

TOWN OF BOYCE, LOUISIANA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED MAY 31, 2019

TABLE OF CONTENTS

	<u>Page(s)</u>
Independent Auditors' Report	1-3
Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on An Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	4-5
Required Supplemental Information (Part I) Management's Discussion and Analysis	6-10
Government-Wide Financial Statements	
Statement of Net Position	11
Statement of Activities.....	12-13
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	14
Statement of Revenues, Expenditures, and Changes in Fund Balance.....	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	16
Proprietary Funds	
Statement of Net Position	17
Statement of Revenues, Expenditures, and Changes in Fund Net Position.....	18
Statement of Cash Flows	19
Notes to Financial Statements.....	20-42
Required Supplemental Information (Part II)	
Statement of Revenues, Expenditures, and Changes in Fund Balances (Budget and Actual) – General Fund.....	43
Schedule of Net Pension Liability Data.....	44
Schedule of Employer Contributions.....	45
Other Supplemental Information	
Schedule of Expenses – (Budget and Actual) – General Fund.....	46-47
Schedule of Compensation, Benefits and Other Payments to the Agency Head Or Chief Executive Officer.....	48
Schedule of Findings.....	49
Management's Corrective Action Plan.....	50-51
Summary of Prior Year Findings.....	52
Appendix A – Statewide Agreed-Upon Procedures.....	A1-A19



November 15, 2019

Independent Auditors' Report

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Boyce, as of and for the year ended May 31, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



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OPINIONS

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Boyce, as of May 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require 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, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Boyce's basic financial statements. The other supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARD

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2019, 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 the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Boyce's internal control over financial reporting and compliance.

A handwritten signature in blue ink, appearing to read "Rz McKay & Willis", is positioned above the printed name of the firm.

ROZIER, MCKAY & WILLIS
Certified Public Accountants



November 15, 2019

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

The Honorable Mayor
And the Board of Alderman
Town of Boyce, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Boyce, Louisiana, as of and for the year ended May 31, 2019, and the related notes to the financial statements, which collectively comprise the Town of Boyce's basic financial statements, and have issued our report thereon dated November 15, 2019.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



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Compliance

As part of obtaining reasonable assurance about whether the Town of Boyce's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as items **2019-1, 2019-2, and 2019-3**.

Management's Response to Findings

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

Purpose of this Report

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



ROZIER, MCKAY & WILLIS
Certified Public Accountants

TOWN OF BOYCE

MANAGEMENT'S DISCUSSION AND ANALYSIS

May 31, 2019

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, 2019.

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, 2019

- **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, 2019			For the Year Ended May 31, 2018
	<u>Govern- mental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	
<u>Assets:</u>				
Current and other assets	\$ 121,827	\$ 230,417	\$ 352,244	\$ 344,703
Capital assets	528,121	3,129,325	3,657,446	3,955,868
Total assets	649,948	3,359,742	4,009,690	4,300,571
Deferred Outflow of Resources	75,084	99,360	174,444	110,483
<u>Liabilities:</u>				
Current and other liabilities	78,674	299,233	377,907	346,227
Long-term liabilities	161,154	477,728	638,882	590,935
Total liabilities	239,828	776,961	1,016,789	937,162
Deferred Inflows of Resources	7,821	16,859	24,680	25,355
<u>Net Position:</u>				
Invested in Capital Assets (Net)	464,580	2,867,440	3,332,020	3,575,192
Restricted	----	36,587	36,587	36,206
Unrestricted	12,803	(238,745)	(225,942)	(162,861)
Total Net Position	\$ 477,383	\$ 2,665,282	\$ 3,142,665	\$ 3,448,537

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 consist 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, 2019

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

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

Changes in Net Assets

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

	For the Year Ended May 31, 2019			For the Year Ended May 31, 2018
	Govern- mental Activities	Business- Type Activities	Total	
<u>Revenues:</u>				
Program Revenue:				
Charges for Services	\$ 23,712	\$ 1,297,072	\$ 1,320,784	\$ 1,276,339
Operating Grants and Contributions	18,416	----	18,416	23,468
Capital Grants and Contributions	----	----	----	373,356
General Revenue:				
Property Taxes	16,310	----	16,310	16,577
Sales Taxes	584,241	----	584,241	431,153
Franchise Taxes	7,961	----	7,961	7,939
Occupational Licenses	66,741	----	66,741	52,708
Miscellaneous	10,916	260	11,176	15,204
Total Revenue	<u>728,297</u>	<u>1,297,332</u>	<u>2,025,629</u>	<u>2,196,744</u>
<u>Program Expenses:</u>				
General Government	197,357	----	197,357	171,413
Public Safety				
Police Department	298,793	----	298,793	238,877
Fire Department	78,106	----	78,106	63,025
Streets and Drainage	182,321	----	182,321	186,141
Recreation	55,926	----	55,926	67,938
Lights	----	623,217	623,217	560,103
Natural Gas System	----	226,249	226,249	198,250
Water	----	263,380	263,380	256,008
Sewer	----	327,983	327,983	298,885
Sanitation	----	78,169	78,169	73,979
Total Expenses	<u>812,503</u>	<u>1,518,998</u>	<u>2,331,501</u>	<u>2,114,619</u>

TOWN OF BOYCE

MANAGEMENT'S DISCUSSION AND ANALYSIS

May 31, 2019

	For the Year Ended May 31, 2019			For the Year Ended May 31, 2018
	Govern- mental Activities	Business- Type Activities	Total	
Increase in Net Position				
Before Transfers	(84,206)	(221,666)	(305,872)	82,125
Transfers	20,135	(20,135)	----	----
Change in Net Position	(64,071)	(241,801)	(305,872)	82,125
Net Position Beginning:	541,454	2,907,083	3,448,537	3,366,412
Net Position Ending	<u>\$ 477,383</u>	<u>\$ 2,665,282</u>	<u>\$ 3,142,665</u>	<u>\$ 3,448,537</u>

Governmental activities decreased the Town's net position by \$64,071. This decrease is due to a general increase in expenses during the current year.

Business-type activities decreased the Town's net position by \$241,801. This decrease is due to an increase in expenses during the current year.

Financial Analysis of the Town's Funds

The Town's governmental funds reported combined fund balances of \$79,740, which represents an increase of \$11,165.

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

General Fund Budget Highlights

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

Capital Asset Administration

For the year ended May 31, 2019, capital asset activity was limited to depreciating assets acquired during previous years.

Debt Administration

No new debt was issued in the current year. The only activity related to debt administration was limited to paying amounts contractually due on existing debt.

