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3. 1. 1999

**TOWN OF BOYCE, LOUISIANA**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED MAY 31, 1999**  
**With Comparative Totals for May 31, 1998**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 0 8 1999

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September 3, 1999

**INDEPENDENT AUDITORS' REPORT**

The Honorable Julius Patrick, Jr., Mayor  
and Members of the Board of Aldermen  
Town of Boyce, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Boyce, Louisiana as of May 31, 1999, and for the year then ended. These general purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Governmental accounting standards require disclosure of certain matters regarding the year 2000 issue. Due to the unprecedented nature of the year 2000 issue, management believes that its effects and the success of remediation efforts will not be fully determinable before the year 2000. Since the effects of the year 2000 issue and the success of remediation efforts cannot be readily determined at the present time, management has elected to omit the required disclosures from the accompanying financial statements.

In our opinion, except for the omission of disclosures regarding the year 2000 issue as discussed in the previous paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Boyce, Louisiana, as of May 31, 1999, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

-Members-

American Institute of Certified Public Accountants • Society of Louisiana CPAs

*The Honorable Julius Patrick, Jr., Mayor  
and Members of the Board of Aldermen  
Town of Boyce*

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In accordance with *Government Auditing Standards*, we have also issued a report dated September 3, 1999, on our consideration of the Town of Boyce, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Boyce, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

  
ROZIER, HARRINGTON & MCKAY  
Certified Public Accountants

**TOWN OF BOYCE, LOUISIANA**  
**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS**  
 May 31, 1999  
 With Comparative Totals for May 31, 1998

	Governmental Funds		Proprietary Funds		Fiduciary Funds		Account Groups		Memorandum Totals	
	General	Capital Projects	Enterprise	Agency	General Fixed Assets	General Long-term Debt	1999	1998		
<b>Assets</b>										
Cash and cash equivalents	\$ 187,175	\$ 82	\$ 334,151	\$ 5,013	\$ -	\$ -	\$ 526,421	\$ 571,091		
Receivables (net of allowance for doubtful accounts)	30,089	6,325	97,728	-	-	-	134,142	128,046		
Due from other funds	-	-	-	-	-	-	-	4,503		
Restricted cash and cash equivalents	-	-	540,610	-	-	-	540,610	149,823		
Property and equipment (net of accumulated depreciation)	-	-	1,930,519	-	2,386,045	-	4,316,564	4,249,134		
Amount to be provided for retirement of long-term debt	-	-	-	-	-	189,497	189,497	220,464		
<b>Total assets</b>	<b>\$ 217,264</b>	<b>\$ 6,407</b>	<b>\$ 2,903,008</b>	<b>\$ 5,013</b>	<b>\$ 2,386,045</b>	<b>\$ 189,497</b>	<b>\$ 5,707,234</b>	<b>\$ 5,323,061</b>		
<b>Liabilities and fund equity</b>										
<b>Liabilities:</b>										
Accounts and other payables	\$ 14,003	\$ 6,325	\$ 37,681	\$ 5,013	\$ -	\$ -	\$ 63,022	\$ 58,363		
Payable from restricted assets:										
Revenue bonds payable	-	-	4,420	-	-	-	4,420	4,200		
Construction payables	-	-	101,043	-	-	-	101,043	-		
Customer deposits	-	-	85,436	-	-	-	85,436	83,059		
Due to other funds	-	-	-	-	-	-	-	4,503		
Revenue bonds payable	-	-	407,512	-	-	-	407,512	411,957		
Certificates of indebtedness	-	-	375,000	-	-	180,000	555,000	205,000		
Capital lease obligation	-	-	-	-	-	-	-	10,563		
Compensated absences payable	-	-	25,867	-	-	9,497	35,364	20,181		
<b>Total liabilities</b>	<b>14,003</b>	<b>6,325</b>	<b>1,036,959</b>	<b>5,013</b>	<b>-</b>	<b>189,497</b>	<b>1,251,797</b>	<b>797,826</b>		
<b>Fund equity:</b>										
Investment in general fixed assets	-	-	-	-	2,386,045	-	2,386,045	2,377,597		
Contributed capital	-	-	1,279,840	-	-	-	1,279,840	1,279,841		
Retained earnings:										
Reserved	-	-	349,711	-	-	-	349,711	89,672		
Unreserved	-	-	236,498	-	-	-	236,498	597,495		
Fund Balance:										
Unreserved	203,261	82	-	-	-	-	203,343	180,630		
<b>Total fund equity</b>	<b>203,261</b>	<b>82</b>	<b>1,866,049</b>	<b>-</b>	<b>2,386,045</b>	<b>-</b>	<b>4,455,437</b>	<b>4,525,235</b>		
<b>Total liabilities and fund equity</b>	<b>\$ 217,264</b>	<b>\$ 6,407</b>	<b>\$ 2,903,008</b>	<b>\$ 5,013</b>	<b>\$ 2,386,045</b>	<b>\$ 189,497</b>	<b>\$ 5,707,234</b>	<b>\$ 5,323,061</b>		

