

TOWN OF BOYCE, LOUISIANA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED MAY 31, 2013

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **DEC 04 2013**

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November 5, 2013

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, 2013, 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.

-Members-

American Institute of Certified Public Accountants • Society of Louisiana CPAs

***The Honorable Jack DeWitt, Mayor
and Members of the Board of Aldermen
Town of Boyce***

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

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, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

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

Other 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 accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the primary government financial statements of the Town of Boyce.

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.

*The Honorable Jack DeWitt, Mayor
and Members of the Board of Aldermen
Town of Boyce*

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARD

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2013, on our consideration of the Town of Boyce's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Boyce's internal control over financial reporting and compliance.



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November 5, 2013

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 Jack DeWitt, 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, 2013, 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 5, 2013.

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

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***The Honorable Jack DeWitt, Mayor
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Town of Boyce***

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.

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 grants, 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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, HARRINGTON & MCKAY
Certified Public Accountants

TOWN OF BOYCE

MANAGEMENT'S DISCUSSION AND ANALYSIS

May 31, 2013

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, 2013.

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 the lights, gas, water and sewer systems and sanitation 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

TOWN OF BOYCE

MANAGEMENT'S DISCUSSION AND ANALYSIS

May 31, 2013

needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

- **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 light, gas, water and sewer systems, and sanitation services. Proprietary fund financial statements typically provide a more detail 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, 2013			For the Year Ended May 31, 2012
	Govern- mental Activities	Business- Type Activities	Total	
<u>Assets:</u>				
Current and other assets	\$ 124,081	\$ 790,284	\$ 914,365	\$ 402,289
Capital assets	728,054	2,924,795	3,652,849	3,288,383
Total assets	<u>852,135</u>	<u>3,715,079</u>	<u>4,567,214</u>	<u>3,690,672</u>
<u>Liabilities:</u>				
Current and other liabilities	125,356	702,634	827,990	234,940
Long-term liabilities	21,709	314,748	336,457	472,768
Total liabilities	<u>147,065</u>	<u>1,017,382</u>	<u>1,164,447</u>	<u>707,708</u>
<u>Net Position:</u>				
Invested in Capital Assets (Net)	690,604	2,194,895	2,885,499	2,904,603
Restricted	----	26,957	26,957	26,958
Unrestricted	14,466	475,845	490,311	51,403
Total Net Position	<u>\$ 705,070</u>	<u>\$ 2,697,697</u>	<u>\$ 3,402,767</u>	<u>\$ 2,982,964</u>

As the presentation appearing above demonstrates, the largest portion of the Town's net position (84.8%) is invested in capital assets. Net position invested in capital assets consist of land, construction in progress, buildings, and equipment less any debt used to acquire the assets that remain outstanding. The Town uses these capital assets to provide services to its citizens; consequently, these amounts are not available for future spending.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

May 31, 2013

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

The remaining unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors.

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, 2013			For the Year Ended May 31, 2012
	Governmental Activities	Business-Type Activities	Total	
<u>Revenues:</u>				
Program Revenue:				
Charges for Services	\$ 2,912	\$ 1,174,733	\$ 1,177,645	\$ 1,185,004
Operating Grants and Contributions	22,568	18,044	40,612	66,203
Capital Grants and Contributions	47,094	539,376	586,470	57,912
General Revenue:				
Property Taxes	13,965	----	13,965	11,384
Sales Taxes	278,928	----	278,928	288,634
Franchise Taxes	8,868	----	8,868	7,903
Occupational Licenses	49,124	----	49,124	53,187
Miscellaneous	43,725	236	43,961	34,110
Total Revenue	467,184	1,732,389	2,199,573	1,704,337
<u>Program Expenses:</u>				
General Government	138,707	----	138,707	188,186
Public Safety	261,387	----	261,387	285,846
Streets and Drainage	70,165	----	70,165	71,165
Recreation	33,922	----	33,922	46,809
Lights	----	566,527	566,527	595,198
Natural Gas System	----	190,277	190,277	217,263
Water	----	229,475	229,475	228,909
Sewer	----	204,083	204,083	198,872
Sanitation	----	85,227	85,227	93,305
Total Expenses	504,181	1,275,589	1,779,770	1,925,553

TOWN OF BOYCE

MANAGEMENT'S DISCUSSION AND ANALYSIS

May 31, 2013

	For the Year Ended May 31, 2013			For the Year Ended May 31, 2012
	Governmental Activities	Business- Type Activities	Total	
Increase in Net Position Before Transfers	(36,997)	456,800	419,803	(221,216)
Transfers	30,340	(30,340)	----	----
Change in Net Position	(6,657)	426,460	419,803	(221,216)
Net Position Beginning	711,727	2,271,237	2,982,964	3,204,180
Net Position Ending	<u>\$ 705,070</u>	<u>\$ 2,697,697</u>	<u>\$ 3,402,767</u>	<u>\$ 2,982,964</u>

Governmental activities decreased the Town's net position by \$6,657. This decrease is due to the expenditure of depreciation which is reported in the governmental activities and not in the fund financial statements.

Business-type activities increased the Town's net position by \$426,460. This increase is due to the Town receiving two grants for improvements to the Town's electricity and sewer systems.

Financial Analysis of the Town's Funds

The Town's governmental funds reported combined fund balances of \$24,962, which represents an increase of \$9,691. The increase is due to the transfer of resources from other funds.

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 that were not anticipated when the original budget was adopted.