TOWN OF BOYCE

MANAGEMENT'S DISCUSSION AND ANALYSIS ***May 31, 2019***

Factors Expected to Effect Future Operations

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

TOWN OF BOYCE

Statement of Net Position

May 31, 2019

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS:</u>			
Cash and cash equivalents	\$ 15,112	\$ 82,437	\$ 97,549
Receivables (net)	106,715	111,393	218,108
Restricted assets			
Cash and cash equivalents	-	36,587	36,587
Capital Assets			
Non depreciable capital assets	170,007	20,337	190,344
Depreciable capital assets (net)	358,114	3,108,988	3,467,102
Total assets	649,948	3,359,742	4,009,690
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Pension funding deferrals	75,084	99,360	174,444
<u>LIABILITIES:</u>			
Accounts payable	42,086	162,225	204,311
Deposits due others	-	122,269	122,269
Long-term liabilities			
Compensated Absences	11,894	13,996	25,890
Net Pension Liability	122,307	214,141	336,448
Notes Payable			
Due within one year	36,588	14,739	51,327
Due in more than one year	26,953	249,591	276,544
Total liabilities	239,828	776,961	1,016,789
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Pension funding deferrals	7,821	16,859	24,680
<u>NET POSITION:</u>			
Invested in capital assets, net of related debt	464,580	2,867,440	3,332,020
Restricted for Debt Service	-	36,587	36,587
Unrestricted	12,803	(238,745)	(225,942)
Total net position	\$ 477,383	\$ 2,665,282	\$ 3,142,665

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

TOWN OF BOYCE

Statement of Activities

Year Ended May 31, 2019

	Expenses	Program Revenues			Net (Expenses) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	
<u>Governmental Activities:</u>					
General government	\$ 197,357	\$ -	\$ -	\$ -	\$ (197,357)
Public safety					
Police	298,793	21,842	18,416	-	(258,535)
Fire	78,106	-	-	-	(78,106)
Streets & drainage	182,321	-	-	-	(182,321)
Recreation	55,926	1,870	-	-	(54,056)
Total governmental activities	<u>812,503</u>	<u>23,712</u>	<u>18,416</u>	<u>-</u>	<u>(770,375)</u>
<u>Business-Type Activities:</u>					
Lights	623,217	617,349	-	-	(5,868)
Natural gas system	226,249	215,767	-	-	(10,482)
Water	263,380	165,965	-	-	(97,415)
Sewer	327,983	195,900	-	-	(132,083)
Sanitation	78,169	102,091	-	-	23,922
Total Business-Type Activities	<u>1,518,998</u>	<u>1,297,072</u>	<u>-</u>	<u>-</u>	<u>(221,926)</u>
Total Primary Government	<u>\$ 2,331,501</u>	<u>\$ 1,320,784</u>	<u>\$ 18,416</u>	<u>\$ -</u>	<u>\$ (992,301)</u>

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

TOWN OF BOYCE

Statement of Activities (Continued)

Year Ended May 31, 2019

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business- Type Activities	Net (Expenses) Revenue
Net (Expense) Revenues (Continued From Previous Page	\$ (770,375)	\$ (221,926)	\$ (992,301)
<u>General Revenues:</u>			
Taxes:			
Ad Valorem	16,310	-	16,310
Sales Taxes	584,241	-	584,241
Franchise	7,961	-	7,961
Occupational Licenses	66,741	-	66,741
Miscellaneous	10,916	260	11,176
Transfers	20,135	(20,135)	-
Total General Revenues and Transfers	706,304	(19,875)	686,429
Change in Net Position	(64,071)	(241,801)	(305,872)
Net Position Beginning	541,454	2,907,083	3,448,537
Net Position Ending	\$ 477,383	\$ 2,665,282	\$ 3,142,665

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

TOWN OF BOYCE

Balance Sheet

Governmental Funds - May 31, 2019

	General	Non-Major Fund	Total Governmental Funds
<u>Assets</u>			
Cash and cash equivalents	\$ 15,111	\$ 1	\$ 15,112
Receivables (net)	106,715	-	106,715
Total assets	\$ 121,826	\$ 1	\$ 121,827
<u>Liabilities and Fund Equity</u>			
<u>Liabilities:</u>			
Accounts and other payables	\$ 42,086	\$ -	\$ 42,086
Total liabilities	42,086	-	42,086
<u>Fund Balance:</u>			
Assigned	-	1	1
Unassigned	79,740	-	79,740
Total fund equity	79,740	1	79,741
Total liabilities and fund equity	\$ 121,826	\$ 1	\$ 121,827

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

Total Fund Balances - Governmental Funds	\$ 79,741
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)	358,115
	528,122
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	(63,541)
Compensated Absences	(11,895)
Net Pension Liability	(122,307)
	(197,743)
Deferred inflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet	(7,821)
Deferred outflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet	75,084
Net Assets of Governmental Activities	\$ 477,383

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, 2019

	General	Non-Major Fund	Total Governmental Funds
<u>Revenues:</u>			
Taxes:			
Ad valorem	\$ 16,310	\$ -	\$ 16,310
Sales tax	584,241	-	584,241
Franchise	7,961	-	7,961
Licenses and permits	66,741	-	66,741
Intergovernmental	18,416	-	18,416
Bonds and fines	21,842	-	21,842
Recreation Income	390	-	390
Rental Income	1,480	-	1,480
Miscellaneous	10,916	-	10,916
Total revenues	728,297	-	728,297
<u>Expenditures:</u>			
General government	193,521	-	193,521
Public safety			
Police Department	265,485	-	265,485
Fire Department	36,755	-	36,755
Streets & Drainage	143,452	-	143,452
Recreation	51,036	-	51,036
Debt Service	47,018	-	47,018
Total expenditures	737,267	-	737,267
Excess (deficiency) of revenues over expenditures	(8,970)	-	(8,970)
<u>Other financing sources (uses):</u>			
Operating transfers (net)	20,135	-	20,135
Total other financing sources (uses)	20,135	-	20,135
Excess (deficiency) of revenues and expenditures and other uses	11,165	-	11,165
Fund balance - beginning of year	68,575	1	68,576
Fund balance - end of year	\$ 79,740	\$ 1	\$ 79,741

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, 2019

Net change in fund balances of Governmental Funds	\$	11,165
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.		
Depreciation expense reported on a government-wide basis	<u>(94,430)</u>	(94,430)
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.		
		(19,639)
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.		
		(4,736)
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.		
		<u>43,569</u>
Change in net position of governmental activities	\$	<u>(64,071)</u>