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

**TOWN OF BOYCE, LOUISIANA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**All Governmental Fund Types**  
**For the Year Ended May 31, 1999**  
**With Comparative Totals for the Year Ended May 31, 1998**

	<u>General</u>	<u>Capital Projects</u>	<u>Memorandum Totals</u>	
			<u>1999</u>	<u>1998</u>
<b>Revenues:</b>				
<b>Taxes:</b>				
Ad valorem	\$ 9,591	\$ -	\$ 9,591	\$ 9,178
Sales tax	201,829	-	201,829	196,298
Franchise	4,034	-	4,034	2,534
<b>Licenses and permits:</b>				
Occupational licenses	54,704	-	54,704	46,649
<b>Charges for services:</b>				
Garbage	40,214	-	40,214	39,825
Late fees	979	-	979	970
<b>Intergovernmental:</b>				
Federal grants	-	31,456	31,456	-
Tobacco tax	7,080	-	7,080	7,080
Beer tax	3,836	-	3,836	3,744
Fines	4,679	-	4,679	7,679
<b>Miscellaneous:</b>				
Interest	4,669	-	4,669	3,788
Land lease	10,080	-	10,080	10,140
Other	19,187	-	19,187	27,657
<b>Total revenues</b>	<u>360,882</u>	<u>31,456</u>	<u>392,338</u>	<u>355,542</u>
<b>Expenditures:</b>				
General government	102,148	-	102,148	119,582
Public safety	153,481	-	153,481	142,506
Streets and sanitation	95,950	-	95,950	92,932
Recreation	14,321	-	14,321	-
Capital projects	-	31,474	31,474	-
Debt service	48,384	-	48,384	43,941
<b>Total expenditures</b>	<u>414,284</u>	<u>31,474</u>	<u>445,758</u>	<u>398,961</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(53,402)</u>	<u>(18)</u>	<u>(53,420)</u>	<u>(43,419)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers out	(100)	-	(100)	-
Operating transfers in	76,100	133	76,233	98,500
<b>Total other financing sources (uses)</b>	<u>76,000</u>	<u>133</u>	<u>76,133</u>	<u>98,500</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other uses</b>	<u>22,598</u>	<u>115</u>	<u>22,713</u>	<u>55,081</u>
<b>Fund balance - beginning of year</b>	<u>180,663</u>	<u>(33)</u>	<u>180,630</u>	<u>125,549</u>
<b>Fund balance - end of year</b>	<u>\$ 203,261</u>	<u>\$ 82</u>	<u>\$ 203,343</u>	<u>\$ 180,630</u>

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

**TOWN OF BOYCE, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**General Fund**  
**For the Year Ended May 31, 1998**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>			
Taxes	\$ 217,022	\$ 215,454	\$ (1,568)
License and permits	48,275	54,704	6,429
Charges for services	41,345	41,193	(152)
Intergovernmental	10,900	10,916	16
Fines	2,992	4,679	1,687
Miscellaneous	20,555	33,936	13,381
<b>Total revenues</b>	<u>341,089</u>	<u>360,882</u>	<u>19,793</u>
<b>Expenditures:</b>			
General government	130,250	102,148	28,102
Public safety	160,275	153,481	6,794
Recreation	-	14,321	(14,321)
Streets and sanitation	98,120	95,950	2,170
Debt service	45,900	48,384	(2,484)
<b>Total expenditures</b>	<u>434,545</u>	<u>414,284</u>	<u>20,261</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(93,456)</u>	<u>(53,402)</u>	<u>40,054</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers out	-	(100)	(100)
Operating transfers in	76,100	76,100	-
<b>Total other financing sources (uses)</b>	<u>76,100</u>	<u>76,000</u>	<u>(100)</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other uses</b>	<u>(17,356)</u>	<u>22,598</u>	<u>39,954</u>
<b>Fund balance - beginning of year</b>	<u>180,663</u>	<u>180,663</u>	<u>-</u>
<b>Fund balance - end of year</b>	<u>\$ 163,307</u>	<u>\$ 203,261</u>	<u>\$ 39,954</u>

