

TOWN OF BOYCE, LOUISIANA

**Annual Financial Report
For the Year Ended May 31, 2023**



**Rozier McKay
& Willis** | CERTIFIED PUBLIC
ACCOUNTANTS |

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September 5, 2025

Independent Auditors' Report

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

REPORT ON THE FINANCIAL STATEMENTS

Disclaimer of Opinions

We were engaged to audit the accompanying financial statements of the Town of Boyce, as of and for the year ended May 31, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

We do not express an opinion on the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Boyce, because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Basis for Disclaimer of Opinion

During a portion of the year under audit, the Town's previous administration made little effort to document expenditures or record financial transactions. Due to the uncertainties resulting from these matters, management was not able to provide written representations required by generally accepted auditing standards.

Substantial Doubt About the Entity's Ability to Continue as a Going Concern

The accompanying financial statements presented assume that the Town will continue as a going concern. As discussed in Notes 12 and 13 to the financial statements, the Town's participation in a statewide retirement system has resulted in exposure to substantial losses. As a result of these conditions, Management has stated that substantial doubt exists about the Town's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans to mitigate these matters are also described in Note 13. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide an audit opinion on 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.

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



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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 responsibility is to conduct an audit of the Town of Boyce's financial statements in accordance with generally accepted auditing standards and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

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 engagement to 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

We were engaged to conduct an audit 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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. Because of the significance of the matters documented in the Basis for Disclaimer of Opinion section of this report, we do not express an opinion on the additional information 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 September 5, 2025 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 engagement in accordance with *Government Auditing Standards* in considering Town of Boyce's internal control over financial reporting and compliance.

A handwritten signature in blue ink, reading "Rozier, McKay & Willis". The signature is fluid and cursive, with the names connected together.

ROZIER, MCKAY & WILLIS
Certified Public Accountants
Alexandria, Louisiana



September 5, 2025

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 were engaged to audit, 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, 2023, 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 September 5, 2025. Our report disclaims an opinion on such financial statements because management was not able to provide written representations required by generally accepted auditing standards.

Report on Internal Control Over Financial Reporting

In connection with our engagement to audit the financial statements of the Town of Boyce, 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 the Town of Boyce's internal control. Accordingly, we do not express an opinion on the effectiveness of Town 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. Given these limitations, during our engagement to audit we did not identify any deficiencies that we consider to be a material weakness in internal control. However, as described in the accompanying schedule of findings, we identified 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. 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



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to merit attention by those charged with governance. We consider the deficiency described as item **2023-002** to be a material weakness.

Compliance and Other Matters

In connection with our engagement to audit the financial statements of the Town of Boyce, 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 engagement to audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items **2023-001, 2023-003, 2023-004, 2023-006, 2023-007, and 2023-008**. Additionally, if the scope of our work had been sufficient to enable us to express opinions on the basic financial statements, other instances of noncompliance or other matters may have been identified and reported herein.

Town of Boyce's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an engagement to perform an audit 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
Alexandria, Louisiana

TOWN OF BOYCE

MANAGEMENT'S DISCUSSION AND ANALYSIS

May 31, 2023

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, 2023.

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, 2023

- **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, 2023			For the Year Ended May 31, 2022
	<u>Govern- mental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	
<u>Assets:</u>				
Current and other assets	\$ 154,827	\$ 359,778	\$ 514,605	\$ 437,608
Capital assets	640,126	2,739,618	3,379,744	3,560,591
Total assets	<u>794,953</u>	<u>3,099,396</u>	<u>3,894,349</u>	<u>3,998,199</u>
Deferred Outflow of Resources	<u>606,511</u>	<u>121,468</u>	<u>727,979</u>	<u>390,194</u>
<u>Liabilities:</u>				
Current and other liabilities	307,566	445,675	753,241	645,181
Long-term liabilities	2,195,239	499,815	2,695,054	968,068
Total liabilities	<u>2,502,805</u>	<u>945,490</u>	<u>3,448,295</u>	<u>1,613,249</u>
Deferred Inflows of Resources	<u>14,970</u>	<u>11,572</u>	<u>26,542</u>	<u>214,842</u>
<u>Net Position:</u>				
Invested in Capital Assets (Net)	416,202	2,530,916	2,947,118	3,067,104
Restricted	37,658	10,605	48,263	50,533
Unrestricted	(1,570,171)	(277,719)	(1,847,890)	(557,335)
Total Net Position	<u>\$ (1,116,311)</u>	<u>\$ 2,263,802</u>	<u>1,147,491</u>	<u>\$ 2,560,302</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, 2023

An additional portion of the net position represents 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 and an Accrued Loss Contingency to the Police retirement system.

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, 2023			For the Year Ended May 31, 2022
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
<u>Revenues:</u>				
Program Revenue:				
Charges for Services	\$ 638,575	\$ 1,441,628	\$ 2,080,203	\$ 1,869,036
Operating Grants and Contributions	272,723	158,956	431,679	227,852
Capital Grants and Contributions	----	----	----	----
General Revenue:				
Property Taxes	30,171	----	30,171	34,886
Sales Taxes	913,431	----	913,431	835,707
Franchise Taxes	----	----	----	6,154
Occupational Licenses	84,221	----	84,221	74,531
Insurance Proceeds	----	----	----	----
Miscellaneous	----	----	----	15,110
Total Revenue	<u>1,939,121</u>	<u>1,600,584</u>	<u>3,539,705</u>	<u>3,063,276</u>
<u>Program Expenses:</u>				
General Government	211,893	----	211,893	265,346
Public Safety				
Police Department	1,624,251	----	1,624,251	963,304
Fire Department	108,556	----	108,556	61,062
Streets and Drainage	198,453	----	198,453	323,101
Recreation	30,926	----	30,926	28,390
Lights	----	798,644	798,644	618,248
Natural Gas System	----	201,640	201,640	255,669
Water	----	213,897	213,897	258,945
Sewer	----	288,197	288,197	270,982
Sanitation	----	136,531	136,531	92,762

TOWN OF BOYCE

MANAGEMENT'S DISCUSSION AND ANALYSIS

May 31, 2023

	For the Year Ended May 31, 2023			For the Year Ended May 31, 2022
	Govern- mental Activities	Business- Type Activities	Total	
Total Expenses	2,174,079	1,638,909	3,812,988	3,137,809
Increase in Net Position Before Special Items	(234,958)	(38,325)	(273,283)	(74,533)
Special Items:				
MPERS Accrued Loss Contingency	(1,139,528)	----	(1,139,528)	----
Change in Net Position	(1,374,486)	(38,325)	(1,412,811)	(74,533)
Net Position Beginning	258,175	2,302,127	2,560,302	2,634,835
Net Position Ending	<u>\$ (1,116,311)</u>	<u>\$ 2,263,802</u>	<u>\$ 1,147,491</u>	<u>\$ 2,560,302</u>

Governmental activities decreased the Town's net position by \$1,116,311. This decrease is due to an Accrued Loss Contingency to the police retirement system.