Capital Asset Administration

Capital asset activity for the year ended May 31, 2013, is summarized as follows:

TOWN OF BOYCE

MANAGEMENT'S DISCUSSION AND ANALYSIS

May 31, 2013

	Governmental Activities	Business- Type Activities	Total
<u>Additions:</u>			
Construction in Process	\$ ----	\$ 531,949	\$ 531,949
Infrastructure Improvements	24,978	20,034	45,012
Equipment	22,117	----	22,117
Total Additions	47,095	551,983	599,078
Depreciation	(77,227)	(157,385)	(234,612)
Net Increase (Decrease)	(30,132)	394,598	364,466
Beginning Capital Asset (Net)	758,186	2,530,197	3,288,383
Ending Capital Assets (Net)	<u>\$ 728,054</u>	<u>\$ 2,924,795</u>	<u>\$ 3,652,849</u>

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

- The construction in process includes:
 - The continuation of the Municipal Infrastructure Program (MIP) grant for improvements to the electricity system.
 - The continuation of the Louisiana Community Development Block Grant for improvements to the Town's wastewater system.
- The infrastructure improvements in the governmental and business-type activities are an early warning system and a new flow meter for the sewer system respectively.
- The equipment in the governmental activities is a thermal imaging camera for the fire department and new recreation equipment.

Debt Administration

No new debt was issued. Activity was limited to paying amounts contractually due on existing debt.

Factors Expected to Effect Future Operations

The significant events that are expected to have a significant influence on future operations are:

- Finalizing the \$646,900 Municipal Infrastructure Program Grant for electricity system improvements.
- Finalizing the \$515,300 Louisiana Community Development Block Grant for sewer system rehabilitation.

TOWN OF BOYCE

Statement of Net Position

May 31, 2013

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS:</u>			
Cash and cash equivalents	\$ 76,234	\$ 242,481	\$ 318,715
Receivables (net)	47,847	114,659	162,506
Restricted assets			
Cash and cash equivalents	-	27,037	27,037
Grants Receivable	-	406,107	406,107
Capital Assets			
Non depreciable capital assets			
Land	170,007	20,337	190,344
Construction in Progress	-	582,434	582,434
Depreciable capital assets (net)	<u>558,047</u>	<u>2,322,024</u>	<u>2,880,071</u>
Total assets	<u>852,135</u>	<u>3,715,079</u>	<u>4,567,214</u>
<u>LIABILITIES:</u>			
Accounts payable	23,824	153,117	176,941
Accounts payable from restricted assets	-	406,107	406,107
Deferred Revenue	7,678	-	7,678
Deposits due others	-	128,221	128,221
Internal balances	67,617	(67,617)	-
Long-term liabilities			
Compensated Absences	10,496	73,761	84,257
Notes Payable			
Due within one year	15,741	9,045	24,786
Due in more than one year	<u>21,709</u>	<u>314,748</u>	<u>336,457</u>
Total liabilities	<u>147,065</u>	<u>1,017,382</u>	<u>1,164,447</u>
<u>NET POSITION:</u>			
Invested in capital assets, net of related debt	690,604	2,194,895	2,885,499
Restricted:			
Debt service	-	26,957	26,957
Unrestricted	<u>14,466</u>	<u>475,845</u>	<u>490,311</u>
Total net position	<u>\$ 705,070</u>	<u>\$ 2,697,697</u>	<u>\$ 3,402,767</u>

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

TOWN OF BOYCE

Statement of Activities

Year Ended May 31, 2013

	Expenses	Program Revenues			Net (Expenses) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	
<u>Governmental Activities:</u>					
General government	\$ 138,707	\$ -	\$ -	\$ -	\$ (138,707)
Public safety	261,387	2,912	22,568	29,773	(206,134)
Streets & drainage	70,165	-	-	-	(70,165)
Recreation	33,922	-	-	17,321	(16,601)
Total governmental activities	<u>504,181</u>	<u>2,912</u>	<u>22,568</u>	<u>47,094</u>	<u>(431,607)</u>
<u>Business-Type Activities:</u>					
Lights	566,527	622,054	-	212,461	267,988
Natural gas system	190,277	190,189	-	-	(88)
Water	229,475	127,014	18,044	-	(84,417)
Sewer	204,083	140,808	-	326,915	263,640
Sanitation	85,227	94,668	-	-	9,441
Total Business-Type Activities	<u>1,275,589</u>	<u>1,174,733</u>	<u>18,044</u>	<u>539,376</u>	<u>456,564</u>
Total Primary Government	<u>\$ 1,779,770</u>	<u>\$ 1,177,645</u>	<u>\$ 40,612</u>	<u>\$ 586,470</u>	<u>\$ 24,957</u>

The accompanying notes are an integral part of the financial statements

TOWN OF BOYCE

Statement of Activities (Continued)

Year Ended May 31, 2013

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business- Type Activities	Net (Expenses) Revenue
Net (Expense) Revenues (Continued From Previous Page	\$ (431,607)	\$ 456,564	\$ 24,957
<u>General Revenues:</u>			
Taxes:			
Ad Valorem	13,965	-	13,965
Sales Taxes	278,928	-	278,928
Franchise	8,868	-	8,868
Occupational Licenses	49,124	-	49,124
Miscellaneous	43,725	236	43,961
Transfers	30,340	(30,340)	-
Total General Revenues and Transfers	424,950	(30,104)	394,846
Change in Net Position	(6,657)	426,460	419,803
Net Position Beginning	711,727	2,271,237	2,982,964
Net Position Ending	\$ 705,070	\$ 2,697,697	\$ 3,402,767

The accompanying notes are an integral part of the financial statements

TOWN OF BOYCE

Balance Sheet

Governmental Funds - May 31, 2013

	General	Non-Major Fund	Total Governmental Funds
<u>Assets</u>			
Cash and cash equivalents	\$ 76,233	\$ 1	\$ 76,234
Receivables (net)	47,847	-	47,847
Interfund receivables	5,729	-	5,729
Total assets	\$ 129,809	\$ 1	\$ 129,810
<u>Liabilities and Fund Equity</u>			
<u>Liabilities:</u>			
Accounts and other payables	\$ 23,824	\$ -	\$ 23,824
Deferred Revenues	7,678	-	7,678
Interfund payables	73,346	-	73,346
Total liabilities	104,848	-	104,848
<u>Fund Balance:</u>			
Unassigned	24,961	-	24,961
Assigned	-	1	1
Total fund equity	24,961	1	24,962
Total liabilities and fund equity	\$ 129,809	\$ 1	\$ 129,810