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

**TOWN OF BOYCE, LOUISIANA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN RETAINED EARNINGS**

Proprietary Fund Type

For the Year Ended May 31, 1999

With Comparative Totals for the Year Ended May 31, 1998

	Enterprise Funds	
	1999	1998
<u>Operating revenues:</u>		
Charges for services	\$ 895,694	\$ 908,587
Delinquent charges	27,001	20,356
Other operating income	11,675	7,735
<b>Total operating revenues</b>	<b>934,370</b>	<b>936,678</b>
<u>Operating expenses:</u>		
Salaries - operating	115,099	108,216
Salaries - clerical	48,361	45,542
Maintenance supplies	24,341	19,222
Electricity purchased	408,779	383,413
Natural gas purchased	107,971	165,709
Truck expense	14,253	9,138
Water testing	411	758
Repairs	33,856	23,674
Legal and professional	12,783	15,123
Payroll taxes	12,476	11,699
Insurance	46,906	35,169
Depreciation	99,905	98,284
Other	39,040	28,671
<b>Total operating expenses</b>	<b>964,181</b>	<b>944,618</b>
<b>Operating income</b>	<b>(29,811)</b>	<b>(7,940)</b>
<u>Non-operating revenues (expenses):</u>		
Interest income	26,190	22,101
Interest expense	(21,204)	(21,354)
<b>Total non-operating revenues</b>	<b>4,986</b>	<b>747</b>
<b>Income (loss) before operating transfers</b>	<b>(24,825)</b>	<b>(7,193)</b>
<b>Operating transfers in (out)</b>	<b>(76,133)</b>	<b>(98,500)</b>
<b>Net income (loss)</b>	<b>(100,958)</b>	<b>(105,693)</b>
<b>Retained earnings - beginning of year</b>	<b>687,167</b>	<b>792,860</b>
<b>Retained earnings - end of year</b>	<b>\$ 586,209</b>	<b>\$ 687,167</b>

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



**TOWN OF BOYCE, LOUISIANA**  
**COMBINED STATEMENT OF CASH FLOWS**  
Proprietary Fund Type  
For the Year Ended May 31, 1999  
With Comparative Totals for the Year Ended May 31, 1998

	Enterprise Funds	
	1999	1998
<b><u>Cash flow from operating activities:</u></b>		
Operating income (loss)	\$ (29,811)	\$ (7,940)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	99,905	98,284
(Increase) decrease in accounts receivable	5,955	(17,871)
(Increase) decrease in due from other funds	3,881	-
(Decrease) increase in accounts payable	97,373	2,246
(Decrease) increase in customer deposits	2,377	6,533
(Decrease) increase in due to other funds	(2,351)	-
(Decrease) increase in other liabilities	10,587	115
<b>Net cash provided (used) by operating activities</b>	<b>187,916</b>	<b>81,367</b>
<b><u>Cash flows from non-capital financing activities:</u></b>		
Operating transfers in (out)	(76,133)	(98,500)
<b>Net cash provided (used) by non-capital financing activities</b>	<b>(76,133)</b>	<b>(98,500)</b>
<b><u>Cash flows from capital and related financing activities:</u></b>		
Acquisition of capital assets	(158,888)	(101,756)
Debt proceeds	375,000	-
Grant proceeds	-	20,900
Debt service	(25,429)	(25,342)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>190,683</b>	<b>(106,198)</b>
<b><u>Cash flows from investing activities:</u></b>		
Interest	26,190	22,101
<b>Net cash provided (used) by investing activities</b>	<b>26,190</b>	<b>22,101</b>
<b>Net increase (decrease) in cash</b>	328,656	(101,230)
<b>Beginning cash balance</b>	546,105	647,335
<b>Ending cash balance</b>	\$ 874,761	\$ 546,105
<b>Cash, unrestricted</b>	\$ 334,151	\$ 396,282
<b>Cash, restricted</b>	\$ 540,610	\$ 149,823

**Supplemental disclosures of cash flow information:**

For the years ended May 31, 1999 and 1998 there were no investing, capital, and financing activities that did not result in cash receipts or payments.

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

**TOWN OF BOYCE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**May 31, 1999**

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**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, sanitation, public improvements, utility (gas, water, electricity and sewerage) 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, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which 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 (GASB) Statement No. 14 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.