Business-type activities decreased the Town's net position by \$38,325. 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 \$(91,772), which represents a decrease of \$160,555.

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 and Half-Cent Sales Tax Fund are the only funds required by law to adopt a budget. The budgets were amended to increase appropriations and expenditures that were not anticipated when the original budgets were adopted.

Capital Asset Administration

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

TOWN OF BOYCE

MANAGEMENT'S DISCUSSION AND ANALYSIS

May 31, 2023

- Equipment purchases for the governmental activities were limited to two Police Department vehicles, a portable building for the Police Department, and four lawn mowers for the Streets Department.

Debt Administration

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

Factors Expected to Effect Future Operations

The Town's participation in a statewide retirement system has resulted in exposure to substantial losses. Further details regarding loss exposure are provided as follows:

- Liabilities totaling \$1,139,528 have been accrued in connection with claims pursued by the Municipal Police Employees Retirement System (MPERS).
- MPERS is pursuing additional claims associated with actions by the Town that reduced the size of its Police Department.
- MPERS has requested that the State Treasurer withhold distributions of State funds to the Town until these matters are resolved.

Based on an evaluation of these matters, management has determined enforcement of the claims asserted by MPERS and the potential for loss of State funds threaten the Town's ability to continue operating.

Management is attempting to resolve this matter by pursuing litigation, but resources available to fund continued litigation are limited.

TOWN OF BOYCE

Statement of Net Position

May 31, 2023

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 64,642	\$ 54,984	\$ 119,626
Receivables (net)	90,185	294,189	384,374
Restricted Assets			
Cash and Cash Equivalents	-	10,605	10,605
Capital Assets			
Non Depreciable Capital Assets	170,007	20,337	190,344
Depreciable Capital Assets (net)	470,119	2,719,281	3,189,400
Total Assets	794,953	3,099,396	3,894,349
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Pension Funding Deferrals	606,511	121,468	727,979
<u>LIABILITIES:</u>			
Accounts Payable	246,599	289,874	536,473
Deposits Due Others	-	140,717	140,717
Long-term Liabilities			
Compensated Absences	64,761	14,417	79,178
Net Pension Liability	827,993	291,780	1,119,773
Accrued Loss Contingency	1,139,528	-	1,139,528
Notes Payable			
Due within one year	60,967	15,084	76,051
Due in more than one year	162,957	193,618	356,575
Total Liabilities	2,502,805	945,490	3,448,295
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Pension Funding Deferrals	14,970	11,572	26,542
<u>NET POSITION:</u>			
Invested in capital assets, net of related debt	416,202	2,530,916	2,947,118
Restricted for:			
Debt Service	-	10,605	10,605
Capital Improvements	18,752	-	18,752
Other Special Purposes	18,906	-	18,906
Unrestricted	(1,570,171)	(277,719)	(1,847,890)
Total Net Position	\$ (1,116,311)	\$ 2,263,802	\$ 1,147,491

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

TOWN OF BOYCE

Statement of Activities

Year Ended May 31, 2023

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Net (Expenses) Revenue
<u>Governmental Activities:</u>					
General Government	\$ 211,893	\$ -	\$ 231,523	\$ -	\$ 19,630
Public Safety					
Police	1,624,251	638,575	41,200	-	(944,476)
Fire	108,556	-	-	-	(108,556)
Streets & Drainage	198,453	-	-	-	(198,453)
Recreation	30,926	-	-	-	(30,926)
Total Governmental Activities	<u>2,174,079</u>	<u>638,575</u>	<u>272,723</u>	<u>-</u>	<u>(1,262,781)</u>
<u>Business-Type Activities:</u>					
Lights	798,644	728,876	145,708	-	75,940
Natural Gas System	201,640	191,188	-	-	(10,452)
Water	213,897	167,560	13,248	-	(33,089)
Sewer	288,197	212,563	-	-	(75,634)
Sanitation	136,531	141,441	-	-	4,910
Total Business-Type Activities	<u>1,638,909</u>	<u>1,441,628</u>	<u>158,956</u>	<u>-</u>	<u>(38,325)</u>
Total Primary Government	<u>\$ 3,812,988</u>	<u>\$ 2,080,203</u>	<u>\$ 431,679</u>	<u>\$ -</u>	<u>\$ (1,301,106)</u>

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

TOWN OF BOYCE

Statement of Activities (Continued)

Year Ended May 31, 2023

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business- Type Activities	Net (Expenses) Revenue
Net (Expense) Revenues (Continued From Previous Page	\$ (1,262,781)	\$ (38,325)	\$ (1,301,106)
<u>General Revenues:</u>			
Taxes:			
Ad Valorem	30,171	-	30,171
Sales Taxes	913,431	-	913,431
Occupational Licenses	84,221	-	84,221
Transfers	-	-	-
Total General Revenues and Transfers	1,027,823	-	1,027,823
Change in Net Position Before Special Items	(234,958)	(38,325)	(273,283)
Special Items:			
MPERS Accrued Loss Contingency (Note 12)	(1,139,528)	-	(1,139,528)
Change in Net Position	(1,374,486)	(38,325)	(1,412,811)
Net Position Beginning	258,175	2,302,127	2,560,302
Net Position Ending	<u>\$ (1,116,311)</u>	<u>\$ 2,263,802</u>	<u>\$ 1,147,491</u>

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

TOWN OF BOYCE

Balance Sheet

Governmental Funds - May 31, 2023

	General	Non-Major Funds	Total Governmental Funds
<u>Assets</u>			
Cash and cash equivalents	\$ 55,191	\$ 9,451	\$ 64,642
Receivables (net)	80,729	9,456	90,185
Total assets	\$ 135,920	\$ 18,907	\$ 154,827
<u>Liabilities and Fund Equity</u>			
<u>Liabilities:</u>			
Accounts and other payables	\$ 246,599	\$ -	\$ 246,599
Total liabilities	246,599	-	246,599
<u>Fund Balance:</u>			
Restricted For			
Capital Improvements	18,752	-	18,752
Other Special Purposes	-	18,906	18,906
Assigned	-	1	1
Unassigned	(129,431)	-	(129,431)
Total fund equity	(110,679)	18,907	(91,772)
Total liabilities and fund equity	\$ 135,920	\$ 18,907	\$ 154,827

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

Total Fund Balances - Governmental Funds	\$ (91,772)
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)	470,119
	640,126
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	(223,924)
Compensated Absences	(64,761)
Net Pension Liability	(827,993)
Accrued Loss Contingency	(1,139,528)
	(2,256,206)
Deferred inflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet	(14,970)
Deferred outflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet	606,511
Net Assets of Governmental Activities	<u>\$ (1,116,311)</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, 2023***