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

Total Fund Balances - Governmental Funds	\$ 24,962
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.	728,054
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	(37,450)
Compensated Absences	(10,496)
Net Assets of Governmental Activities	\$ 705,070

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, 2013

	General	Non-Major Fund	Total Governmental Funds
<u>Revenues:</u>			
Taxes:			
Ad valorem	\$ 13,965	\$ -	\$ 13,965
Sales tax	278,928	-	278,928
Franchise	8,868	-	8,868
Licenses and permits.	49,124	-	49,124
Intergovernmental:	69,662	-	69,662
Miscellaneous:			
Land lease	14,640	-	14,640
Other	31,996	-	31,996
Total revenues	467,183	-	467,183
<u>Expenditures:</u>			
General government	130,472	-	130,472
Public safety	205,695	-	205,695
Streets & Drainage	59,271	-	59,271
Recreation	28,596	-	28,596
Debt Service	16,703	-	16,703
Capital Expenditures	47,095	-	47,095
Total expenditures	487,832	-	487,832
Excess (deficiency) of revenues over expenditures	(20,649)	-	(20,649)
<u>Other financing sources (uses):</u>			
Operating transfers (net)	30,340	-	30,340
Total other financing sources (uses)	30,340	-	30,340
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	9,691	-	9,691
Fund balance - beginning of year	15,270	1	15,271
Fund balance - end of year	\$ 24,961	\$ 1	\$ 24,962

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, 2013

Net change in fund balances of Governmental Funds \$ 9,691

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

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

Capital expenditures reported by Governmental Funds	47,095	
Depreciation expense reported on a government-wide basis	<u>(77,227)</u>	(30,132)

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. (159)

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. 13,943

Change in net position of governmental activities \$ (6,657)

The accompanying notes are an integral part of the financial statements

TOWN OF BOYCE

Statement of Net Position

Proprietary Funds - Year Ended May 31, 2013

	Business-Type Activities - Enterprise Fund					Total
	Lights	Gas	Water	Sewer	Non-Major Funds	
ASSETS:						
Current assets:						
Cash and cash equivalents	\$ 143,030	\$ 89,305	\$ 2,928	\$ 7,218	\$ -	\$ 242,481
Receivables (net)	66,125	12,154	13,737	14,966	7,677	114,659
Interfund receivables	3,276	-	1,170	22,300	46,600	73,346
Total current assets	<u>212,431</u>	<u>101,459</u>	<u>17,835</u>	<u>44,484</u>	<u>54,277</u>	<u>430,486</u>
Restricted assets:						
Cash and cash equivalents	-	-	26,957	80	-	27,037
Grant Funds Receivable	169,364	-	-	236,743	-	406,107
Noncurrent assets:						
Non-depreciable capital assets						
Land	-	3,127	9,210	8,000	-	20,337
Construction in Progress	244,326	-	-	338,108	-	582,434
Depreciable capital assets (net)	170,427	52,356	396,625	1,702,616	-	2,322,024
Total noncurrent assets	<u>414,753</u>	<u>55,483</u>	<u>405,835</u>	<u>2,048,724</u>	<u>-</u>	<u>2,924,795</u>
Total assets	<u>796,548</u>	<u>156,942</u>	<u>450,627</u>	<u>2,330,031</u>	<u>54,277</u>	<u>3,788,425</u>
LIABILITIES:						
Current liabilities.						
Accounts payable	118,374	5,815	14,140	3,482	11,306	153,117
Accounts payable from restricted assets	169,364	-	-	236,743	-	406,107
Interfund Payables	-	5,729	-	-	-	5,729
Compensated absences payable	17,229	17,229	17,228	17,787	4,288	73,761
Deposits due others	80,412	47,809	-	-	-	128,221
Total current liabilities	<u>385,379</u>	<u>76,582</u>	<u>31,368</u>	<u>258,012</u>	<u>15,594</u>	<u>766,935</u>
Liabilities payable from restricted assets:						
Current portion of long-term debt	-	-	9,045	-	-	9,045
Noncurrent Liabilities:						
Long-Term Debt	-	-	314,748	-	-	314,748
Total liabilities	<u>385,379</u>	<u>76,582</u>	<u>355,161</u>	<u>258,012</u>	<u>15,594</u>	<u>1,090,728</u>
NET POSITION						
Invested in capital assets, net of related debt	414,753	55,483	82,042	2,048,724	-	2,601,002
Restricted for debt service	-	-	26,957	-	-	26,957
Unrestricted	(3,584)	24,877	(13,533)	23,295	38,683	69,738
Total net position	<u>\$ 411,169</u>	<u>\$ 80,360</u>	<u>\$ 95,466</u>	<u>\$ 2,072,019</u>	<u>\$ 38,683</u>	<u>\$ 2,697,697</u>