Based upon the above criteria, the Town of Boyce has no component units for the year ended May 31, 1999.

# **TOWN OF BOYCE, LOUISIANA**

## **NOTES TO FINANCIAL STATEMENTS**

**May 31, 1999**

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### Fund Accounting

The accounts of the Town are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types and account groups are used by the Town:

### GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund - Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds.

### FIDUCIARY FUND

Agency Fund - The Agency Fund accounts for assets held by the Town as an agent for individuals, private organizations, other governments, and/or other funds. This fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The agency fund accounts for disbursement of the Town's payroll and related liabilities.

### PROPRIETARY FUND

Enterprise Fund - The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The enterprise funds of the Town account for operations of a natural gas, electricity, water, and sewerage system.

### ACCOUNT GROUPS

General Fixed Assets Account Group - This group of accounts is used to account for fixed assets of the Town other than those accounted for in the Proprietary Funds.

General Long-Term Debt Account Group - This group of accounts is used to account for long-term debt of the Town other than the debt accounted for in the Proprietary Funds.

# ***TOWN OF BOYCE, LOUISIANA***

## ***NOTES TO FINANCIAL STATEMENTS***

***May 31, 1999***

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### Basis of Accounting

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.

All governmental funds and agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of the Town and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt, which is recognized when due.

In both governmental and proprietary funds, inventories of supplies are considered immaterial and are not recorded.

The proprietary (enterprise) fund is accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Utility revenues are billed on a cycle basis and are recognized in the month billed. Unbilled service receivables resulting from utility services rendered between cycle billing and the end of the month have been recognized in the accompanying financial statements.

The basis of accounting followed by proprietary funds is similar to accounting practices utilized by business enterprises. Due to these similarities, proprietary funds are allowed to follow certain pronouncements that are developed by the Financial Accounting Standards Board (FASB) for business enterprises. However, the Town only applies those FASB pronouncements that were issued on or before November 30, 1989.

### Budgets and Budgetary Practices

The Town follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The Town Clerk prepares a proposed budget for the general fund for the upcoming year and submits it to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of that year. This budget includes proposed expenditures and the means of financing them.
2. A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, the date of a public hearing is published.

# ***TOWN OF BOYCE, LOUISIANA***

## ***NOTES TO FINANCIAL STATEMENTS***

***May 31, 1999***

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3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After holding the public hearing and prior to the commencement of the new year, the budget is legally enacted through passage of an ordinance.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Mayor and Board of Aldermen. Such amendments were not material in relation to the original appropriations.

### Cash and Cash Equivalents and Investments

Cash and cash equivalents includes amounts in demand deposits and time deposits with maturities of 90 days or less. Under state law, the Town may deposit funds in demand deposits, money market deposits, or time and savings deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, the Town may also invest in U.S. bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days. The Town had no investments at May 31, 1999.

### Due To/From Other Funds

Amounts in each fund listed as due to/from are offset by corresponding entries in other funds. Funds shown as such are considered available for expenditure unless specifically restricted within the statements. Interfund receivables and payables are not eliminated in the preparation of combined financial statements.

### Fixed Assets and Long-Term Liabilities

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and they are recorded as expenditures in the governmental fund types when purchased. The Town has elected to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements including roads, bridges, sidewalks and drainage improvements. No depreciation has been provided on general fixed assets. Fixed assets are valued at historical cost, including interest incurred during construction, unless they were donated in which case they are valued at fair market value at the date of donation. At May 31, 1999 there were no material amounts of donated assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

These two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

# **TOWN OF BOYCE, LOUISIANA**

## **NOTES TO FINANCIAL STATEMENTS**

**May 31, 1999**

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Fixed assets used in the proprietary fund type operations are included on the balance sheet of the fund at historical cost including any interest incurred during construction. Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<b>Water Utility and Sewerage System</b>	
Water Distribution System	25 years
Water Wells	25 years
Water Lines	50 years
Fire Hydrants	50 years
Pump, House and Fence	25 years
Meters	25 years
<b>Lights Utility</b>	
Electric Distribution System	25 years
Trucks	4 years
Equipment	8 years
Transformers	25 years
<b>Gas Utility</b>	
Distribution System	50 years
Meters	50 years
Building	33 years
Equipment	8 years
Trucks	5 years
Meter Taps/Gas Line Tie-Ins	50 years

Effective June 1, 1992, the Lights and Water Fund was separated into two funds. In conjunction with this separation, the water system assets and their related accumulated depreciation and contributed capital have been transferred to the Water Fund.