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

TOWN OF BOYCE

Statement of Net Position

Proprietary Funds - Year Ended May 31, 2019

	Business-Type Activities - Enterprise Fund					
	Lights	Gas	Water	Sewer	Non-Major Funds	Total
<u>ASSETS:</u>						
Current assets:						
Cash and cash equivalents	\$ 59,882	\$ 23,973	\$ -	\$ 5,142	\$ -	\$ 88,997
Receivables (net)	53,380	12,663	16,274	20,927	8,149	111,393
Total current assets	113,262	36,636	16,274	26,069	8,149	200,390
Restricted assets:						
Cash and cash equivalents	-	-	36,587	-	-	36,587
Noncurrent assets:						
Non-depreciable capital assets	-	3,127	9,210	8,000	-	20,337
Depreciable capital assets (net)	604,890	39,325	577,947	1,886,826	-	3,108,988
Total noncurrent assets	604,890	42,452	587,157	1,894,826	-	3,129,325
Total assets	718,152	79,088	640,018	1,920,895	8,149	3,366,302
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>						
Pension funding deferrals	25,279	23,900	25,329	24,852	-	99,360
<u>LIABILITIES:</u>						
Current liabilities:						
Bank Overdraft	-	-	6,560	-	-	6,560
Accounts payable	62,210	11,207	31,148	42,955	14,705	162,225
Current portion of long-term debt	-	-	12,294	2,445	-	14,739
Total current assets	62,210	11,207	50,002	45,400	14,705	183,524
Noncurrent Liabilities:						
Compensated absences payable	3,499	3,499	3,499	3,499	-	13,996
Deposits due others	73,831	48,438	-	-	-	122,269
Long-Term Debt	-	-	249,591	-	-	249,591
Net Pension Liability	54,481	51,510	54,589	53,561	-	214,141
Total liabilities	194,021	114,654	357,681	102,460	14,705	783,521
<u>DEFERRED INFLOWS OF RESOURCES:</u>						
Pension funding deferrals	4,289	4,055	4,298	4,217	-	16,859
<u>NET POSITION</u>						
Invested in capital assets, net of related debt	604,890	42,452	325,272	1,894,826	-	2,867,440
Restricted for debt service	-	-	36,587	-	-	36,587
Unrestricted	(59,769)	(58,173)	(58,491)	(55,756)	(6,556)	(238,745)
Total net position	\$ 545,121	\$ (15,721)	\$ 303,368	\$ 1,839,070	\$ (6,556)	\$ 2,665,282

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, 2019

	Business-Type Activities - Enterprise Funds					
	Lights	Gas	Water	Sewer	Non-Major Funds	Total
<u>Operating revenues:</u>						
Charges for services	\$ 599,772	\$ 211,859	\$ 157,778	\$ 190,323	\$ 99,260	\$ 1,258,992
Delinquent charges	14,511	3,645	3,828	2,954	2,831	27,769
Other operating income	3,066	263	4,359	2,623	-	10,311
Total operating revenues	617,349	215,767	165,965	195,900	102,091	1,297,072
<u>Operating expenses:</u>						
Salaries	64,044	65,852	68,091	61,522	-	259,509
Purchases (Electricity and Natural Gas)	401,489	70,418	8,072	4,156	-	484,135
Collection Expense	-	-	-	-	78,169	78,169
Repairs and maintenance	28,222	9,710	32,922	61,039	-	131,893
Legal and professional	18,555	8,555	9,555	9,555	-	46,220
Payroll taxes and benefits	49,042	44,257	43,196	39,818	-	176,313
Insurance	10,636	10,634	10,636	10,635	-	42,541
Depreciation	43,744	2,127	55,875	102,246	-	203,992
Other	7,485	14,696	21,275	39,012	-	82,468
Total operating expenses	623,217	226,249	249,622	327,983	78,169	1,505,240
Operating income (loss)	(5,868)	(10,482)	(83,657)	(132,083)	23,922	(208,168)
<u>Non-operating revenues (expenses):</u>						
Interest income	210	23	27	-	-	260
Interest expense	-	-	(13,758)	-	-	(13,758)
Change in net position before capital grants and transfers	(5,658)	(10,459)	(97,388)	(132,083)	23,922	(221,666)
<u>Capital grants and transfers:</u>						
Operating transfers (net)	(43,446)	10,290	34,068	4,710	(25,757)	(20,135)
Change in net position	(49,104)	(169)	(63,320)	(127,373)	(1,835)	(241,801)
Total net position - beginning of year	594,225	(15,552)	366,688	1,966,443	(4,721)	2,907,083
Total net position - end of year	\$ 545,121	\$ (15,721)	\$ 303,368	\$ 1,839,070	\$ (6,556)	\$ 2,665,282

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

TOWN OF BOYCE

Statement of Cash Flows

Proprietary Funds - Year Ended May 31, 2019

	Business-Type Activities - Enterprise Funds					
	Lights	Gas	Water	Sewer	Non-Major Fund	Total
<u>Cash flow from operating activities:</u>						
Cash received from customers	\$ 621,817	\$ 218,445	\$ 166,372	\$ 198,587	\$ 101,993	\$ 1,307,214
Cash payments to suppliers of goods and services	(517,583)	(156,162)	(107,112)	(135,657)	(76,236)	(992,750)
Cash payments to employees for service	(63,923)	(65,732)	(67,970)	(61,401)	-	(259,026)
Net cash provided (used) by operating activities	40,311	(3,449)	(8,710)	1,529	25,757	55,438
<u>Cash flows from non-capital financing activities:</u>						
Operating transfers in (out)	(43,446)	10,290	34,068	4,710	(25,757)	(20,135)
Net cash provided (used) by non-capital financing activities	(43,446)	10,290	34,068	4,710	(25,757)	(20,135)
<u>Cash flows from capital and related financing activities:</u>						
Principle paid on capital debt	-	-	(11,681)	(2,470)	-	(14,151)
Interest paid on capital debt	-	-	(13,758)	-	-	(13,758)
Net cash provided (used) by capital and related financing activities	-	-	(25,439)	(2,470)	-	(27,909)
<u>Cash flows from investing activities:</u>						
Interest and other income	210	23	27	-	-	260
Net cash provided (used) by investing activities	210	23	27	-	-	260
Net increase (decrease) in cash	(2,925)	6,864	(54)	3,769	-	7,654
Beginning cash balance	62,807	17,109	36,641	1,373	-	117,930
Ending cash balance	59,882	23,973	36,587	5,142	-	125,584
Cash - restricted	-	-	36,587	-	-	36,587
Cash - unrestricted	\$ 59,882	\$ 23,973	\$ -	\$ 5,142	\$ -	\$ 88,997
<u>Reconciliation of operating income (loss) to net cash</u>						
Operating Income (loss)	\$ (5,868)	\$ (10,482)	\$ (83,657)	\$ (132,083)	\$ 23,922	\$ (208,168)
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	43,744	2,127	55,875	102,246	-	203,992
(Increase) decrease in accounts receivable	11,505	1,150	407	2,687	(98)	15,651
(Increase) decrease in net pension liability	1,509	1,524	1,641	1,450	-	6,124
(Decrease) increase in accounts payable	(3,662)	584	16,903	27,108	1,933	42,866
(Decrease) increase in meter deposits	(7,038)	1,528	-	-	-	(5,510)
(Decrease) increase in compensated absences	121	120	121	121	-	483
Net cash provided (used) by operating activities	\$ 40,311	\$ (3,449)	\$ (8,710)	\$ 1,529	\$ 25,757	\$ 55,438

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, 2019

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, 2019.

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS MAY 31, 2019

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.

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS MAY 31, 2019

Natural Gas System – Used to account for natural gas distribution, which is supported by user charges.

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-

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS MAY 31, 2019

exchange transactions such as traffic citations. Consequently, revenue from franchise taxes, fines and court cost is not recognized until it is collected.

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

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS **MAY 31, 2019**

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.

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, 2019, the Town has \$134,136 in deposits (\$183,481 collected bank balance). These deposits are fully secured by federal deposit insurance. These amounts include restricted amounts of \$36,587.

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, 2019, 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.

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS **MAY 31, 2019**

Sales Taxes

Sales taxes are collected by the Parish of Rapides and remitted to the Town on a monthly basis. Since all tax levies are unrestricted, all sales tax proceeds are reported as revenue by the general fund. For the year ended May 31, 2019, 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.
- A 1% sales tax has been approved by the citizens commencing April 1, 2017, with no expiration, to cover any needs by the Town.
- The Town is also entitled to receive a portion of a parish wide sales tax.