	General	Non-Major Funds	Total Governmental Funds
<u>Revenues:</u>			
Taxes:			
Ad valorem	\$ 30,171	\$ -	\$ 30,171
Sales tax	811,393	102,038	913,431
Licenses and permits	84,221	-	84,221
Intergovernmental	272,723	-	272,723
Bonds and fines	638,575	-	638,575
Total revenues	1,837,083	102,038	1,939,121
<u>Expenditures:</u>			
General government	220,769	-	220,769
Public safety			
Police Department	1,399,650	41,566	1,441,216
Fire Department	47,300	41,566	88,866
Streets & Drainage	168,696	-	168,696
Recreation	29,335	-	29,335
Capital Expenditures	91,759	-	91,759
Debt Service	59,035	-	59,035
Total expenditures	2,016,544	83,132	2,099,676
Excess (deficiency) of revenues over expenditures	(179,461)	18,906	(160,555)
<u>Other financing sources (uses):</u>			
Operating transfers (net)	-	-	-
Total other financing sources (uses)	-	-	-
Excess (deficiency) of revenues and expenditures and other uses	(179,461)	18,906	(160,555)
Fund balance - beginning of year	68,782	1	68,783
Fund balance - end of year	\$ (110,679)	\$ 18,907	\$ (91,772)

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, 2023

Net change in fund balances of Governmental Funds \$ (160,555)

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	91,759	
Depreciation expense reported on a government-wide basis	<u>(111,983)</u>	(20,224)

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. (60,053)

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. (1,180,183)

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. 46,529

Change in net position of governmental activities \$ (1,374,486)

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

TOWN OF BOYCE

Statement of Net Position

Proprietary Funds - Year Ended May 31, 2023

	Business-Type Activities - Enterprise Fund					
	Lights	Gas	Water	Sewer	Non-Major Funds	Total
<u>ASSETS:</u>						
Current assets:						
Cash and cash equivalents	\$ 40,325	\$ 10,656	\$ 237	\$ 3,766	\$ -	\$ 54,984
Receivables (net)	207,774	17,816	22,285	27,944	18,370	294,189
Total current assets	248,099	28,472	22,522	31,710	18,370	349,173
Restricted assets:						
Cash and cash equivalents	-	-	10,605	-	-	10,605
Noncurrent assets:						
Non-depreciable capital assets	-	3,127	9,210	8,000	-	20,337
Depreciable capital assets (net)	433,205	30,817	476,867	1,778,392	-	2,719,281
Total noncurrent assets	433,205	33,944	486,077	1,786,392	-	2,739,618
Total assets	681,304	62,416	519,204	1,818,102	18,370	3,099,396
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>						
Pension funding deferrals	30,367	30,367	30,367	30,367	-	121,468
<u>LIABILITIES:</u>						
Current liabilities:						
Accounts payable	208,953	21,215	23,574	23,086	13,046	289,874
Current portion of long-term debt	-	-	15,084	-	-	15,084
Total current assets	208,953	21,215	38,658	23,086	13,046	304,958
Noncurrent Liabilities:						
Compensated absences payable	3,604	3,604	3,604	3,605	-	14,417
Deposits due others	88,540	52,177	-	-	-	140,717
Long-Term Debt	-	-	193,618	-	-	193,618
Net Pension Liability	72,945	72,945	72,945	72,945	-	291,780
Total liabilities	374,042	149,941	308,825	99,636	13,046	945,490
<u>DEFERRED INFLOWS OF RESOURCES:</u>						
Pension funding deferrals	2,893	2,893	2,893	2,893	-	11,572
<u>NET POSITION</u>						
Invested in capital assets, net of related debt	433,205	33,944	277,375	1,786,392	-	2,530,916
Restricted for debt service	-	-	10,605	-	-	10,605
Unrestricted	(98,469)	(93,995)	(50,127)	(40,452)	5,324	(277,719)
Total net position	\$ 334,736	\$ (60,051)	\$ 237,853	\$ 1,745,940	\$ 5,324	\$ 2,263,802

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, 2023

	Business-Type Activities - Enterprise Funds					
	Lights	Gas	Water	Sewer	Non-Major Funds	Total
<u>Operating revenues:</u>						
Charges for services	\$ 728,876	\$ 191,188	\$ 167,560	\$ 212,563	\$ 141,441	\$ 1,441,628
Total operating revenues	<u>728,876</u>	<u>191,188</u>	<u>167,560</u>	<u>212,563</u>	<u>141,441</u>	<u>1,441,628</u>
<u>Operating expenses:</u>						
Salaries	63,830	63,831	63,830	63,832	-	255,323
Purchases (Electricity and Natural Gas)	454,483	69,057	-	-	-	523,540
Collection Expense	-	-	-	-	87,987	87,987
Payroll taxes and benefits	41,177	38,671	38,657	38,826	-	157,331
Depreciation	41,912	2,127	25,663	90,921	-	160,623
Other	<u>197,242</u>	<u>27,954</u>	<u>74,650</u>	<u>94,618</u>	<u>48,544</u>	<u>443,008</u>
Total operating expenses	<u>798,644</u>	<u>201,640</u>	<u>202,800</u>	<u>288,197</u>	<u>136,531</u>	<u>1,627,812</u>
Operating income (loss)	(69,768)	(10,452)	(35,240)	(75,634)	4,910	(186,184)
<u>Non-operating revenues (expenses):</u>						
Operating grants	145,708	-	13,248	-	-	158,956
Interest expense	<u>-</u>	<u>-</u>	<u>(11,097)</u>	<u>-</u>	<u>-</u>	<u>(11,097)</u>
Change in net position before capital grants and transfers	75,940	(10,452)	(33,089)	(75,634)	4,910	(38,325)
<u>Capital grants and transfers:</u>						
Operating transfers (net)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	75,940	(10,452)	(33,089)	(75,634)	4,910	(38,325)
Total net position - beginning of year	<u>258,796</u>	<u>(49,599)</u>	<u>270,942</u>	<u>1,821,574</u>	<u>414</u>	<u>2,302,127</u>
Total net position - end of year	<u>\$ 334,736</u>	<u>\$ (60,051)</u>	<u>\$ 237,853</u>	<u>\$ 1,745,940</u>	<u>\$ 5,324</u>	<u>\$ 2,263,802</u>