Also effective June 1, 1992, the sewerage activities of the Town were separated from the General Fund. Accordingly, there existed some sewer system assets in the General Fixed Assets Account Group at this separation date. Since these assets would be fully depreciated if they had been accounted for in an enterprise fund through June 1, 1992, they have not been transferred to the Sewer Fund. Improvements to the sewer system in the future will be recorded in the Sewer Fund.

### Contributed Capital

In the Enterprise Funds, amounts contributed to the Town for acquisition or construction of fixed assets are recorded as contributed capital. Depreciation of these contributed capital assets is computed using the straight-line method over the estimated useful lives of the assets and is charged as a current period expense.

**TOWN OF BOYCE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**May 31, 1999**

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Statement of Cash Flows

The Town has adopted Government Auditing Standards Board Statement No. 9 "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting." This statement requires entities to report a statement of cash flows as part of a full set of financial statements instead of reporting a statement of changes in financial position. For the purposes of reporting cash flows, cash and cash equivalents includes all cash on hand, cash in bank and certificates of deposit.

For the year ended May 31, 1999 there were no material non-cash investing activities or capital and related financing activities.

Compensated Absences

Accumulated unpaid vacation and compensatory pay are accrued when incurred in Proprietary Funds (using the accrual basis of accounting). These amounts relating to the Governmental Funds have been presented in the General Long-Term Debt Group of accounts. At May 31, 1999 compensated absences for all funds and account groups combined totaled \$35,364.

Encumbrance Accounting

Purchase orders, contracts, and other commitments to engage in future expenditures are referred to as encumbrances. Since encumbrances do not represent liabilities or current expenditures, encumbrances are not reported in the accompanying financial statements.

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.

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Total Columns on Combined Statements - Overview

Total columns on the combined statements are captioned "Memorandum Totals" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting

**TOWN OF BOYCE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**May 31, 1999**

principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative data (i.e., presentation of prior year totals by fund type) have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Bad Debts

Uncollectible amounts due for ad valorem taxes and customers' utility receivables are recognized as bad debts through the establishment of an allowance account based on historical information which would indicate the uncollectibility of a percentage of the particular receivable.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

At May 31, 1999 cash and cash equivalents totaled \$1,067,031 (Book Balance) and \$1,107,653 (Bank Balance). The composition of these accounts is as follows:

	Book Balance	Bank Balance
Demand Deposits –		
Non-Interest Bearing	\$ 8,293	\$ 41,982
Interest Bearing Checking and Certificates of Deposit	1,058,588	1,065,671
Petty Cash	150	----
<b>Total Cash</b>	<b>\$ 1,067,031</b>	<b>\$ 1,107,653</b>

Under state law, these deposits must be secured by Federal Deposit Insurance or the pledge of securities owned by the bank. The securities pledged are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties. At May 31, 1999 all deposits with financial institutions were fully covered by federal deposit insurance and pledged securities. A detailed analysis of this coverage is as follows:

Total Cash at May 31, 1999 (Bank Balance)	\$ 1,107,653
Less: FDIC coverage	141,982
Subtotal	965,671
Less: Securities pledged to Town but held in the name of the bank - (Uncollateralized – GASB Category 3)	1,037,705
Excess of FDIC insurance and pledged Securities	\$ 72,034



**TOWN OF BOYCE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**May 31, 1999**

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the pledging bank has failed to pay deposited funds upon demand.

**NOTE 3 - REVENUE RECOGNITION - AD VALOREM TAXES**

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

For the year ended May 31, 1999, taxes of 5.85 mills were levied on property and were dedicated to general corporate purposes.

Total taxes levied were \$9,730. There were no material amounts of taxes receivable at May 31, 1999.