NOTE 4 - RECEIVABLES

At May 31, 2019, there were no material amounts of uncollectible receivables. Details related to receivables are presented as follows:

	Governmental Activities	Business- Type Activities	Total
<u>Accounts Receivable</u>			
Charges for Services	\$ ----	\$ 114,796	\$ 114,796
<u>Due From Other Governmental Units</u>			
Sales Taxes	106,715	----	106,715
Total Receivables	106,715	114,796	221,511
Allowance for Doubtful Accounts	----	(3,403)	(3,403)
Net Receivables	\$ 106,715	\$ 111,393	\$ 218,108

NOTE 5 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Disposals	Ending Balance
<u>Governmental Activities</u>				
Non Depreciable Capital Assets				
Land	\$ 170,007	\$ ----	\$ ----	\$ 170,007
Depreciable Capital Assets				
Buildings and Improvements	879,177	----	----	879,177
Furniture, Fixtures and Equipment	1,098,375	----	----	1,098,375
Infrastructure	1,572,279	----	----	1,572,279

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS MAY 31, 2019

	Beginning Balance	Additions	Disposals	Ending Balance
Accumulated Depreciation	(3,097,287)	(94,430)	----	(3,191,717)
Total	452,544	(94,430)	----	358,114
Total Governmental Activities	<u>\$ 622,551</u>	<u>\$ (94,430)</u>	<u>\$ ----</u>	<u>\$ 528,121</u>
<u>Business-Type Activities</u>				
Non Depreciable Capital Assets				
Land	\$ 20,337	\$ ----	\$ ----	\$ 20,337
Total	<u>20,337</u>	<u>----</u>	<u>----</u>	<u>20,337</u>
Depreciable Capital Assets				
Utility System	6,553,659	----	----	6,553,659
Utility Buildings	22,357	----	----	22,357
Utility Equipment	433,414	----	----	433,414
Accumulated Depreciation	(3,696,450)	(203,992)	----	(3,900,442)
Total	<u>3,312,980</u>	<u>(203,992)</u>	<u>----</u>	<u>3,108,988</u>
Total Business-Type Activities	<u>\$ 3,333,317</u>	<u>\$ (203,992)</u>	<u>\$ ----</u>	<u>\$ 3,129,325</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	\$ 4,171	\$ ----	\$ 4,171
Police Department	8,175	----	8,175
Fire Department	41,351	----	41,351
Street & Drainage	35,843	----	35,843
Recreation	4,890	----	4,890
Lights	----	43,744	43,744
Gas	----	2,127	2,127
Water	----	55,875	55,875
Sewer	----	102,246	102,246
Total Depreciation Expense	<u>\$ 94,430</u>	<u>\$ 203,992</u>	<u>\$ 298,422</u>

NOTE 6 - LONG-TERM LIABILITIES

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

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS MAY 31, 2019

	Governmental Activities	Business-Type Activities	Total
Revenue bonds payable	\$ ----	\$ 261,885	\$ 261,885
Utility Relocation Assistance Funds	----	2,445	2,445
Capital Leases	63,541	----	63,541
Total long-term debt	63,541	264,330	327,871
Due within one year	(36,588)	(14,739)	(51,327)
Due in more than one year	\$ 26,953	\$ 249,591	\$ 276,544

The following changes occurred in liabilities reported in the Governmental Activities during the year ended May 31, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental Activities</u>				
Capital Lease	\$ 107,110	\$ ----	\$ 43,569	\$ 63,541
<u>Business-type Activities</u>				
Utility revenue bonds	273,566	----	11,681	261,885
Utility Relocation Assistance Funds	4,915	----	2,470	2,445
Total business-type activities	278,481	----	14,151	264,330
Total long-term debts	\$ 385,591	\$ ----	\$ 57,720	\$ 327,871

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, 2019, 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.

\$ 261,885

Total Revenue Bonds

\$ 261,885

Utility Relocation Assistance Funds

The Town has been awarded \$49,415 of Utility Relocation Assistance Funds (URAF) necessary to move a sewer line. Utility Relocation Assistance Funds outstanding at May 31, 2019, are described as follows:

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS MAY 31, 2019

\$49,415 of Utility Relocation Assistance Funds were received in September 2013 with no interest. The funds are to be paid back over five (5) years at \$823 per month.

\$ 2,445

Total Revenue Bonds

\$ 2,445

Maturity of Long-Term Debt

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

<u>Year Ended May 31st</u>	<u>Principle</u>		
	<u>Revenue</u>		
	<u>Bonds</u>	<u>URAF</u>	<u>Interest</u>
<u>Business-Type Activities</u>			
2020	\$ 12,294	\$ 2,445	\$ 13,135
2021	12,939	----	12,490
2022	13,618	----	11,811
2023	14,332	----	11,097
2024	15,084	----	10,345
2025-2029	88,158	----	38,988
2030-2034	105,460	----	13,354
Total Business-Type	\$ 261,885	\$ 2,445	\$ 111,220

Total interest charged to expense for the business-type activities is \$13,758.

Capital Lease

Details regarding capital leases outstanding at May 31, 2019 are as follows:

A capital lease in the amount of \$99,120 for the purchase of a new slope mower. The lease has an interest rate of 2.39% and is due in 60 monthly installments of \$1,754 with the final payment due November of 2020.

\$ 32,677

A capital lease in the amount of \$40,876 for the purchase of a new police vehicle. The lease has an interest rate of 5.50% and is due in 36 monthly installments of \$1,234 with the final payment due September of 2019.

4,881

A capital lease in the amount of \$22,678 for the purchase of two new zero-turn mowers. The lease has an interest rate of 6.00% and is due in 48 monthly installments of \$533 with the final payment due September of 2020.

8,170

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS **MAY 31, 2019**

A capital lease in the amount of \$26,168 for the purchase of a new Streets vehicle. The lease has an interest rate of 5.50% and is due in 60 monthly installments of \$500 with the final payment due August of 2022.

	17,813
Total Capital Leases	<u>\$ 63,541</u>

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

<u>Year Ended May 31st</u>	<u>Governmental Activities</u>
<u>Business-Type Activities</u>	
2020	\$ 38,378
2021	20,409
2022	5,998
2023	1,499
Total minimum lease payments	66,284
Less amount representing interest	(2,743)
Present value of future minimum lease payments	<u>\$ 63,541</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	\$ 7,158	\$ 4,736	\$ ----	\$ 11,894
<u>Business-type Activities</u>				
Compensated Absences	13,513	483	----	13,996
Total long-term debts	<u>\$ 20,671</u>	<u>\$ 5,219</u>	<u>\$ ----</u>	<u>\$ 25,890</u>

NOTE 7 – LONG-TERM CONTRACTS

Gas Contract

The Town has a long-term contract for the purchase of natural gas with the Louisiana Municipal Natural Gas Purchasing and Distribution Authority. This contract renews every year. There are no minimum

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS MAY 31, 2019

payments required under the contract except for amounts of actual delivery, with the rates being adjusted periodically.