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, 2013

	Business-Type Activities - Enterprise Funds					Total
	Lights	Gas	Water	Sewer	Non-Major Funds	
<u>Operating revenues:</u>						
Charges for services	\$ 605,524	\$ 186,950	\$ -	\$ 136,601	\$ 92,278	\$ 1,021,353
Charges for services pledged as security for revenue bonds	-	-	122,559	-	-	122,559
Delinquent charges	16,222	3,239	4,406	3,044	2,390	29,301
Other operating income	308	-	49	1,163	-	1,520
Total operating revenues	622,054	190,189	127,014	140,808	94,668	1,174,733
<u>Operating expenses:</u>						
Salaries	48,192	53,625	48,202	49,358	10,816	210,193
Electricity purchased	441,786	656	12,330	1,994	-	456,766
Natural gas purchased	-	73,946	-	-	-	73,946
Collection Expense	-	-	-	-	70,067	70,067
Repairs and maintenance	11,186	8,523	29,683	11,717	2,884	63,993
Legal and professional	12,004	12,004	12,004	18,484	-	54,496
Payroll taxes and benefits	20,316	21,040	20,060	20,060	1,460	82,936
Insurance	11,217	11,237	11,237	11,237	-	44,928
Depreciation	15,627	2,404	59,408	79,946	-	157,385
Other	6,199	6,842	20,414	11,287	-	44,742
Total operating expenses	566,527	190,277	213,338	204,083	85,227	1,259,452
Operating income (loss)	55,527	(88)	(86,324)	(63,275)	9,441	(84,719)
<u>Non-operating revenues (expenses):</u>						
Interest income	77	115	32	12	-	236
Interest expense	-	-	(16,137)	-	-	(16,137)
Change in net position before contributions and transfers	55,604	27	(102,429)	(63,263)	9,441	(100,620)
<u>Contributions and transfers:</u>						
Capital Grant Revenue	212,461	-	18,044	326,915	-	557,420
Operating transfers (net)	(73,105)	11,156	32,452	(843)	-	(30,340)
Change in net position	194,960	11,183	(51,933)	262,809	9,441	426,460
Total net position - beginning of year	216,209	69,177	147,399	1,809,210	29,242	2,271,237
Total net position - end of year	\$ 411,169	\$ 80,360	\$ 95,466	\$ 2,072,019	\$ 38,683	\$ 2,697,697

The accompanying notes are an integral part of the financial statements

TOWN OF BOYCE

Statement of Cash Flows

Proprietary Funds - Year Ended May 31, 2013

	Business-Type Activities - Enterprise Funds					Total
	Lights	Gas	Water	Sewer	Non-Major Fund	
<u>Cash flow from operating activities:</u>						
Cash received from customers	\$ 616,547	\$ 187,165	\$ 130,121	\$ 139,370	\$ 94,668	\$ 1,167,871
Cash payments to suppliers of goods and services	(416,544)	(133,389)	(99,232)	(73,496)	(69,307)	(791,968)
Cash payments to employees for service	(51,725)	(71,114)	(51,736)	(52,332)	(12,000)	(238,907)
Net cash provided (used) by operating activities	148,278	(17,338)	(20,847)	13,542	13,361	136,996
<u>Cash flows from non-capital financing activities:</u>						
Increase (decrease) in bank overdraft	-	-	(1,092)	-	-	(1,092)
Change in interfund balances	11,460	5,548	(931)	(6,147)	(13,361)	(3,431)
Operating transfers in (out)	(73,105)	11,156	32,452	(843)	-	(30,340)
Net cash provided (used) by non-capital financing activities	(61,645)	16,704	30,429	(6,990)	(13,361)	(34,863)
<u>Cash flows from capital and related financing activities:</u>						
Capital Expenditures	(54,662)	-	-	(112,879)	-	(167,541)
Capital Grant Proceeds	54,662	-	18,044	98,771	-	171,477
Principle paid on capital debt	-	-	(8,594)	-	-	(8,594)
Interest paid on capital debt	-	-	(16,137)	-	-	(16,137)
Net cash provided (used) by capital and related financing activities	-	-	(6,687)	(14,108)	-	(20,795)
<u>Cash flows from investing activities:</u>						
Interest and other income	77	115	32	12	-	236
Net cash provided (used) by investing activities	77	115	32	12	-	236
Net increase (decrease) in cash	86,710	(519)	2,927	(7,544)	-	81,574
Beginning cash balance	56,320	89,824	26,958	14,842	-	187,944
Ending cash balance	143,030	89,305	29,885	7,298	-	269,518
Cash - restricted	-	-	26,957	80	-	27,037
Cash - unrestricted	\$ 143,030	\$ 89,305	\$ 2,928	\$ 7,218	\$ -	\$ 242,481
<u>Reconciliation of operating income (loss) to net cash</u>						
Operating Income (loss)	\$ 55,527	\$ (88)	\$ (86,324)	\$ (63,275)	\$ 9,441	\$ (84,719)
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	15,627	2,404	59,408	79,946	-	157,385
(Increase) decrease in accounts receivable	(10,838)	(2,315)	3,107	(1,438)	-	(11,484)
(Decrease) increase in accounts payable	86,164	859	6,496	1,283	5,104	99,906
(Decrease) increase in customer rebate payable	-	(2,413)	-	-	-	(2,413)
(Decrease) increase in meter deposits	5,331	1,704	-	-	-	7,035
(Decrease) increase in compensated absences	(3,533)	(17,489)	(3,534)	(2,974)	(1,184)	(28,714)
Net cash provided (used) by operating activities	\$ 148,278	\$ (17,338)	\$ (20,847)	\$ 13,542	\$ 13,361	\$ 136,996

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, 2013

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. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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.

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS MAY 31, 2013

Based upon the above criteria, the Town of Boyce has no component units for the year ended May 31, 2013.

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

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2013

- **Major Business-Type Funds**

Electricity System – Used to account for electricity distribution, which is supported by user charges

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

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 judgements 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

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2013

from issuing long-term debt is reported as another financing source and repayment of long-term debt is reported as an expenditure

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

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2013

Internal Activity

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

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.

Use of Estimates

The preparation of financial statement 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.