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

TOWN OF BOYCE

Statement of Cash Flows

Proprietary Funds - Year Ended May 31, 2023

	Business-Type Activities - Enterprise Funds					
	Lights	Gas	Water	Sewer	Non-Major Fund	Total
<u>Cash flow from operating activities:</u>						
Cash received from customers	\$ 599,958	\$ 186,246	\$ 161,900	\$ 206,302	\$ 134,514	\$ 1,288,920
Cash payments to suppliers of goods and services	(708,717)	(121,575)	(106,092)	(138,670)	(134,514)	(1,209,568)
Cash payments to employees for service	(64,681)	(64,681)	(64,681)	(64,681)	-	(258,724)
Net cash provided (used) by operating activities	(173,440)	(10)	(8,873)	2,951	-	(179,372)
<u>Cash flows from non-capital financing activities:</u>						
Grant proceeds	145,708	-	13,248	-	-	158,956
Operating transfers in (out)	-	-	-	-	-	-
Net cash provided (used) by non-capital financing activities	145,708	-	13,248	-	-	158,956
<u>Cash flows from capital and related financing activities:</u>						
Principle paid on capital debt	-	-	(14,332)	-	-	(14,332)
Interest paid on capital debt	-	-	(11,097)	-	-	(11,097)
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	-	-	-	-	-	-
Net cash provided (used) by investing activities	-	-	-	-	-	-
Net increase (decrease) in cash	(27,732)	(10)	(21,054)	2,951	-	(45,845)
Beginning cash balance	68,057	10,666	31,896	815	-	111,434
Ending cash balance	40,325	10,656	10,842	3,766	-	65,589
Cash - restricted	-	-	10,605	-	-	10,605
Cash - unrestricted	\$ 40,325	\$ 10,656	\$ 237	\$ 3,766	\$ -	\$ 54,984
<u>Reconciliation of operating income (loss) to net cash</u>						
Operating Income (loss)	\$ (69,768)	\$ (10,452)	\$ (35,240)	\$ (75,634)	\$ 4,910	\$ (186,184)
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	41,912	2,127	25,663	90,921	-	160,623
(Increase) decrease in accounts receivable	(128,918)	(4,942)	(5,660)	(6,261)	(6,927)	(152,708)
(Increase) decrease in net pension liability	9,117	6,611	6,597	6,766	-	29,091
(Decrease) increase in accounts payable	(24,932)	7,496	618	(11,992)	2,017	(26,793)
(Decrease) increase in meter deposits	-	-	-	-	-	-
(Decrease) increase in compensated absences	(851)	(850)	(851)	(849)	-	(3,401)
Net cash provided (used) by operating activities	\$ (173,440)	\$ (10)	\$ (8,873)	\$ 2,951	\$ -	\$ (179,372)

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, 2023

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, 2023.

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS MAY 31, 2023

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, 2023

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, 2023

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, 2023**

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, 2023, the Town had \$130,231 in deposits (\$184,845 collected bank balance). These deposits are fully secured by federal deposit insurance. These amounts include restricted amounts of \$10,605 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, 2023, 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. For the year ended May 31, 2023, 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. Revenue generated by this tax is reported by the General Fund.

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS **MAY 31, 2023**

- A 1% sales tax has been approved by the citizens commencing April 1, 2017, with no expiration, to cover any needs by the Town. Revenue generated by this tax is reported by the General Fund.
- A Half-Cent sales tax has been approved by the citizens commencing July 1, 2022, with no expiration, to be dedicated and used for operating and maintaining the fire and police departments of the Town, and for acquiring, constructing, or improving facilities, vehicles and equipment that are to be used for fire protection or public safety in the Town. Since revenue from this source is subject to various restrictions, it is reported in a special revenue fund.
- The Town is also entitled to receive a portion of a parish wide sales tax. Since the parish wide tax is unrestricted, its proceeds are reported as revenue by the General Fund.

NOTE 4 - RECEIVABLES

Details related to receivables, as of May 31, 2023, are presented as follows:

	Governmental Activities	Business-Type Activities	Total
<u>Accounts Receivable</u>			
Charges for Services	\$ ----	\$ 330,520	\$ 330,520
FEMA Funds	----	145,707	145,707
<u>Due From Other Governmental Units</u>			
Sales Taxes	68,151	----	68,151
Occupational License	22,034	----	22,034
Total Receivables	90,185	476,227	566,412
Allowance for Doubtful Accounts	----	(182,038)	(182,038)
Net Receivables	<u>\$ 90,185</u>	<u>\$ 294,189</u>	<u>\$ 384,374</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	<u>\$ 170,007</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 170,007</u>
Depreciable Capital Assets				
Buildings and Improvements	900,677	7,825	----	908,502
Furniture, Fixtures and Equipment	1,454,857	83,934	----	1,538,791
Infrastructure	1,592,486	----	----	1,592,486
Accumulated Depreciation	<u>(3,457,677)</u>	<u>(111,983)</u>	<u>----</u>	<u>(3,569,660)</u>

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS **MAY 31, 2023**

	Beginning Balance	Additions	Disposals	Ending Balance
Total	490,343	(20,224)	----	470,119
Total Governmental Activities	<u>\$ 660,350</u>	<u>\$ (20,224)</u>	<u>\$ ----</u>	<u>\$ 640,126</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	(4,368,087)	(160,623)	----	(4,528,710)
Total	<u>2,879,904</u>	<u>(160,623)</u>	<u>----</u>	<u>2,719,281</u>
Total Business-Type Activities	<u>\$ 2,900,241</u>	<u>\$ (160,623)</u>	<u>\$ ----</u>	<u>\$ 2,739,618</u>

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

	Governmental Activities	Business-Type Activities	Total
General Government	\$ 5,892	\$ ----	\$ 5,892
Police Department	34,122	----	34,122
Fire Department	19,690	----	19,690
Street & Drainage	50,688	----	50,688
Recreation	1,591	----	1,591
Lights	----	41,912	41,912
Gas	----	2,127	2,127
Water	----	25,663	25,663
Sewer	----	90,921	90,921
Total Depreciation Expense	<u>\$ 111,983</u>	<u>\$ 160,623</u>	<u>\$ 272,606</u>

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS MAY 31, 2023

NOTE 6 - LONG-TERM LIABILITIES

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

	Governmental Activities	Business-Type Activities	Total
Revenue bonds payable	\$ ----	\$ 208,702	\$ 208,702
Capital Leases	223,924	----	223,924
Total long-term debt	223,924	208,702	432,626
Due within one year	(60,967)	(15,084)	(76,051)
Due in more than one year	<u>\$ 162,957</u>	<u>\$ 193,618</u>	<u>\$ 356,575</u>

The following changes occurred in liabilities reported in the Governmental Activities during the year ended May 31, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental Activities</u>				
Capital Lease	\$ 270,453	\$ ----	\$ 46,529	\$ 223,924
<u>Business-type Activities</u>				
Utility revenue bonds	<u>223,034</u>	<u>----</u>	<u>14,332</u>	<u>208,702</u>
Total long-term debts	<u>\$ 493,487</u>	<u>\$ ----</u>	<u>\$ 60,861</u>	<u>\$ 432,626</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, 2023, 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.

\$ 208,702

Total Revenue Bonds

\$ 208,702

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, 2023**

<u>Year Ended May 31st</u>	<u>Principle</u>	
	<u>Revenue</u>	<u>Interest</u>
	<u>Bonds</u>	
<u>Business-Type Activities</u>		
2024	\$ 15,084	\$ 10,345
2025	15,876	9,553
2026	16,709	8,720
2027	17,586	7,844
2028	18,508	6,921
2029-2033	108,169	18,977
2034	16,770	326
Total Business-Type	<u>\$ 208,702</u>	<u>\$ 62,686</u>

Total interest charged to expense for the business-type activities was \$11,097.