**NOTE 4 - RECEIVABLES**

The receivables at May 31, 1999 are as follows:

	General	Capital Projects	Enterprise	Total
Charges for services	\$ 7,938	\$ ----	\$ 103,627	\$ 111,565
Other	22,515	6,325	----	28,840
Less: allowance for uncollectibles	364	----	5,899	6,263
<b>Totals</b>	<b>\$ 30,089</b>	<b>\$ 6,325</b>	<b>\$ 97,728</b>	<b>\$ 134,142</b>

**NOTE 5 - GENERAL FIXED ASSETS**

A summary of changes in general fixed assets, at cost, follows:

	Balance May 31, 1998	Additions	Deletions	Balance May 31, 1999
Land	\$ 170,007	\$ ----	\$ ----	\$ 170,007
Buildings	551,186	4,600	----	555,786
Improvements	1,263,352	----	----	1,263,352
Equipment	193,948	3,148	----	197,096
Vehicles	199,104	700	----	199,804
	<b>\$ 2,377,597</b>	<b>\$ 8,448</b>	<b>\$ ----</b>	<b>\$ 2,386,045</b>

**TOWN OF BOYCE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**May 31, 1999**

**NOTE 6 - PROPERTY AND EQUIPMENT**

A summary of the property and equipment in the Enterprise Funds at May 31, 1999 consists of the following:

	Gas	Lights	Water	Sewer	Combining Total
Land	\$ 3,127	\$ ----	\$ 9,210	\$ ----	\$ 12,337
Construction in progress	----	153,351	----	----	153,351
Building	3,193	10,667	----	----	13,860
Distribution System	311,414	218,907	1,305,364	572,005	2,407,690
Equipment	48,805	38,424	23,179	4,075	114,483
Vehicles	9,508	63,867	----	----	73,375
Water Wells	----	----	220,131	----	220,131
	376,047	485,216	1,557,884	576,080	2,995,227
Less Accumulated Depreciation	241,601	244,398	521,310	57,399	1,064,708
<b>Net Property and Equipment</b>	<b>\$ 134,446</b>	<b>\$ 240,818</b>	<b>\$1,036,574</b>	<b>\$518,681</b>	<b>\$1,930,519</b>

The Town is financing improvements to its electrical distribution system through a certificate of indebtedness from a local bank, and has capitalized in construction in progress interest charges totaling \$7,760 on the certificate of indebtedness.

Depreciation expense for the year totaled \$99,905 with \$9,434 relating to the Natural Gas System Fund, \$13,829 relating to the Lights Fund, and \$53,241 relating to the Water Fund and \$23,401 relating to the Sewer Fund.

**NOTE 7 - LONG-TERM DEBT**

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

	Proprietary Fund	General Long-Term Debt	Total
Revenue bonds payable	\$ 411,932	\$ ----	\$ 411,932
Certificates of indebtedness	375,000	180,000	555,000
Compensated absences	25,867	9,497	35,364
<b>Total</b>	<b>\$ 812,799</b>	<b>\$ 189,497</b>	<b>\$ 1,002,296</b>

The following changes occurred in liabilities reported in the General Long-Term Debt Account Group during the year ended May 31, 1999:

	Payable At May 31, 1998	Additions	Deletions	Payable At May 31, 1999
Certificates of Indebtedness	\$ 205,000	\$ ----	\$ 25,000	\$ 180,000
Capitalized Lease Obligations	10,563	----	10,563	----
Compensated Absences	4,901	4,596	----	9,497
<b>Total</b>	<b>\$ 220,464</b>	<b>\$ 4,596</b>	<b>\$ 35,563</b>	<b>\$ 189,497</b>

# **TOWN OF BOYCE, LOUISIANA**

## **NOTES TO FINANCIAL STATEMENTS**

**May 31, 1999**

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### Certificates of Indebtedness:

The Town has issued certificates which are secured by and payable from a pledge of the excess of annual revenues above statutory, necessary and usual charges incurred by the Town. Certificates of indebtedness outstanding at May 31, 1999 are described as follows:

\$265,000 Certificates of Indebtedness, Series 1994 dated November 8, 1994, bearing interest at a rate of 6.5%. Principle is payable in annual installments ranging from \$20,000 to \$35,000, with the final installment due November 1, 2004.	\$ 180,000
\$375,000 Certificates of Indebtedness, Series 1998 dated December 2, 1998, bearing interest at a rate of 5.00%. Principle is payable in annual installments ranging from \$30,000 to \$50,000, with the final installment due November 1, 2008.	<u>375,000</u>
Total Certificates of Indebtedness	<u>\$ 555,000</u>

### Revenue Bonds

The Town has issued revenue bonds that are secured by and payable solely from a pledge of funds generated by a specific revenue source. Revenue bonds outstanding at May 31, 1999 are described as follows:

\$428,100 Utilities Revenue Bonds Series 1994, dated March 14, 1995, with an effective rate of interest of 5.125% to maturity. The bonds mature serially on the 14th of each month in amounts ranging from \$291 to \$2,253. Final maturity is scheduled for March 14, 2034, unless the Town elects to redeem the bonds prior to maturity.	<u>\$ 411,932</u>
Total Revenue Bonds	<u>\$ 411,932</u>