NOTE 2 - CASH AND CASH EQUIVALENTS

At May 31, 2013, cash and cash equivalents included the following amounts:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash Deposited in Banks	\$ 76,234	\$ 269,518	\$ 345,752
Restricted Cash	---	27,037	27,037
Cash and Cash Equivalents	<u>\$ 76,234</u>	<u>\$ 242,481</u>	<u>\$ 318,715</u>

Deposits are stated at cost, which approximates market value. 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.

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS MAY 31, 2013

At May 31, 2013 the Town has deposits of \$429,505 (collected bank balance) and \$345,752 (collected book balance) of which \$27,105 is restricted. These bank deposits are secured from risk by \$250,000 of federal deposit insurance and \$567,773 of pledged securities held by the custodial bank in the name of the fiscal agent bank

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, State law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

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, 2013, taxes of 6.630 mills totaling \$13,965 were levied on property and were dedicated to general corporate purposes.

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

Sales Taxes

Sales taxes are collected by the Parish of Rapides and remitted to the Town on a monthly basis. Since both tax levies are unrestricted, all sales tax proceeds are reported as revenue by the general fund. For the year ended May 31, 2013, the Town has levied sales taxes described as follows:

- A 1% sales tax has been approved by the citizens 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, 2013, there were no material amounts of uncollectible receivables. Details related to receivables are presented as follows:

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS MAY 31, 2013

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<u>Accounts Receivable</u>			
Charges for Services	\$ ---	\$ 118,062	\$ 118,062
<u>Due From Other Governmental Units</u>			
Grants Reimbursement	---	406,107	406,107
Sales Taxes	47,847	---	47,847
Total Receivables	<u>47,847</u>	<u>524,169</u>	<u>572,016</u>
Allowance for Doubtful Accounts	---	(3,403)	(3,403)
Net Receivables	<u>\$ 47,847</u>	<u>\$ 520,766</u>	<u>\$ 568,613</u>

NOTE 5 – CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
<u>Non Depreciable Capital Assets</u>				
Land	\$ 170,007	\$ ---	\$ ---	\$ 170,007
<u>Depreciable Capital Assets</u>				
Buildings and Improvements	879,177	---	---	879,177
Furniture, Fixtures and Equipment	873,392	22,117	---	895,509
Infrastructure	1,549,944	24,978	---	1,574,922
Accumulated Depreciation	(2,714,334)	(77,227)	---	(2,791,561)
Total	<u>588,179</u>	<u>(30,132)</u>	<u>---</u>	<u>558,047</u>
Total Governmental Activities	<u>\$ 758,186</u>	<u>\$ (30,132)</u>	<u>\$ ---</u>	<u>\$ 728,054</u>

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS MAY 31, 2013

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<u>Business-Type Activities</u>				
Non Depreciable Capital Assets				
Land	\$ 20,337	\$ ----	\$ ----	\$ 20,337
Utility Construction in Process	50,485	531,949	----	582,434
Total	<u>70,822</u>	<u>531,949</u>	<u>----</u>	<u>602,771</u>
Depreciable Capital Assets				
Utility System	4,763,189	20,034	----	4,783,223
Utility Buildings	22,357	----	----	22,357
Utility Equipment	366,879	----	----	366,879
Accumulated Depreciation	(2,693,050)	(157,385)	----	(2,850,435)
Total	<u>2,459,375</u>	<u>(137,351)</u>	<u>----</u>	<u>2,322,024</u>
Total Business-Type Activities	<u>\$ 2,530,197</u>	<u>\$ 394,598</u>	<u>\$ ----</u>	<u>\$ 2,924,795</u>

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Government	\$ 8,560	\$ ----	\$ 8,560
Public Safety	54,276	----	54,276
Street & Drainage	9,065	----	9,065
Recreation	5,326	----	5,326
Lights	----	15,627	15,627
Gas	----	2,404	2,404
Water	----	59,408	59,408
Sewer	----	79,946	79,946
Total Depreciation Expense	<u>\$ 77,227</u>	<u>\$ 157,385</u>	<u>\$ 234,612</u>

NOTE 6 - LONG-TERM DEBT

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

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS MAY 31, 2013

	Governmental Activities	Business-Type Activities	Total
Revenue bonds payable	\$ ---	\$ 323,793	\$ 323,793
Capital Leases	37,450	---	37,450
Compensated absences	10,496	73,761	84,257
Total long-term debt	47,946	397,554	445,500
Due within one year	(15,741)	(9,045)	(24,786)
Due in more than one year	\$ 32,205	\$ 388,509	\$ 420,714

The following changes occurred in liabilities reported in the Governmental Activities during the year ended May 31, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental Activities</u>				
Capital Lease	\$ 51,393	\$ ---	\$ 13,943	\$ 37,450
Compensated absences	10,336	160	---	10,496
Total Governmental Activities	61,729	160	13,943	47,946
<u>Business-type Activities</u>				
Utility revenue bonds	332,387	---	8,594	323,793
Compensated absences	102,476	---	28,715	73,761
Total business-type activities	434,863	---	37,309	397,554
Total long-term debts	\$ 496,592	\$ 160	\$ 51,252	\$ 445,500

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, 2013, 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	\$ 323,793
Total Revenue Bonds	\$ 323,793

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS MAY 31, 2013

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>Revenue Bonds</u>	
	<u>Principal Installments</u>	<u>Interest</u>
<u>Business-Type Activities</u>		
2014	\$ 9,045	\$ 16,384
2015	9,520	15,909
2016	10,019	15,410
2017	10,545	14,884
2018	11,098	14,331
2019-2023	64,863	62,283
2024-2028	83,763	43,383
2029-2033	108,169	18,977
2034-2035	16,771	326
Total Business-Type	<u>\$ 323,793</u>	<u>\$ 201,887</u>

Total interest charged to expense for the business-type activities is \$16,137.

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.

