approval was documented.</p> <p>Leave taken was properly reported in the accounting records.</p> <p>Rates of pay were consistent with documentation in the personnel files.</p>	<p><i>No findings or criticisms were reported.</i></p>

Town of Boyce

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
18 Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.	Termination payments were determined to be consistent with leave records and established rates of pay.	<i>No findings or criticisms were reported.</i>
19 Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.	Management has asserted that all relevant payments have been made.	<i>No findings or criticisms were reported.</i>

Town of Boyce

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Schedule of Procedures, Results and Managements' Response (Continued)

Ethics		
Agreed-Upon Procedure	Results	Managements' Response
<p>20 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:</p> <p>a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.</p> <p>b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.</p>	<p>Only one of the five employees had the required ethics training on file.</p> <p>There was no signature verification available.</p>	<p><i>We will have each employee complete the required ethics training.</i></p> <p><i>We believe that all employees are familiar with ethics policies but we will review files to ensure that signature verification is provided by every member of the staff.</i></p>

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Schedule of Procedures, Results and Managements' Response (Continued)

Debt Service		
Agreed-Upon Procedure	Results	Managements' Response
21 Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.	Not Applicable, as no new debt was issued.	<i>Not Applicable</i>
22 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 balances and payments to those required by debt covenants.	The Town has not complied with the debt covenants.	<i>We will begin making the monthly transfers required by our debt covenants.</i>

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Schedule of Procedures, Results and Managements' Response (Continued)

Fraud Notice		
Agreed-Upon Procedure	Results	Managements' Response
23 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.	No misappropriations were reported.	<i>No findings or criticisms were reported.</i>
24 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.	The necessary postings were present physically and on the website.	<i>No findings or criticisms were reported.</i>

Town of Boyce

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Information Technology Disaster Recovery /Business Continuity		
Agreed-Upon Procedure	Results	Managements' Response
<p>25 Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."</p> <p>a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.</p> <p>b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.</p> <p>c. 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.</p>	<p>We performed the procedure and discussed the results with management.</p> <p>We performed the procedure and discussed the results with management.</p> <p>We performed the procedure and discussed the results with management.</p>	<p><i>No findings or criticisms were reported.</i></p> <p><i>No findings or criticisms were reported.</i></p> <p><i>No findings or criticisms were reported.</i></p>

Town of Boyce

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Sexual Harassment		
Agreed-Upon Procedure	Results	Managements' Response
<p>26 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.</p>	<p>There was no documentation that the employees completed the training.</p>	<p><i>We believe that all employees are familiar with sexual harassment policies but we will review files to ensure that signature verification is provided by every member of the staff.</i></p>
<p>27 Observe 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).</p>	<p>There was no documentation that the policy and complaint procedures is posted.</p>	<p><i>We will adopt and post a policy.</i></p>
<p>28 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 it includes the applicable requirements of R.S. 42:344:</p> <ul style="list-style-type: none"> a. Number and percentage of public servants in the agency who have completed the training requirements; b. Number of sexual harassment complaints received by the agency; c. Number of complaints which resulted in a finding that sexual harassment occurred; d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and e. Amount of time it took to resolve each complaint. 	<p>There was no report produced for the current year.</p>	<p><i>We will begin preparing the report annually.</i></p>