Electricity Contract

The Town has a contract with Central Louisiana Electric Company for the purchase of electricity. The contract automatically renews each year. There are no minimum payments required under the contract except amounts for actual delivery, and the rates are adjusted periodically.

Sanitation Contract

The Town has a contract with Progressive Waste for the collection, transportation and disposal of solid waste. The contract automatically renews every three years. The Town or Progressive Waste may terminate the contract, as long as a written request is provided at least 180 days prior to the expiration date of the contract. The contract provides that charges to the Town for residential service will be \$12.91 per month for a residential unit with one garbage can and \$6.50 for each additional can. In addition, Progressive shall add a fuel surcharge to the rates above for any month that the average fuel price of diesel fuel during the previous month exceeded \$2.25 per gallon. There are no minimum payments required under the contract except amounts for actual delivery, and the rates are adjusted periodically.

State of Louisiana – Property Contract

The Town has entered into a lease agreement with the State of Louisiana for the lease of a 3.9 acre tract of land and a building which previously served as a State Welcome Center along I-49. The lease agreement was entered into on April 8, 2019 and shall be effective from the date of execution and shall be binding for a term of one year. At the conclusion of the year, the State and the Town may execute a one year renewal. The agreement may be terminated early by a) written mutual agreement and consent of all the parties; or b) the State should this agreement be determined to be illegal or fatally defective. There are no minimum payments required under the contract except amounts agreed to between the State and Town.

An Act of the 2019 Legislature gave this State property to the Town of Boyce in exchange of consideration at least proportionate to the appraised value of the property. As of the date of this report, the transfer has not been finalized.

NOTE 8 - 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, 2019**

NOTE 9 - BOARD MEMBER SALARIES

For the year ended May 31, 2019, the amounts of salaries and wages paid to the Mayor and Board of Aldermen were as follows:

<u>Name</u>	<u>Position</u>	<u>Salary</u>
Alma Moore	Mayor	\$ 10,000
Leonard LaCour	Alderman	3,675
Lucretia McCoy	Alderman	7,525
Peggy Brew	Alderman	3,675
Kelvin McCoy	Alderman	7,525
Charles Veal	Alderman	3,850
Linda Fisher	Alderman	3,850
Cathy Fisher	Alderman	7,525
Total		<u>\$ 47,625</u>

NOTE 10 – ACCOUNTS AND OTHER PAYABLES

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

	<u>Payable to Vendors</u>
Governmental Activities	<u>\$ 42,086</u>
Business-Type Activities	
Lights	\$ 62,210
Gas	11,207
Water	31,148
Sewer	42,955
Non-Major	14,705
Total business-type activities	<u>\$ 162,225</u>

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS **MAY 31, 2019**

NOTE 11 - RESTRICTED RESOURCES

Bond covenants require the Town to establish bank accounts which serve as debt service and depreciation reserves. Funds may be disbursed from these accounts only under specific circumstances described by the bond covenants.

NOTE 12 - TRANSFERS

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

	Transfers In	Transfers Out	Net
Transfer of resources to cover expenses			
Governmental Activities	\$ 20,135	\$ ----	\$ 20,135
Business-Type Activities			
Lights	----	(43,446)	(43,446)
Gas	10,290	----	10,290
Water	34,068	----	34,068
Sewer	4,710	----	4,710
Non-major fund	----	(25,757)	(25,757)
Total Business-Type	49,068	(69,203)	(20,135)
Total Transfers	\$ 69,203	\$ (69,203)	\$ ----

NOTE 13 – 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, 2019**

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Municipal Employees' Retirement System	\$ 271,005	\$ 125,744	\$ 21,335
Municipal Police Employees' Retirement System	65,443	48,700	3,345
Total All Plans	336,448	174,444	24,680
Portion Applicable to Business Type Activities			
Electricity System	54,481	25,279	4,289
Natural Gas System	51,510	23,900	4,055
Water System	54,589	25,329	4,298
Sewer System	53,561	24,852	4,217
Total Business Type Activities	214,141	99,360	16,859
Portion Applicable to Governmental Type Activities	\$ 122,307	\$ 75,084	\$ 7,821

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, 2019

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 14.00 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, 2018 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 245,867,981
Plan Fiduciary Net Position	161,284,802
Net Pension Liability	84,583,179
Town's Proportionate Share (Percentage)	0.320400%
Town's Proportionate Share (Dollar)	<u>\$ 271,005</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, 2018 are provided as follows:

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS MAY 31, 2019

Beginning Net Pension Liability		\$ 228,823
Employer Contributions		(31,645)
<u>Pension Expense</u>		
Proportionate Share of Plan Pension Expense	60,214	
Employee Contributions	<u>(8,045)</u>	52,169
Changes in Deferred Outflows of Resources		17,769
Changes in Deferred Inflows of Resources		<u>3,889</u>
Ending Net Pension Liability		<u>\$ 271,005</u>

There were no changes between June 30, 2018 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	\$ 727	\$ 12,206	\$ (11,479)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	44,047	----	44,047
Changes of Assumptions	10,141	----	10,141
Changes in Proportion	29,055	9,129	19,926
Employer Contributions Made After the Measurement Date	<u>41,774</u>	----	<u>41,774</u>
Total Deferrals	125,744	21,335	104,409
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>41,774</u>	----	<u>41,774</u>
Deferrals Subject to Amortization	<u>\$ 83,970</u>	<u>\$ 21,335</u>	<u>\$ 62,635</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, 2020	\$ 29,876
May 31, 2021	27,398
May 31, 2022	3,994
May 31, 2023	<u>1,367</u>
Total	<u>\$ 62,635</u>

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS **MAY 31, 2019**

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, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.275%, net of investment expense
Projected Salary Increases	5.00% (2.6% Inflation, 2.4% Merit)
Mortality Rates	RP-2000 Employee Table for active members RP-2000 Healthy Annuitant Table for healthy annuitants RP-2000 Disabled Lives Mortality Tables for disabled annuitants
Expected Remaining Service Lives	3 years
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.

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, 2018 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public Equity	50%	2.20%
Public Fixed Income	35%	1.50%
Alternatives	15%	0.60%
Totals	100%	4.30%
Inflation		2.70%

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2019

Expected Arithmetic Nominal
Return

7.00%

The discount rate used to measure the total pension liability was 7.275%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease 6.275% Discount Rate	Current Discount Rate 7.275%	1% Increase 8.275% Discount Rate
Net Pension Liability	\$ 355,660	\$ 271,005	\$ 199,040

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.