Capital Lease

Details regarding capital leases outstanding at May 31, 2023 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. \$ 66,873

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. 16,463

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. 140,588

Total Capital Leases \$ 223,924

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS **MAY 31, 2023**

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

<u>Year Ended May 31st</u>	<u>Governmental Activities</u>
2024	\$ 66,794
2025	66,794
2026	56,300
2027	34,200
2028	14,250
Total minimum lease payments	238,338
Less amount representing interest	(14,414)
Present value of future minimum lease payments	<u>\$ 223,924</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	\$ 24,106	\$ 40,655	\$ ----	\$ 64,761
<u>Business-type Activities</u>				
Compensated Absences	17,818	----	3,401	14,417
Total long-term debts	<u>\$ 41,924</u>	<u>\$ 40,655</u>	<u>\$ 3,401</u>	<u>\$ 79,178</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.

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS **MAY 31, 2023**

NOTE 8 – ACCOUNTS AND OTHER PAYABLES

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

		Payable to Vendors	
	Governmental Activities	<u>\$ 246,599</u>	
	Payable to Vendors	Payable Under Construction Contract	Total
Business-Type Activities			
Lights	\$ 208,953	\$ ----	\$ 208,953
Gas	21,215	----	21,215
Water	23,574	----	23,574
Sewer	23,086	----	23,086
Non-Major	13,046	----	13,046
Total business-type activities	<u>\$ 289,874</u>	<u>\$ ----</u>	<u>\$ 289,874</u>

NOTE 9 - RESTRICTED RESOURCES

The Town's net position is subject to restrictions described as follows:

- 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 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.
- Certain sales tax proceeds are available only for operating and maintaining the fire and police departments of the Town.

NOTE 10 – 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:

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2023

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Municipal Employees' Retirement System	\$ 377,489	\$ 157,146	\$ 14,969
Municipal Police Employees' Retirement System	742,284	570,833	11,573
Total All Plans	1,119,773	727,979	26,542
Portion Applicable to Business Type Activities			
Electricity System	72,945	30,367	2,893
Natural Gas System	72,945	30,367	2,893
Water System	72,945	30,367	2,893
Sewer System	72,945	30,367	2,893
Total Business Type Activities	291,780	121,468	11,572
Portion Applicable to Governmental Type Activities	\$ 827,993	\$ 606,511	\$ 14,970

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 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.

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2023

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, 2022 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 288,388,827
Plan Fiduciary Net Position	200,590,478
Net Pension Liability	87,798,349
Town's Proportionate Share (Percentage)	0.429950%
Town's Proportionate Share (Dollar)	\$ 377,489

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, 2022 are provided as follows:

Beginning Net Pension Liability	\$ 261,071
Employer Contributions	(53,701)
<u>Pension Expense</u>	
Proportionate Share of Plan Pension Expense	65,497
Employee Contributions	(12,494)
Changes in Deferred Outflows of Resources	45,370
Changes in Deferred Inflows of Resources	71,746
Ending Net Pension Liability	\$ 377,489

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS **MAY 31, 2023**

There were no changes between June 30, 2022 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	\$ ----	\$ 4,804	\$ (4,804)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	69,423	----	69,423
Changes of Assumptions	4,037	----	4,037
Changes in Proportion	17,524	10,165	7,359
Employer Contributions Made After the Measurement Date	66,162	----	66,162
Total Deferrals	157,146	14,969	142,177
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	66,162	----	66,162
Deferrals Subject to Amortization	<u>\$ 90,984</u>	<u>\$ 14,969</u>	<u>\$ 76,015</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, 2024	\$ 28,917
May 31, 2025	8,477
May 31, 2026	7,484
May 31, 2027	31,137
Total	<u>\$ 76,015</u>

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, 2022
Actuarial Cost Method	Entry Age Normal
Expected Remaining Service Lives	3 years

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS MAY 31, 2023

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, 2022 are summarized in the following table:

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

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2023

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	\$ 514,589	\$ 377,489	\$ 261,535

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.

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, 2022 (measurement date and actuarial valuation date) and details are provided as follows:

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS MAY 31, 2023

Total Pension Liability	\$ 3,500,495,219
Plan Fiduciary Net Position	<u>2,478,317,694</u>
Net Pension Liability	1,022,177,525
Town's Proportionate Share (Percentage)	0.072618%
Town's Proportionate Share (Amount)	<u>\$ 742,284</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, 2022 are provided as follows:

Beginning Net Pension Liability	\$ 243,473
Employer Contributions	(66,787)
<u>Pension Expense</u>	
Proportionate Share of Plan Pension Expense	257,352
Employee Contributions	<u>(16,154)</u>
	241,198
Change in Deferred Outflows of Resources	207,845
Change in Deferred Inflows of Resources	<u>116,555</u>
Ending Net Pension Liability	<u>\$ 742,284</u>

There were no changes between June 30, 2022 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, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Resources
Differences Between Expected and Actual Experience	\$ 3,661	\$ 6,050	\$ (2,389)
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments	132,521	----	132,521
Changes of Assumptions	25,605	5,521	20,084
Changes in Proportion	276,439	----	276,439
Employer Contributions Made After the Measurement Date	132,605	----	132,605
Total Deferrals	570,831	11,571	559,260
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	132,605	----	132,605
Deferrals Subject to Amortization	<u>\$ 438,226</u>	<u>\$ 11,571</u>	<u>\$ 426,655</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, 2024	\$ 159,205
May 31, 2025	138,650
May 31, 2026	59,287
May 31, 2027	<u>69,513</u>
Total	<u>\$ 426,655</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, 2023

Valuation Date	June 30, 2022		
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> 1 - 2 Above 2	<u>Salary Growth Rate</u> 12.30% 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 scale 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, 2022 are summarized in the following table:

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS MAY 31, 2023

Asset Class	Target Allocation	Long Term Expected Portfolio Real Rate of Return
Equity	55.50%	3.60%
Fixed Income	30.50%	0.85%
Alternatives	14.00%	0.95%
Totals	100.00%	5.40%
Inflation		2.66%
Expected Arithmetic Nominal Return		8.06%

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:

	1% Decrease 5.75% Discount Rate	Current Discount Rate 6.75%	1% Increase 7.75% Discount Rate
Net Pension Liability	\$ 1,039,057	\$ 742,284	\$ 494,382

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2023

NOTE 11 – 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	\$ 41,200
Total	<u>\$ 41,200</u>

NOTE 12 – CONTINGENCIES

Existing conditions that may have financial consequences in the future are referred to as contingencies. Contingencies existing at May 31, 2023, are described as follows:

Litigation

As discussed in previous portions of the notes, the Town's Police Department is covered by the Louisiana Municipal Police Employees Retirement System (MPERS). MPERS is pursuing claims demanding additional contributions related to work performed as far back as 2014. The Town is disputing claims by MPERS and has retained an attorney to defend against these claims. Details regarding these claims are described as follows:

1. MPERS has asserted that the Town owes additional contributions above and beyond payments already submitted on behalf of its Police Department. MPERS asserts it is entitled to collect an additional \$1,139,528.
2. In an effort to control costs and provide more effective law enforcement, the Town has eliminated much of its Police Department and contracted with the Rapides Parish Sheriff's Office to provide law enforcement. MPERS has asserted that State Law requires the Town to provide additional contributions intended to offset unfunded pension liabilities associated with the terminated employees.