### Maturity of Long-Term Debt

A schedule of maturities of long-term debt is presented as follows:

<u>Year Ended May 31<sup>st</sup></u>	<u>Proprietary Fund Obligations</u>	<u>General Long-term Debt</u>	<u>Total</u>
2000	\$ 34,420	\$ 25,000	\$ 59,420
2001	34,653	25,000	59,653
2002	34,897	30,000	64,897
2003	40,154	30,000	70,154
2004	40,424	35,000	75,424

**TOWN OF BOYCE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**May 31, 1999**

<u>Year Ended May 31<sup>st</sup></u>	<u>Proprietary Fund Obligations</u>	<u>General Long-term Debt</u>	<u>Total</u>
Thereafter	<u>602,384</u>	<u>35,000</u>	<u>637,384</u>
Total	<u>\$ 786,932</u>	<u>\$ 180,000</u>	<u>\$ 966,932</u>

**NOTE 8 - GAS CONTRACT**

The Town has a long-term contract for the purchase of natural gas. The contract is with Union Gas company and renews each year. There are no minimum payments required under the contract except for amounts of actual delivery, with the rates being adjusted periodically.

**NOTE 9 - 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.

**NOTE 10 - RISK MANAGEMENT**

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

**NOTE 11 - BOARD MEMBER SALARIES**

For the year ended May 31, 1999, 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>
Julius Patrick, Jr.	Mayor	\$ 5,200
Thomas Batts	Alderman	3,100
Haywood Joiner	Alderman	3,100
Donald Welch	Alderman	3,100
Kelvin McCoy	Alderman	3,100
Willie Mae Young	Alderman	1,575
Cathy Bryant	Alderman	1,525
Total		<u>\$ 20,700</u>

# **TOWN OF BOYCE, LOUISIANA**

## **NOTES TO FINANCIAL STATEMENTS**

**May 31, 1999**

### **NOTE 12 – CONTRIBUTED CAPITAL**

The following is a summary of changes in contributed capital:

	Natural Gas System	Lights	Water	Sewer	Total
Balance at May 31, 1998	\$ ----	\$ 77,855	\$ 763,519	\$ 438,466	\$ 1,279,840
Additions	----	----	----	----	----
Balance at May 31, 1999	\$ ----	\$ 77,855	\$ 763,519	\$ 438,466	\$ 1,279,840

### **NOTE 13 – RESERVED FUND BALANCES AND RETAINED EARNINGS**

#### Reserves

Reserves represent those portions of governmental fund equity that are not subject to appropriation for expenditure or have been legally segregated for a specific future use. At May 31, 1999, there were no governmental fund balances restricted or segregated for any specific uses.

#### Restrictions on Retained Earnings

The Town has entered into revenue bond agreements that require funds to be held in restricted bank accounts. Funds on deposit in the restricted bank accounts can only be used under certain circumstances specified by the bond indenture.

The Town has also deposited money into accounts that are designated for refunding customer deposits.

The Town has obtained funding for improvements to its electrical distribution system in the form of borrowings from a local bank. The proceeds of this borrowing are restricted to improvements to the electrical system in accordance with the debt agreement.

Restricted assets and liabilities payable from these assets are summarized as follows:

	Bond Indenture	Meter Deposits	Construction	Total
Restricted assets	\$ 36,350	\$ 109,818	\$ 394,442	\$ 540,610
Liabilities payable from restricted assets	(4,420)	(85,436)	(101,043)	(190,899)
Restricted equity	\$ 31,930	\$ 24,382	\$ 293,399	\$ 349,711

### **NOTE 14 – DEFICIT FUND BALANCES**

The Town has a deficit in retained earnings in its water fund of \$121,028. Management anticipates eliminating this deficit either through operations or by operating transfers from other funds.