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2019

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, 2018 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 3,007,181,318
Plan Fiduciary Net Position	2,161,775,206
Net Pension Liability	845,406,112
Town's Proportionate Share (Percentage)	0.007741%
Town's Proportionate Share (Amount)	<u>\$ 65,443</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, 2018 are provided as follows:

Beginning Net Pension Liability	\$ 17,225
Employer Contributions	(7,031)
<u>Pension Expense</u>	
Proportionate Share of Plan Pension Expense	24,664
Employee Contributions	<u>(1,528)</u>
	23,136
Change in Deferred Outflows of Resources	35,325
Change in Deferred Inflows of Resources	<u>(3,212)</u>
Ending Net Pension Liability	<u>\$ 65,443</u>

There were no changes between June 30, 2018 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, 2019**

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Resources
Differences Between Expected and Actual Experience	\$ 295	\$ 3,345	\$ (3,050)
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments	3,137	----	3,137
Changes of Assumptions	4,277	----	4,277
Changes in Proportion	40,991	----	40,991
Employer Contributions Made After the Measurement Date	----	----	----
Total Deferrals	48,700	3,345	45,355
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	----	----	----
Deferrals Subject to Amortization	<u>\$ 48,700</u>	<u>\$ 3,345</u>	<u>\$ 45,355</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, 2020	\$ 18,733
May 31, 2021	17,135
May 31, 2022	9,376
May 31, 2023	<u>111</u>
Total	<u>\$ 45,355</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, 2019

Valuation Date	June 30, 2018	
Actuarial Cost Method	Entry Age Normal Cost	
Investment Rate of Return	7.20% per annum	
Expected Remaining Service Lives	4 Years	
Inflation Rate	2.60% per annum	
Projected Salary Increases Including Inflation and Merit	<u>Years of Service</u>	<u>Salary Growth Rate</u>
	1 - 2	9.75%
	3 - 23	4.75%
	23 & Over	4.25%
Mortality Rates	RP-2000 Combined Health with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (setback 1 year for females) for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Table setback 5 years for males and setback 3 years for females for disabled annuitants. RP-2000 Employee Table setback 4 years for males and 3 years for females for active members.	
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 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, 2018 are summarized in the following table:

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS MAY 31, 2019

Asset Class	Target Allocation	Long Term Expected Portfolio Real Rate of Return
Equity	52%	3.58%
Fixed Income	22%	0.46%
Alternatives	20%	1.07%
Other	6%	0.17%
Totals	100%	5.28%
Inflation		2.75%
Expected Arithmetic Nominal Return		8.03%

The discount rate used to measure the total pension liability was 7.20%. 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, 2009 through June 30, 2014 and review of similar law enforcement mortality. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables

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

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS MAY 31, 2019

	1% Decrease 6.20% Discount Rate	Current Discount Rate 7.20%	1% Increase 8.20% Discount Rate
Net Pension Liability	\$ 91,965	\$ 65,443	\$ 43,192

NOTE 14 – 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	\$ 18,416
Total	<u>\$ 18,416</u>

NOTE 15 – CONTINGENCIES

Existing conditions that may have financial consequences in the future are referred to as contingencies. Contingencies existing at May 31, 2019, are described as follows:

Litigation

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

Grant Compliance

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

NOTE 16 – DEFICIT FUND BALANCE

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

TOWN OF BOYCE

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual

Year ended May 31, 2019

	Budget Amounts		Actual	Variance with
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
<u>Revenues:</u>				
Taxes	\$ 524,500	\$ 527,526	\$ 608,512	\$ 80,986
License and permits	50,000	49,175	66,741	17,566
Intergovernmental	-	-	18,416	18,416
Bonds and fines	10,000	5,083	21,842	16,759
Recreation Income	3,000	1,890	390	(1,500)
Rental Income	480	2,650	1,480	(1,170)
Miscellaneous	4,670	12,824	10,916	(1,908)
Total revenues	592,650	599,148	728,297	129,149
<u>Expenditures:</u>				
General government	134,528	154,311	193,521	(39,210)
Public safety	273,452	229,422	302,240	(72,818)
Streets and sanitation	160,659	121,066	143,452	(22,386)
Recreation	54,460	43,276	51,036	(7,760)
Debt Service	48,208	39,025	47,018	(7,993)
Total expenditures	671,307	587,100	737,267	(150,167)
Excess (deficiency) of revenues over expenditures	(78,657)	12,048	(8,970)	(21,018)
Other financing sources (uses):				
Operating transfers (net)	80,000	(54,043)	20,135	74,178
Total other financing sources (uses)	80,000	(54,043)	20,135	74,178
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	1,343	(41,995)	11,165	53,160
Fund balance - beginning of year	54,096	68,575	68,575	-
Fund balance - end of year	\$ 55,439	\$ 26,580	\$ 79,740	\$ 53,160

TOWN OF BOYCE

Schedule of Net Pension Liability Data

Cost Sharing Retirement Systems

Retirement System / Measurement Date	Share of Collective Net Pension Liability		Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Pension Plans Fiduciary Net Position as a Percentage of Total Pension Liability
	Percent	Amount			
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%
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%

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%
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%

TOWN OF BOYCE

Schedule of Expenses - Budget and Actual

General Fund

Year ended May 31, 2019

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>General Government:</u>				
Salary - Mayor	\$ 7,500	\$ 9,375	\$ 10,000	\$ (625)
Salaries - Aldermen	31,500	34,125	37,625	(3,500)
Salaries - Office	19,628	8,695	13,246	(4,551)
Payroll Taxes and Related Expenses	10,500	8,035	8,544	(509)
Retirement	2,000	4,033	3,044	989
Telephone	3,500	5,465	5,741	(276)
Office Supplies	13,060	12,331	12,476	(145)
Advertising and Printing	3,000	1,173	1,776	(603)
Dues	2,000	935	2,737	(1,802)
Accounting	9,000	4,800	19,555	(14,755)
Legal & Professional	3,600	27,913	27,478	435
Insurance	9,000	7,885	9,777	(1,892)
Miscellaneous	1,740	3,383	12,513	(9,130)
Janitorial	2,000	459	3,075	(2,616)
Travel and Conventions	15,000	20,362	21,067	(705)
Building Maintenance and Security	1,500	5,342	4,867	475
Total General Government	134,528	154,311	193,521	(39,210)
<u>Public Safety:</u>				
Police:				
Salaries	140,944	125,682	178,084	(52,402)
Payroll Taxes and Related Expenses	6,000	9,714	11,716	(2,002)
Retirement	20,000	6,876	5,880	996
Patrol Car Expenditures	17,000	14,050	16,109	(2,059)
Insurance	9,000	8,745	10,636	(1,891)
Uniforms and Training	10,500	7,582	10,090	(2,508)
Supplies and Equipment	2,500	11,259	7,944	3,315
Communications	7,908	5,518	5,609	(91)
Court Costs	2,000	573	1,572	(999)
Miscellaneous	9,050	11,083	17,845	(6,762)
Fire Protection:				
Truck Gas, Oil and Maintenance	4,000	4,785	4,686	99
Telephone	1,650	1,342	852	490
Insurance	9,000	9,049	19,871	(10,822)
Fire Supplies and Small Equipment	31,000	6,880	3,613	3,267
Building Maintenance	2,900	305	350	(45)
Miscellaneous	-	5,979	7,383	(1,404)
Total Public Safety	273,452	229,422	302,240	(72,818)

TOWN OF BOYCE

Continued

Schedule of Expenses - Budget and Actual ***General Fund*** ***Year ended May 31, 2019***