Based on its evaluation of the matters presented above, management believes that the claims described above are unjustified, but management also acknowledges that legal proceedings may not be resolved in the Town's favor. As a result of this evaluation, a liability has been accrued as follows:

Loss Contingency (Disputed Retirement Contributions)	\$ 1,139,528
--	--------------

The liability represents potential judgements associated with item No. 1 listed above and does not include provision for any losses associated with the matter described by item No. 2 appearing above. The matter discussed as item No. 2 represents additional exposure to loss, but sufficient information is not currently available to fully evaluate potential judgements associated with this matter.

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS MAY 31, 2023

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 13 – GOING CONCERN

As discussed in Note 12, the Town's participation in a statewide retirement system has resulted in exposure to substantial losses. Further details regarding loss exposure are provided as follows:

- Liabilities totaling \$1,139,528 have been accrued in connection with claims pursued by the Municipal Police Employees Retirement System (MPERS).
- MPERS is pursuing additional claims associated with actions by the Town that reduced the size of its Police Department.
- MPERS has requested that the State Treasurer withhold distributions of State funds to the Town until these matters are resolved.

Based on an evaluation of these matters, management has determined enforcement of the claims asserted by MPERS and the potential for loss of State funds threaten the Town's ability to continue operating. Management is attempting to resolve this matter by pursuing litigation, but resources available to fund continued litigation are limited.

As such, management's evaluation has concluded that there is substantial doubt about the Town's ability to continue as a going concern within twelve months of September 5, 2025, the date the financial statements were available for release. Results could include a myriad of possibilities, including a discontinuance of operations.

At the present time, amounts that can be recovered through liquidation of the Town's assets have not been evaluated and no effort to report amounts on the liquidation basis has been undertaken.

TOWN OF BOYCE

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual

Year ended May 31, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
<u>Revenues:</u>				
Taxes	\$ 507,500	\$ 891,000	\$ 841,564	\$ (49,436)
License and permits	26,250	42,500	84,221	41,721
Intergovernmental	17,500	321,500	272,723	(48,777)
Bonds and fines	262,500	600,000	638,575	38,575
Recreation Income	1,167	1,200	-	(1,200)
Rental Income	583	1,500	-	(1,500)
Insurance Proceeds	-	-	-	-
Miscellaneous	21,882	67,015	-	(67,015)
Total revenues	837,382	1,924,715	1,837,083	(87,632)
<u>Expenditures:</u>				
General Government	152,482	486,850	220,769	266,081
Public Safety				
Police	367,984	1,181,666	1,399,650	(217,984)
Fire	48,347	98,800	47,300	51,500
Streets and Sanitation	113,985	256,900	168,696	88,204
Recreation	36,225	88,600	29,335	59,265
Capital Expenditures	81,257	164,297	91,759	72,538
Debt Service	39,547	66,795	59,035	7,760
Total expenditures	839,827	2,343,908	2,016,544	327,364
Excess (deficiency) of revenues over expenditures	(2,445)	(419,193)	(179,461)	239,732
<u>Other financing sources (uses):</u>				
Debt Proceeds	52,090	89,297	-	(89,297)
Operating transfers (net)	55,417	319,297	-	(319,297)
Total other financing sources (uses)	107,507	408,594	-	(408,594)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	105,062	(10,599)	(179,461)	(168,862)
Fund balance - beginning of year	1,183	68,782	68,782	-
Fund balance - end of year	\$ 106,245	\$ 58,183	\$ (110,679)	\$ (168,862)

TOWN OF BOYCE

Half-Cent Sales Tax

Statement of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual

Year ended May 31, 2023

	Budget Amounts		Actual	Variance with
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
<u>Revenues:</u>				
Taxes	\$ 155,000	\$ 155,000	\$ 102,038	\$ (52,962)
Total revenues	<u>155,000</u>	<u>155,000</u>	<u>102,038</u>	<u>(52,962)</u>
<u>Expenditures:</u>				
Public Safety	<u>155,000</u>	<u>155,000</u>	<u>83,132</u>	<u>71,868</u>
Total expenditures	<u>155,000</u>	<u>155,000</u>	<u>83,132</u>	<u>71,868</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>18,906</u>	<u>18,906</u>
Other financing sources (uses):				
Debt Proceeds	-	-	-	-
Operating transfers (net)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>-</u>	<u>-</u>	<u>18,906</u>	<u>18,906</u>
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,906</u>	<u>\$ 18,906</u>

TOWN OF BOYCE

Schedule of Net Pension Liability Data Cost Sharing Retirement Systems

			Pension Plans		
Retirement System /	Share of Collective Net Pension Liability		Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
	Percent	Amount			
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%
June 30, 2022	0.42995%	377,488	426,852	88.4%	69.6%
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%
June 30, 2022	0.07262%	742,285	424,336	174.9%	70.8%

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%
June 30, 2022	52,928	53,701	(773)	426,852	12.58%
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%
June 30, 2022	61,271	66,787	(5,516)	424,336	15.74%

TOWN OF BOYCE

Schedule of Compensation Paid to Board Members ***Year ended May 31, 2023***

Kelvin McCoy	\$ 19,900
Alma Moore	8,750
Lucretia McCoy	12,300
Peggy Brew	8,650
Linda Fisher	4,900
Cathy Fisher	4,900
Donna Lofton	3,750
Leslie Aaron	3,750
Mary Fisher	<u>3,750</u>
 Total Compensation	 <u><u>\$ 70,650</u></u>

TOWN OF BOYCE

Schedule of Compensation, Benefits and Other Payments to the Agency Head or Chief Executive Officer Year ended May 31, 2023

Agency Head (Mayor)	<u>Alma Moore</u>	<u>Kelvin McCoy</u>	<u>Total</u>
PURPOSE			
Salary	\$ 8,750	\$ 15,000	\$ 23,750
Benefits	-	-	-
Reimbursements	1,297	1,005	2,302

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, 2023

	First Six Month Period Ended November 30, 2022	Second Six Month Period Ended May 31, 2023
Beginning Balance of Amounts Collected	\$ -	\$ -
Add: Collections		
Criminal Court Costs/Fees	-	-
Criminal Fines - Contempt	-	-
Criminal Fines - Other	319,288	319,287
Service/Collection Fees	-	-
Subtotal Collections	<u>319,288</u>	<u>319,287</u>
Less: Disbursements to Governments & Nonprofits		
Louisiana Commission on Law Enforcement - Court Cost/Fees	-	-
Louisiana Commission on Law Enforcement - Court Cost/Crime Victim Fees	-	-
Crimestopper of Rapides Parish - Criminal Court Cost/Fees	-	-
North Louisiana Criminalistics Laboratory Commission - Criminal Court Cost/Fees	-	-
Louisiana Trail Court Case Management Information System - Criminal Court Cost/Fees	-	-
Louisiana Traumatic Head and Spinal Cord Injury - Criminal Court Fees	-	-
Louisiana Judicial College	-	-
Less: Amounts Retained by the Town of Boyce		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	<u>319,288</u>	<u>319,287</u>
Subtotal Disbursements / Retainage	<u>319,288</u>	<u>319,287</u>
Ending Balance of Amounts Collected but not Disbursed	<u>\$ -</u>	<u>\$ -</u>

Town of Boyce
Schedule of Findings
For the Year Ended May 31, 2023

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, 2023 and for the year then ended expressed an unmodified opinion.
- The results of the audit disclosed instances of noncompliance (**Findings 2023-001, 2023-003, 2023-004, 2023-006, 2023-007, and 2023-008**) 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 (**2023-002**).
- 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 2023-001 – 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 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 2023-002 – 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, 2023

- 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. These issues have lead the auditors to be unable to obtain sufficient appropriate audit evidence to opine on the financial statements, resulting in a disclaimer of opinion.
- 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 2023-003 – 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 2023-004 – 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.