Capital Lease

During the fiscal year ended May 31, 2013 the Town entered into a capital lease in the amount of \$62,491 for the purchase of two new police vehicles. The lease has an interest rate of 3.3% and is due in 48 monthly installments of \$1,392 with the final payment due September of 2015. 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>	
2014	\$ 16,698
2015	16,698
2016	<u>5,463</u>

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2013

<u>Year Ended May 31st</u>	<u>Governmental Activities</u>
Total minimum lease payments	38,859
Less amount representing interest	(1,409)
Present value of future minimum lease payments	<u>\$ 37,450</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 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, IESI 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.

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, 2013

NOTE 9 - BOARD MEMBER SALARIES

For the year ended May 31, 2013, 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>
Jack DeWitt	Mayor	\$ 7,500
Leonard LaCour	Alderman	6,300
Vivian Brossett	Alderman	6,300
Lucretia McCoy	Alderman	6,300
Peggy Brew	Alderman	6,300
Alma Moore	Alderman	6,300
Total		<u>\$ 39,000</u>

NOTE 10 - ACCOUNTS AND OTHER PAYABLES

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Payable to Vendors	\$ 23,824	\$ 153,117	\$ 176,941
Payable Under Construction Contracts	----	362,667	362,667
Retainage Payable Under Contractual Arrangements	----	43,440	43,440
Total	<u>23,824</u>	<u>559,224</u>	<u>583,048</u>
Payables from Restricted Assets	----	406,107	406,107
Accounts and Other Payables	<u>\$ 23,824</u>	<u>\$ 153,117</u>	<u>\$ 176,941</u>

Business-type activities accounts and other payables are reported in each fund as follows:

	<u>Payable to Vendors</u>	<u>Payable from Restricted Assets</u>	<u>Total</u>
Lights	\$ 118,374	\$ 169,364	\$ 287,738
Gas	5,815	----	5,815
Water	14,140	----	14,140
Sewer	3,482	236,743	240,225
Non-Major	11,306	----	11,306
Total business-type activities	<u>\$ 153,117</u>	<u>\$ 406,107</u>	<u>\$ 559,224</u>

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS **MAY 31, 2013**

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:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net</u>
Transfer of resources to cover expenses			
Governmental Activities	\$ 67,263	\$ (36,923)	\$ 30,340
Business-Type Activities			
Lights	23,000	(96,105)	(73,105)
Gas	19,424	(8,268)	11,156
Water	34,200	(1,748)	32,452
Sewer	16,100	(16,943)	(843)
Total Business-Type	<u>92,724</u>	<u>(123,064)</u>	<u>(30,340)</u>
Total Transfers	<u>\$ 159,987</u>	<u>\$ (159,987)</u>	<u>\$ ----</u>

NOTE 13 – INTERFUND BALANCES

In the ordinary course of business, advances are made to various funds in order to provide needed resources on a temporary basis. Balances resulting from transactions of this nature are summarized as follows:

	<u>Receivable</u>	<u>(Payable)</u>	<u>Net</u>
<u>Governmental Activities</u>			
General Fund	\$ 5,729	\$ (73,346)	\$ (67,617)
<u>Business-Type Activities</u>			
Lights Fund	3,276	----	3,276
Natural Gas Fund	----	(5,729)	(5,729)
Water Fund	1,170	----	1,170
Sewer Fund	22,300	----	22,300
Non-major fund	46,600	----	46,600
Total business-type activities	<u>73,346</u>	<u>(5,729)</u>	<u>67,617</u>
Total interfund balances	<u>\$ 79,075</u>	<u>\$ (79,075)</u>	<u>\$ ----</u>

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2013

NOTE 14- PENSION PLAN

Substantially all employees, except police department employees, of the Town of Boyce, Louisiana, are members of the Municipal Employees Retirement Systems of Louisiana. This system is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to the plan follows:

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.

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 8.75%. 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.

TOWN OF BOYCE

NOTES TO FINANCIAL STATEMENTS MAY 31, 2013

NOTE 15 – CONTINGENCIES

Existing conditions that may have financial consequences in the future are referred to as contingencies. Contingencies existing at May 31, 2013, 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-ON BEHALF PAYMENTS

The State of Louisiana provides supplemental pay for public safety employees that meet certain requirements. For the year ended May 31, 2013, \$4,169 paid to the Town's police has been reported as revenue and expenditures in connection with State Supplemental Pay.

TOWN OF BOYCE

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual

Year ended May 31, 2013

	Budget Amounts		Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 300,000	\$ 289,528	\$ 301,761	\$ 12,233
License and permits	48,000	26,484	49,124	22,640
Intergovernmental	-	82,049	69,662	(12,387)
Miscellaneous	39,680	52,439	46,636	(5,803)
Total revenues	387,680	450,500	467,183	16,683
Expenditures:				
General government	147,960	156,305	130,472	25,833
Public safety	165,050	186,834	205,695	(18,861)
Streets and sanitation	59,140	57,500	59,271	(1,771)
Recreation	23,140	32,313	28,596	3,717
Capital Expenditures	30,000	67,685	47,095	20,590
Debt Service	-	18,095	16,703	1,392
Total expenditures	425,290	518,732	487,832	30,900
Excess (deficiency) of revenues over expenditures	(37,610)	(68,232)	(20,649)	47,583
Other financing sources (uses):				
Operating transfers in	75,000	74,800	67,263	(7,537)
Operating transfers out	-	(21,530)	(36,924)	(15,394)
Total other financing sources (uses)	75,000	53,270	30,339	(7,537)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	37,390	(14,962)	9,690	40,046
Fund balance - beginning of year	142,553	15,270	15,270	-
Fund balance - end of year	\$ 179,943	\$ 308	\$ 24,960	\$ 40,046