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Streets and sanitation:</u>				
Salaries	88,609	67,987	85,275	(17,288)
Payroll taxes and related benefits	12,500	16,323	13,697	2,626
Repairs and maintenance	21,500	12,632	17,366	(4,734)
Gas and oil	7,000	6,109	5,449	660
Supplies	13,000	3,981	3,353	628
Insurance	9,000	8,745	10,636	(1,891)
Uniforms	3,000	1,272	1,183	89
Miscellaneous	6,050	4,017	6,493	(2,476)
Total streets and sanitation	160,659	121,066	143,452	(22,386)
<u>Recreation:</u>				
Salaries and related benefits	19,300	16,886	20,582	(3,696)
Building Maintenance	9,000	2,716	4,649	(1,933)
Insurance	9,000	8,745	10,636	(1,891)
Supplies	17,160	14,929	15,169	(240)
Total recreation	54,460	43,276	51,036	(7,760)
Debt Service	48,208	39,025	47,018	(7,993)
Total expenditures	\$ 671,307	\$ 587,100	\$ 737,267	\$ (150,167)

TOWN OF BOYCE

Schedule of Compensation, Benefits and Other Payments to the Agency Head or Chief Executive Officer Year ended May 31, 2019

Agency Head Name:	<u>Mayor</u> <u>Alma Moore</u>
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PURPOSE

Salary	\$	10,000
Benefits		-
Reimbursements		2,408

Town of Boyce

Schedule of Findings

For the Year Ended May 31, 2019

PART I – SUMMARY OF AUDITORS' RESULTS:

- The Independent Auditor's Report on the financial statements for the Town of Boyce as of May 31, 2019 and for the year then ended expressed an unmodified opinion.
- The results of the audit disclosed instances of noncompliance (Findings 2019-1, 2019-2, and 2019-3) that are considered to be material to the financial statements of the Town of Boyce.
- The audit did not disclose any findings which are required to be reported as material weaknesses 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 2019-1: Non-Compliance with Bond Covenants**
In exchange for fees, the Town provides residents with water service. Operations of the water system has not produced sufficient income to recover the costs of operation and service debt incurred to construct the utility system. In order to provide income necessary to sustain operations and repay creditors, we suggest altering the Town's water rate structure to provide the additional revenue needed to meet the water system's obligations.
- **Finding 2019-2: Budget Violation**
The Town's General Fund expenditures exceeded budgeted appropriations by more than the variances allowed by law. This variance occurred due to management failing to properly budget salaries, related expenses, and other various operating expenditures. Management should review the budget to actual expenditures each month and amend the budget when actual expenditures exceed budgeted expenditures by more than 5%. This will allow management to closely monitor the Town's expenditures and reduce the risk of purchases that were not properly authorized.
- **Finding 2019-3: Improper Advances Paid to Elected Officials**
The Mayor and Aldermen were paid advanced paychecks for the subsequent month. Elected officials may not receive compensation in excess of the compensation adopted by the Town Council. In addition, public employees may not receive compensation in advance. The paychecks were dated May 31, 2019 but should have been dated June 1, 2019. These paychecks were printed early due to June 1st being a Saturday. This has resulted in the elected officials receiving compensation greater than the adopted compensation for the current audit period.

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

- None

TOWN OF BOYCE, LOUISIANA
Managements Corrective Action Plan
For the Year Ended May 31, 2019

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

Finding 2019-1: Non-Compliance with Bond Covenants

In exchange for fees, the Town provides residents with water service. Operations of the water system has not produced sufficient income to recover the costs of operation and service debt incurred to construct the utility system. In order to provide income necessary to sustain operations and repay creditors, we suggest altering the Town's water rate structure to provide the additional revenue needed to meet the water system's obligations.

2019-1: Response

We will more closely monitor the debt covenant provisions in the future.

Finding 2019-2: Budget Violation

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

2019-2: Response

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

Finding 2019-3: Improper Advances Paid to Elected Officials

The Mayor and Aldermen were paid advanced paychecks for the subsequent month. Elected officials may not receive compensation in excess of the compensation adopted by the Town Council. In addition, public employees may not receive compensation in advance. The paychecks were dated May 31, 2019 but should have been dated June 1, 2019. These paychecks were printed early due to June 1st being a Saturday. This has resulted in the elected officials receiving compensation greater than the adopted compensation for the current audit period.

2019-3: Response

We will more closely monitor our paycheck procedures and be sure to write paychecks in the correct period.

SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

There were no findings in connection with internal control and compliance material to federal awards.

Response - N/A.

TOWN OF BOYCE, LOUISIANA
Managements Corrective Action Plan
For the Year Ended May 31, 2019

SECTION III - MANAGEMENT LETTER	
There were no matters to report.	Response - N/A

TOWN OF BOYCE, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended May 31, 2019

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
<p><u>Finding 2018-1: Non-Compliance with Bond Covenants</u> In exchange for fees, the Town provides residents with water service. Operations of the water system has not produced sufficient income to recover the costs of operation and service debt incurred to construct the utility system. In order to provide income necessary to sustain operations and repay creditors, we suggest altering the Town's water rate structure to provide the additional revenue needed to meet the water system's obligations.</p> <p><u>Finding 2018-2: Sales Tax Paid on Purchases</u> We have found instances in which the Town paid sales taxes on some purchases during the year. The Town is exempt from paying sales taxes on purchases. To ensure that the Town does not pay sales taxes in the future, we recommend that the Town provide each vendor with the form provided by the Louisiana Department of Revenue that demonstrates the Town's tax exempt status.</p> <p><u>Finding 2018-3: Budget Violation</u> The Town's General Fund expenditures exceeded budgeted appropriations by more than the variances allowed by law. This variance occurred due to management failing to properly budget salaries, related expenses, and operating transfers. Management should review the budget to actual expenditures each month and amend the budget when actual expenditures exceed budgeted expenditures by more than 5%. This will allow management to closely monitor the Town's expenditures and reduce the risk of purchases that were not properly authorized.</p>	<p><u>Unresolved:</u> See Managements Corrective Action Plan, Finding 2019-1.</p> <p><u>Resolved:</u> The Town closely monitors their purchases to ensure they do not pay sales taxes on purchases. Vendors have been provided with the appropriate form demonstrating that the Town is tax exempt.</p> <p><u>Unresolved:</u> See Managements Corrective Action Plan, Finding 2019-2.</p>
SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
There were no findings in connection with internal control and compliance material to federal awards in the prior year	Response - N/A
SECTION III - MANAGEMENT LETTER	
There were no matters to report.	Response - N/A

APPENDIX A
Statewide Agreed-Upon Procedures



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

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 (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, 2018 through May 31, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated results are presented in the accompanying Schedule of Procedures, Results and Managements' Response.

We were not engaged to and did not conduct an examination or review, 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.