Town of Boyce
Schedule of Findings
For the Year Ended May 31, 2023

Finding 2023-005 – Credit Card Usage

- Criteria: As a Best Practice, the Town should pay off its credit card debt every month.
- 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 2023-006 – Budget Variances

- Criteria: Louisiana Revised Statutes prohibit unfavorable budget variances that exceed 5% of the overall budget for revenue or expenditures.
- Condition: Unfavorable budget variances exceeded limits imposed by State Law as follows:
 - General Fund – Budgeted revenues exceeded actual
 - Half-Cent Sales Tax Fund - Budgeted revenues exceeded actual
- Effect: The Town was not in compliance with the Louisiana Government Budget Act.
- Cause: The Town did not make sufficient amendments to the budget once the Town realized that unfavorable variances exceeded 5% of budgeted amounts.
- Recommendation: The Town of Boyce should implement policies and procedures to ensure that the budget is amended whenever variances exceed amounts allowed by the Louisiana Government Budget Act.

Finding 2023-007 –Late Submission of Audit Report

- Criteria: Louisiana Audit Law requires entities to submit their audit report no later than six months after the end of their fiscal year.
- Condition: In the current year, the Town did not submit its annual financial report to the Legislative Auditor's Office by the required deadline.
- Cause: The Town experienced employee turnover for key staff members creating difficulty to have the year-end financials completed, which precluded the annual report from being submitted in a timely fashion.
- Effect: The Town was not in compliance with Louisiana Audit Law.

Town of Boyce
Schedule of Findings
For the Year Ended May 31, 2023

- Recommendation: We recommend that the Town continue its efforts to strengthen its control environment and its financial reporting process, which will enable auditors to complete audits in a timely fashion in subsequent periods.

Finding 2023-008 – Noncompliance with Retirement Systems

- Criteria: The Town of Boyce is a participant in two statewide retirement systems, which have requirements established by Louisiana Revised Statutes, including prompt payment of all amounts owed to the retirement systems.
- Condition: The Town of Boyce may not have made all required contributions to the statewide retirement systems.
- Effect: The Town of Boyce may not be in compliance with Louisiana Revised Statutes.
- Cause: Conditions identified in Finding 2023-002 have caused several payments to different external parties to have not been made or to have been made past the statutory due date.
- Recommendation: We recommend that the Town's accounting personnel and management commit to paying all required retirement obligations timely in the future.

TOWN OF BOYCE, LOUISIANA
Managements Corrective Action Plan
For the Year Ended May 31, 2023

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

Finding 2023-001: Noncompliance with Louisiana Record Retention Laws

The Town was unable to provide certain public records relating to 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 2023-002: 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 2023-003: Noncompliance with Lawrason Act

The Town did not hold at least one regular meeting 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 2023-004: 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 2023-006: Budget Variances

The Town's General Fund and Half-Cent Sales Tax Fund budgeted revenues exceeded actual by more than the variances allowed by State Law. Management should review the budget to actual financials each month and amend the budget when unfavorable variances exceeded budgeted amounts by more than 5%. This will allow management to closely monitor the Town's revenues and expenditures and reduce the risk of purchases that were not properly authorized.

2023-001: Response

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

2023-002: 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.

2023-003: 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.

2023-004: 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.

2023-006: Response

We will more closely monitor our revenues and expenditures in the future and amend the budget as necessary.

TOWN OF BOYCE, LOUISIANA
Managements Corrective Action Plan
For the Year Ended May 31, 2023

Finding 2023-007 –Late Submission of Audit Report

The Town did not submit its annual financial report to the Legislative Auditor’s Office by the required deadline.

2023-007: Response

We will provide information to our audit firm in sufficient time to enable them to submit our audit prior to the deadline in subsequent years.

Finding 2023-008: Noncompliance with Retirement Systems

The Town of Boyce is a participant 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 may not have made all required contributions to the statewide retirement systems.

2023-008: Response

We will commit to paying all required retirement obligations timely in the future.

SECTION II - MANAGEMENT LETTER

Finding 2023-005: 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.

2023-005: 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, 2023

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 was underbilled for several months during the year, causing a significant loss to the Town.

Unresolved:

See Managements Corrective Action Plan, Finding 2023-001.

Unresolved:

See Managements Corrective Action Plan, Finding 2023-002.

Unresolved:

See Managements Corrective Action Plan, Finding 2023-003.

Unresolved:

See Managements Corrective Action Plan, Finding 2023-004.

Resolved:

Management more closely monitors and reviews each month's billings before they are sent to customers

TOWN OF BOYCE, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended May 31, 2023

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.

Unresolved:

See Managements Corrective Action Plan, Finding 2023-005.

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 Boyce (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, 2022 through May 31, 2023. 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
September 5, 2025



Rozier, McKay & Willis
Certified Public Accountants
Voice: 318.442.1608

160 Browns Bend Rd
Alexandria, Louisiana 71303
Online: CenlaCPAs.com

The 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
1 Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories. <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	The Town maintains a comprehensive payroll/personnel policy. The Town has not adopted any other written policies or procedures.	<i>We will review each of the items and add written policies and procedures as necessary.</i>

The 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>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</p>	<p>The town failed to meet with a quorum in the month of June, 2022 due to two cancellations.</p> <p>Budget-to-actual comparisons were not presented at the monthly meetings.</p> <p>For the previous year the general fund reported a positive unrestricted fund balance.</p>	<p><i>In the future, meeting will be held at the beginning of months, which will provide more room for rescheduling cancelled meetings.</i></p> <p><i>We will provide a report to the Council at each monthly meeting in the future.</i></p> <p><i>No findings or criticisms were reported.</i></p>

The 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
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. d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.	There were no significant audit findings from the py audit.	<i>No findings or criticisms were reported.</i>

The 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 written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or 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>Bank reconciliations were only available for 1 out of the 5 Bank accounts selected and the Bank Reconciliations available were not prepared within 2 months.</p> <p>Bank reconciliations were only available for 1 out of the 5 Bank accounts selected and the Bank Reconciliations available were not reviewed within 1 month by a member of management who does not handle cash, post ledgers, or issue checks.</p> <p>Management has not researched the items outstanding more than 12 months.</p>	<p>In the future we will reconcile all of our bank accounts statements within 2 months of related statement closing date.</p> <p>In the future bank reconciliations will be reviewed by a member of management or a board member who does not handle cash, post ledgers, or issue checks within 1 month of the bank reconciliation.</p> <p><i>We will research the outstanding items and take appropriate action.</i></p>