TOWN OF BOYCE

Schedule of Expenses - Budget and Actual

Budget and Actual

General Fund

Year ended May 31, 2013

	Budget Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
General government:				
Salary - mayor	\$ 7,500	\$ 7,500	\$ 7,500	\$ -
Salaries - aldermen	31,500	31,500	31,500	-
Salaries - office	14,700	14,700	14,030	670
Payroll taxes and related expenses	17,000	18,467	17,420	1,047
Retirement	4,400	4,083	2,493	1,590
Telephone	5,200	4,156	3,449	707
Office supplies	7,000	6,925	5,367	1,558
Advertising and printing	2,500	3,831	4,955	(1,124)
Dues	2,700	2,924	2,874	50
Accounting	8,500	8,029	8,826	(797)
Legal	2,700	6,965	8,750	(1,785)
Insurance	2,140	1,913	1,869	44
Miscellaneous	17,020	30,839	10,524	20,315
Travel and conventions	22,100	10,931	10,915	16
Christmas parade	3,000	3,542	-	3,542
Maintenance	-	-	-	-
Total general government	147,960	156,305	130,472	25,833
Public safety:				
Police				
Salaries	121,000	134,649	52,131	82,518
Payroll taxes and related expenses	-	119	3,894	(3,775)
Contract Patrol	-	-	89,680	(89,680)
Patrol car expenditures	20,000	14,987	18,175	(3,188)
Uniforms and training	3,500	2,403	1,589	814
Supplies and equipment	2,500	1,849	2,242	(393)
Telephone	4,000	4,149	3,544	605
Miscellaneous	4,000	9,867	9,614	253
Fire protection.				
Truck gas, oil and maintenance	3,150	3,283	-	3,283
Telephone	700	717	267	450
Insurance	4,000	10,334	8,609	1,725
Miscellaneous	2,200	4,477	15,950	(11,473)
Total public safety	165,050	186,834	205,695	(18,861)

TOWN OF BOYCE

Continued

Schedule of Expenses

Budget and Actual

General Fund

Year ended May 31, 2013

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<u>Streets and sanitation:</u>				
Salaries	30,500	23,708	11,712	11,996
Payroll taxes and related benefits	-	-	1,484	(1,484)
Truck and tractor maintenance	11,500	16,573	17,608	(1,035)
Street maintenance	5,000	5,056	5,709	(653)
Supplies	8,700	4,070	14,293	(10,223)
Miscellaneous	3,440	8,093	8,465	(372)
Total streets and sanitation	59,140	57,500	59,271	(1,771)
<u>Recreation:</u>				
Salaries and related benefits	15,000	14,971	14,786	185
Supplies & miscellaneous	8,140	17,342	13,810	3,532
Total recreation	23,140	32,313	28,596	3,717
Debt Service	-	18,095	16,703	1,392
Capital Expenditures	30,000	67,685	47,095	20,590
Total expenditures	\$ 425,290	\$ 518,732	\$ 487,832	\$ 30,900

TOWN OF BOYCE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended May 31, 2013

	<u>Federal CFDA No</u>	<u>Federal Expenditures</u>
FEDERAL GRANTOR / Pass-through Grantor / Program Title		
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Pass-through the State of Louisiana, Office of Community Development		
Louisiana Community Development Block Grant		
Public Facilities Grant		\$ 306,888
Municipal Infrastructure Program		<u>212,461</u>
Total Community Development Block Grants	14 228	<u>519,349</u>
DEPARTMENT OF HOMELAND SECURITY		
Passed Through Rapides Parsh Police Jury	97 067	<u>48,171</u>
 TOTAL FEDERAL FUNDS EXPENDED		 <u>\$ 567,520</u>

Note: The schedule of expenditures of federal awards was prepared in conformity with generally accepted accounting principles for governmental units. See the accompanying notes to financial statements for further details.

ROZIER, HARRINGTON & MCKAY

CERTIFIED PUBLIC ACCOUNTANTS

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M. DALE HARRINGTON, CPA
RETIRED - 2005

November 5, 2013

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

The Honorable Jack DeWitt., Mayor
and Members of the Board of Aldermen
Town of Boyce, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the compliance of the Town of Boyce with the types of compliance requirements described in the *U S Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town of Boyce's major federal programs for the year ended May 31, 2013. The Town of Boyce's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Boyce's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Boyce's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Town of Boyce's compliance.

-Members-

American Institute of Certified Public Accountants • Society of Louisiana CPAs

***The Honorable Jack DeWitt, Mayor
and Members of the Board of Aldermen
Town of Boyce***

Opinion on Each Major Federal Program

In our opinion, the Town of Boyce complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended May 31, 2013.

Report on Internal Control over Compliance

The management of the Town of Boyce is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Boyce's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Boyce's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


ROZIER, HARRINGTON & MCKAY
Certified Public Accountants

Town of Boyce
Schedule of Findings and Questioned Costs
For the Year Ended May 31, 2013

PART I – SUMMARY OF AUDITORS' RESULTS:

- The Independent Auditor's Report on the financial statements for the Town of Boyce as of May 31, 2013 and for the year then ended expressed an unqualified opinion
- The results of the audit disclosed no instances of noncompliance that are considered to be material to the financial statements of the Town of Boyce.
- The audit did not disclose an audit finding which is required to be reported as a significant deficiency in internal control over financial reporting
- The Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 expressed an unqualified opinion on compliance requirements for the major program described below.
- Major programs for the year ended May 31, 2013 are presented as follows:

United States Department of Housing and Urban Development
CFDA No. 14.228 – Community Development Block Grant

- A threshold of \$300,000 was used for distinguishing between Type A and Type B programs for purposes of identifying major programs.
- The Town of Boyce was not considered to be a low risk auditee as defined by the OMB Circular A-133.