The purpose of this report is 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 and Willis
Certified Public Accountants
Alexandria, Louisiana
November 15, 2019



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Town of Boyce

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Written Policies and Procedures		
Agreed-Upon Procedure	Results	Managements' Response
<p>1 Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories.</p> <ul style="list-style-type: none">• Budgeting• Purchasing• Disbursements• Receipts• Payroll/Personnel• Contracting• Credit Cards• Travel and expense reimbursements• Ethics• Debt	<p>Written policies and procedures address the issues referenced in the agreed-upon procedures with the following exceptions:</p> <ul style="list-style-type: none">• Purchasing – Policies do not include how vendors are added to the vendor list.• Disbursements• Receipts• Contracting• Ethics• Debt Service	<p>Despite the absence of written details, the Town has established policies and procedures that are clearly understood by personnel responsible for execution. In addition, policies and procedures will be evaluated to determine if it is necessary to document additional details in writing.</p>

Town of Boyce

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

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>In the prior year, the Entity's AUP report contained no exceptions in this AUP category. As such, RHM has excluded this category from testing in the current year.</p> <p>See Comments Above.</p> <p>See Comments Above.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticism.</i></p> <p><i>The results did not include findings or criticism.</i></p>

Town of Boyce

Statewide Agreed-Upon Procedures

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

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.	See Comments Above.	<i>The results did not include findings or criticism.</i>

Town of Boyce

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Bank Reconciliations		
Agreed-Upon Procedure	Results	Managements' Response
<p>3 Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:</p> <p>a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);</p> <p>b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and</p> <p>c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.</p>	<p>Bank reconciliations were all prepared within 2 months of the related statement closing date.</p> <p>Bank reconciliations selected included evidence that a member of management reviewed each bank reconciliation.</p> <p>Two of the accounts selected did not have documentation that management has researched reconciling items that have been outstanding for more than 12 months.</p>	<p><i>The results did not include findings or criticism.</i></p> <p><i>The results did not include findings or criticism.</i></p> <p>Management will research all reconciling items that have been outstanding for more than 12 months.</p>

Schedule of Procedures, Results and Managements' Response

-A6-

Town of Boyce

Statewide Agreed-Upon Procedures

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

Collections		
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.	See Comments Above.	<i>The results did not include findings or criticism.</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.	See Comments Above.	<i>The results did not include findings or criticism.</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.	See Comments Above.	<i>The results did not include findings or criticism.</i>
6 Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.	See Comments Above.	<i>The results did not include findings or criticism.</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 a cash collection log, daily	See Comments Above.	

Town of Boyce

Statewide Agreed-Upon Procedures

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

Collections		
Agreed-Upon Procedure	Results	Managements' Response
revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:		
a. Observe that receipts are sequentially pre-numbered.	See Comments Above.	<i>The results did not include findings or criticism.</i>
b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.	See Comments Above.	<i>The results did not include findings or criticism.</i>
c. Trace the deposit slip total to the actual deposit per the bank statement.	See Comments Above.	<i>The results did not include findings or criticism.</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).	See Comments Above.	<i>The results did not include findings or criticism.</i>
e. Trace the actual deposit per the bank statement to the general ledger.	See Comments Above.	<i>The results did not include findings or criticism.</i>

Schedule of Procedures, Results and Managements' Response

-A9-

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
10 For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and: a. Observe that the disbursement matched the related original invoice/billing statement. b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.	See Comments Above. See Comments Above.	<i>The results did not include findings or criticisms.</i> <i>The results did not include findings or criticisms.</i>

Town of Boyce

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	Results	Managements' Response
11 Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.	In the prior year, the Entity's AUP report contained no exceptions in this AUP category. As such, RHM has excluded this category from testing in the current year.	<i>The results did not include findings or criticisms.</i>
12 Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:	See Comments Above.	<i>The results did not include findings or criticisms.</i>
a. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.	See Comments Above.	<i>The results did not include findings or criticisms.</i>
b. Observe that finance charges and late fees were not assessed on the selected statements.	See Comments Above.	<i>The results did not include findings or criticisms.</i>

Town of Boyce

Statewide Agreed-Upon Procedures

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

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	Results	Managements' Response
13 Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).	See Comments Above.	<i>The results did not include findings or criticisms.</i>

Town of Boyce

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Travel and Expense Reimbursement		
Agreed-Upon Procedure	Results	Managements' Response
<p>14 Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:</p> <p>a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).</p> <p>b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.</p> <p>c. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).</p> <p>d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.</p>	<p>A list was furnished and representations were obtained.</p> <p>Management could not provide documentation for one of the five selected reimbursements. The other four reimbursements agreed with the State of Louisiana's established rates.</p> <p>Management could not provide documentation for one of the five selected reimbursements. The other four reimbursements were supported by an original itemized receipt.</p> <p>Management could not provide documentation for one of the five selected reimbursements. The other four reimbursements were supported by documentation of the business/public purpose.</p> <p>Management could not provide documentation for one of the five selected reimbursements. The other four reimbursements were reviewed and approved in writing.</p>	<p><i>The results did not include findings or criticism.</i></p> <p>The Town will ensure that all travel and expense reimbursements are supported by the required documentation.</p> <p>The Town will ensure that all travel and expense reimbursements are supported by the required documentation.</p> <p>The Town will ensure that all travel and expense reimbursements are supported by the required documentation.</p> <p>The Town will ensure that all travel and expense reimbursements are supported by the required documentation.</p>

Town of Boyce

Statewide Agreed-Upon Procedures

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

Contracts		
Agreed-Upon Procedure	Results	Managements' Response
15 Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and: 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). c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment. 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.	In the prior year, the Entity's AUP report contained no exceptions in this AUP category. As such, RHM has excluded this category from testing in the current year. See Comments Above. See Comments Above. See Comments Above. See Comments Above.	<i>The results did not include findings or criticisms.</i> <i>The results did not include findings or criticisms.</i> <i>The results did not include findings or criticisms.</i> <i>The results did not include findings or criticisms.</i>

Town of Boyce

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
16 Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.	In the prior year, the Entity's AUP report contained no exceptions in this AUP category. As such, RHM has excluded this category from testing in the current year.	<i>The results did not include findings or criticisms.</i>
17 Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and: a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). b. Observe that supervisors approved the attendance and leave of the selected employees/officials. c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.	See Comments Above. See Comments Above. See Comments Above. See Comments Above.	<i>The results did not include findings or criticisms.</i> <i>The results did not include findings or criticisms.</i> <i>The results did not include findings or criticisms.</i> <i>The results did not include findings or criticisms.</i>
18 Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials'	See Comments Above.	<i>The results did not include findings or criticisms.</i>

Town of Boyce

Statewide Agreed-Upon Procedures

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

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
personnel files.		
19 Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.	See Comments Above.	<i>The results did not include findings or criticisms.</i>

Town of Boyce

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Ethics		
Agreed-Upon Procedure	Results	Managements' Response
20 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.	Ethics training certificates were provided for three of the five selected employees. The Town has not adopted a written ethics policy.	We will schedule training for all personnel at the earliest opportunity and document completion in their personnel files. Due to the size of the workforce, standards of ethical behavior can be clearly communicated without adopting written policies or requiring formal acknowledgement.

Town of Boyce

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Debt Service		
Agreed-Upon Procedure	Results	Managements' Response
21 Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.	No new debt was issued in the current year.	<i>The results did not include findings or criticism.</i>
22 Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.	The Town did not comply with their debt covenants.	We will review our debt covenants to ensure we comply with them in the future.

Town of Boyce

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Other		
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.	Based on management's representations, there were no misappropriations.	<i>The results did not include findings or criticism.</i>
24 Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.	No exceptions were identified.	<i>The results did not include findings or criticism.</i>