The Town of Boyce

Statewide Agreed-Upon Procedures

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

Collections (excluding EFTs)		
Agreed-Upon Procedure	Results	Managements' Response
4 Obtain a listing of deposit sites 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).	The list was provided and deposits were selected.	<i>No findings or criticisms were reported.</i>
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: a) Employees that are responsible for cash collections do not share cash drawers/registers.	The Town does not accept currency. Therefore, there are no cash drawers/registers.	<i>No findings or criticisms were reported.</i>

The Town of Boyce

Statewide Agreed-Upon Procedures

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

Collections (excluding EFTs)		
Agreed-Upon Procedure	Results	Managements' Response
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.	Due to the limited staff size, the employee responsible for collecting cash may, at times, make the deposit.	<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>
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.	Duties are appropriately segregated.	<i>No findings or criticisms were reported.</i>
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.	Duties are appropriately segregated.	<i>No findings or criticisms were reported.</i>
6 Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.	Appropriate coverage has been maintained.	<i>No findings or criticisms were reported.</i>
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		

The Town of Boyce

Statewide Agreed-Upon Procedures

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

Collections (excluding EFTs)		
Agreed-Upon Procedure	Results	Managements' Response
a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:		
a. Observe that receipts are sequentially pre-numbered.	No receipts were available for selected deposits.	<i>Management will match receipts with related deposit slips in order to maintain better records.</i>
b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.	No receipts were available for selected deposits.	<i>Management will match receipts with related deposit slips in order to maintain better records.</i>
c. Trace the deposit slip total to the actual deposit per the bank statement.	Deposit slips were only available for 3 out of the 4 deposits selected.	<i>Management will make sure all deposit slips and related receipts are maintained.</i>
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).	No receipts were available for selected deposits.	<i>Management will ensure that deposits are made within two days of receipts.</i>
e. Trace the actual deposit per the bank statement to the general ledger.	Deposits per the bank statement were traced to the general ledger.	<i>No findings or criticisms were reported.</i>

The 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 Boyce's Town Hall.	<i>No findings or criticisms were reported.</i>
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.	<i>No findings or criticisms were reported.</i>
b) At least two employees are involved in processing and approving payments to vendors.	Multiple employees are involved.	<i>No findings or criticisms were reported.</i>
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.	<i>No findings or criticisms were reported.</i>

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

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The 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
11 Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.	Original invoices were only provided for 3 out of the 5 electronic disbursements selected. The invoices provided were approved by authorized personnel and approved by the required number of authorized signers.	<i>In future we will maintain all disbursement related invoices.</i>

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

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The 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
14 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).	All of the statements selected were missing some of the original itemized receipts.	<i>In the future, we will attach all original itemized receipts to each statement.</i>

The 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>15 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>Reimbursement forms were only provided for 3 out of the 5 reimbursements selected. Of those provided, reimbursement rate agreed to per diem rate.</p> <p>Reimbursement forms were only provided for 3 out of the 5 reimbursements selected. Original itemized receipts were available for 2 of the 3 provided.</p> <p>Reimbursements forms provided were supported by documentation of business/public purpose.</p>	<p>We will make sure all employees/official fill out reimbursement forms for travel expenses and attach related documents.</p> <p>We will make sure all employees/official fill out reimbursement forms for travel expenses and attach related documents.</p> <p>We will make sure all travel expenses are supported by documentation of business/public purpose.</p>

The 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
d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.	Reimbursement forms provided were approved by someone other than the person receiving reimbursement.	We will make sure that all travel reimbursements are approved by someone other than the person receiving the reimbursement.

Contracts		
Agreed-Upon Procedure	Results	Managements' Response
16 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: 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. 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).	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. See Above See Above	<i>No findings or criticisms were reported.</i> <i>No findings or criticisms were reported.</i> <i>No findings or criticisms were reported.</i>

The Town of Boyce

Statewide Agreed-Upon Procedures

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

Contracts		
Agreed-Upon Procedure	Results	Managements' Response
c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.	See Above	<i>No findings or criticisms were reported.</i>
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.	See Above	<i>No findings or criticisms were reported.</i>

The Town of Boyce

Statewide Agreed-Upon Procedures

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

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
17 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.	The list was provided and a selection has been performed.	<i>No findings or criticisms were reported.</i>
18 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:		
a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).	Attendance was properly documented.	<i>No findings or criticisms were reported.</i>
b. Observe that supervisors approved the attendance and leave of the selected employees/officials.	Approval was documented.	<i>No findings or criticisms were reported.</i>
c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.	Leave taken was reflected in the entity's leave records.	<i>No findings or criticisms were reported.</i>
19 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	Based on managements' representations there were no terminated employees during the current fiscal year.	<i>No findings or criticisms were reported.</i>

The Town of Boyce

Statewide Agreed-Upon Procedures

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

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
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.		
20 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.	Based on managements' representations all required reports and payments have been filed and made timely, except for that listed in Finding 2023-008.	We will commit to paying all obligations and filing all necessary reports timely in the future.

The Town of Boyce

Statewide Agreed-Upon Procedures

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

Ethics		
Agreed-Upon Procedure	Results	Managements' Response
21 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and: a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period. 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.	Only 1 of the 5 employees had the required ethics training on file. There was no signature verification available.	<i>We will have each employee complete the required ethics training.</i> <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>
22 Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.		

The Town of Boyce

Statewide Agreed-Upon Procedures

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

Debt Service		
Agreed-Upon Procedure	Results	Managements' Response
23 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>
25 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>

The Town of Boyce

Statewide Agreed-Upon Procedures

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>
26 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>

The 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>27 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 there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.</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>No findings or criticisms were reported.</p> <p>No findings or criticisms were reported.</p> <p>No findings or criticisms were reported.</p>
<p>28 Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in</p>	<p>Based on managements' representations there were no terminated employees during the current fiscal year.</p>	<p>No findings or criticisms were reported.</p>

The 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>procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.</p> <p>29 Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267¹. The requirements are as follows:</p> <ol style="list-style-type: none">1. Hired before June 9, 2020 - completed the training; and2. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.	<p>No documentation of cybersecurity training was available.</p>	<p><i>In the future, we will require all employees to complete cybersecurity training.</i></p>

¹ While it appears to be a good practice for charter schools to ensure its employees are trained to keep their information technology assets safe from cyberattack, charter schools do not appear required to comply with 42:1267. An individual charter school, though, through specific provisions of its charter, may mandate that all employees/officials receive cybersecurity training.

The Town of Boyce

Statewide Agreed-Upon Procedures

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

Sexual Harassment		
Agreed-Upon Procedure	Results	Managements' Response
30 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.	There was no documentation that the employees completed the training	<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>
31 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).	There was no documentation that the policy and complaint procedures is posted.	<i>We will adopt and post a policy.</i>
32 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: 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.	There was no report produced for the current year.	<i>We will begin preparing the report annually.</i>