PART II – FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:

- None

PART III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS WHICH SHALL INCLUDE AUDIT FINDINGS AS DEFINED BY OMB CIRCULAR A-133:

- None

TOWN OF BOYCE, LOUISIANA
Managements Corrective Action Plan
For the Year Ended May 31, 2013

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
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There were no findings of this nature.	Response - N/A
--	----------------

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.
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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, 2013

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
There were no findings of this nature	Response - N/A
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	
<p>ML-1 - Legislative Auditor Report: During the year ended May 31, 2012, the Legislative Auditor performed a limited review of controls over operations and issued a report dated January 6, 2012. Below is a summary of the findings and recommendations from the Legislative Auditor</p> <p><u>Written Policies and Procedures:</u> Management should develop written policies and procedures</p> <p><u>Budgeting:</u> There were two possible violations related to budgeting.</p> <p><u>Monthly financial statements with budget comparisons:</u> Budget to actual financial statements should be presented to management monthly.</p> <p><u>Civic Center Rentals:</u> The board of aldermen waived the rental fees at the civic center for a school reunion</p>	<p style="text-align: center;">Resolved</p> <p>The Town has written procedures related to purchasing, credit cards, accounts payable and disbursements, payroll, and advalorem tax collections. In addition to these written procedures the Town has developed a written contract that must be executed to rent the civic center. This contract provides for the purpose of the rental, the required amounts for the security deposit, clean up fee, and security guard fee. The contract details the rules and regulations that must be followed for using the civic center.</p> <p>The current year budgets were adopted and amended in accordance with state law.</p> <p>The mayor and aldermen receive a budget-to-actual financial report for review at their monthly meeting.</p> <p>The Town has now adopted a written contract that must be executed for use of the civic center.</p>

TOWN OF BOYCE, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended May 31, 2013

Traffic Tickets and Fine Collections: Controls over tickets and fines should be strengthened

Payroll.
The Town should strengthen controls over payroll.

The Town has improved controls over tickets and fines. The clerk maintains and accounts for all tickets written. The tickets are accounted for numerically and the clerk collects any fines related to the citations. When fines are collected the clerk reconciles the receipt with the violation and prepares a deposit slip. Each month the clerk remits the required fines to the State of Louisiana.

Segregation of duties: The Town has improved the segregation of duties related to payroll as follows:

- Employee time sheets are reviewed and signed by both the employee and the appropriate supervisor
- At the end of each month the payroll clerk updates the payroll system as necessary, enters employee's hours, and prints the payroll checks.
- The mayor and the clerk review and sign each paycheck.
- The mayor opens the payroll account bank statement and reviews the image checks to ensure that his signature is on each check

Compensatory Time: Management continues to work with the Town attorney on laws related to compensatory time. In addition, the mayor and the Town attorney continue to work on updating the entire personnel policy and to ensure the policy's compliance with applicable laws

Municipal Police Retirement System: The Town now informs all police officers of the retirement options. If the officer does not wish to enter the plan, the Town obtains the affidavits necessary to opt out.

Annual payment to employees: Upon notification that this payments could be contrary to state law the practice has been ceased

Time and leave records: Each employee is given the opportunity to review and sign their attendance records. The attendance records are also reviewed by the applicable supervisors

TOWN OF BOYCE, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended May 31, 2013

<p><u>Customer Utility Accounts:</u> Strengthen controls over customer utility accounts.</p> <p><u>Travel.</u> Strengthen controls over travel disbursements.</p> <p><u>Capital Assets.</u> Strengthen controls over capital assets</p> <p><u>Recordkeeping.</u> The Town should maintain an ordinance books and prepare and submit a records retention schedule.</p> <p><u>Confiscated Evidence.</u> Strengthen controls over confiscated evidence</p> <p><u>Disaster Recovery.</u> The Town did not have a disaster recovery plan.</p>	<p><u>Contracts for services.</u> The Town has established a compensation arrangement with the Town attorney and court magistrate. In addition, contracts are prepared by the Town attorney for any significant third party arrangements. Also, the Town seeks advice related to 1099's from a local accounting firm.</p> <p><u>Account balances not reconciled.</u> Each month a customer receivable report is printed and maintained.</p> <p><u>Meter deposits not reconciled.</u> Management is continuing the process of reconciling meter deposits per the utility billing system to the general ledger.</p> <p>Management has updated the travel policy and created a "travel expense form" and a "travel advance/authorization request form." Individuals that travel on behalf of the Town are required to fill out and file the appropriate form with the clerk. Upon returning from the trip, the individual traveling is reimbursed when all receipts and related documentation are turned in to the clerk.</p> <p>Management has implemented a system of tagging the Town's moveable property. Furthermore, at year end, the clerk and superintendent conduct a fixed asset inventory and reconcile the inventory to the fixed asset schedule.</p> <p><u>Ordinance book.</u> The clerk maintains a book of all Town ordinances.</p> <p><u>Records retention schedule.</u> Management has a records retention policy. Management will submit this policy to the State Archivist for any updates or changes required by state law.</p> <p>Management continues to work with Town attorney to ensure that confiscated evidence is maintained in accordance with applicable laws.</p> <p>Management is aware of the importance of backing up all of the Town's records that are maintained on computers. The Town's utility billing system is backed up off site through a process offered by the utility billing systems.</p>
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TOWN OF BOYCE, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended May 31, 2013

<p><u>Strategic Plan</u> The Town did not have a formal strategic plan</p>	<p>software vendor The accounting system is currently backed up on external hard drives Management is exploring the options of offsite backups for the accounting system</p> <p>The mayor has long term outlook for the future expansion of the Town of Boyce The mayor continually has visions of Town growth and in an effort to achieve these goals has many meetings with the engineers and the Town attorney. The Mayor uses these meetings to set short and long term goals for the Town</p>
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