**TOWN OF BOYCE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**May 31, 1999**

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**NOTE 15: FEDERAL FINANCIAL ASSISTANCE**

The Town was awarded funding for housing rehabilitation and development in the form of a Community Development Block Grant in 1998. Expenditures related to the project as of May 31, 1999 are summarized as follows:

	<u>Cash Disbursed</u>	<u>Accounts Payable</u>	<u>Total</u>
Administration			
Miscellaneous	\$ 25,131	\$ 6,325	\$ 31,456

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**TOWN OF BOYCE, LOUISIANA**  
**SUPPLEMENTAL DATA**  
**FOR THE YEAR ENDED MAY 31, 1999**

# TOWN OF BOYCE, LOUISIANA

## GENERAL FUND

Schedule of Expenditures - Budget (GAAP Basis) and Actual

For the Year Ended May 31, 1999

With Comparative Totals for the Year Ended May 31, 1998

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
<b><u>General government:</u></b>				
Salary - mayor	\$ 5,200	\$ 5,200	\$ -	\$ 4,400
Salaries - aldermen	15,500	15,500	-	12,300
Salaries - office	4,400	4,397	3	4,370
Payroll Taxes	2,500	2,445	55	1,705
Telephone	8,700	8,948	(248)	7,248
Office Supplies	4,100	6,687	(2,587)	3,173
Advertising and printing	1,200	1,437	(237)	630
Dues	1,300	1,363	(63)	1,155
Accounting	3,250	3,250	-	2,600
Legal	1,700	1,740	(40)	1,150
Insurance	19,600	13,548	6,052	20,818
Miscellaneous	26,500	18,897	7,603	24,544
Travel and conventions	10,900	10,988	(88)	8,673
Capital outlay	25,400	7,748	17,652	26,816
<b>Total general government</b>	<b>130,250</b>	<b>102,148</b>	<b>28,102</b>	<b>119,582</b>
<b><u>Public safety:</u></b>				
<b>Police:</b>				
Salaries	99,300	99,372	(72)	92,398
Payroll taxes	8,525	8,531	(6)	7,897
Patrol car expenditures	9,200	14,354	(5,154)	8,677
Uniforms and training	2,000	1,341	659	2,277
Supplies and equipment	3,000	2,296	704	3,589
Telephone	7,500	6,990	510	6,760
Capital outlay	6,000	-	6,000	9,158
Miscellaneous	4,900	3,210	1,690	3,613
<b>Fire protection:</b>				
Truck gas, oil and maintenance	6,000	5,646	354	2,172
Telephone	750	665	85	745
Supplies & other	10,000	9,073	927	3,217
Insurance	2,100	2,003	97	2,003
Capital outlay	1,000	-	1,000	-
<b>Total public safety</b>	<b>160,275</b>	<b>153,481</b>	<b>6,794</b>	<b>142,506</b>
<b><u>Streets and sanitation:</u></b>				
Salaries	28,700	28,959	(259)	21,577
Payroll taxes	2,200	2,199	1	1,630
Truck and tractor maintenance	10,000	6,895	3,105	8,554
Street maintenance	9,300	10,690	(1,390)	17,587
Garbage collection	36,250	39,155	(2,905)	20,189
Supplies	5,200	7,127	(1,927)	6,585
Utilities	670	225	445	1,040
Capital outlay	5,800	700	5,100	15,770
<b>Total streets and sanitation</b>	<b>98,120</b>	<b>95,950</b>	<b>2,170</b>	<b>92,932</b>
<b><u>Recreation:</u></b>				
Little League	-	85	(85)	-
Other recreational expenses	-	14,236	(14,236)	-
<b>Total recreation</b>	<b>-</b>	<b>14,321</b>	<b>(14,321)</b>	<b>-</b>
<b>Debt service</b>	<b>45,900</b>	<b>48,384</b>	<b>(2,484)</b>	<b>43,941</b>
<b>Total expenditures</b>	<b>\$ 434,545</b>	<b>\$ 414,284</b>	<b>\$ 20,261</b>	<b>\$ 398,961</b>



## ENTERPRISE FUNDS

Natural Gas Fund - To account for the natural gas services provided to the residents of the Town and certain adjacent areas. All activities necessary to provide such services are accounted for in this fund, including, but not limited to: administration, operations, maintenance, billing and collection.

Lights Fund - To account for electricity services provided to the residents of the Town and certain adjacent areas. All activities necessary to provide such services are accounted for in this fund, including, but not limited to: administration, operations, maintenance, billing and collection.

Water Fund - To account for water services provided to the residents of the Town and certain adjacent areas. All activities necessary to provide such services are accounted for in this fund, including, but not limited to: administration, operations, maintenance, billing and collection.

Sewer Fund - To account for sewerage services provided to the residents of the Town and certain adjacent areas. All activities necessary to provide such services are accounted for in this fund, including, but not limited to: administration, operations, maintenance, billing and collection.

**TOWN OF BOYCE, LOUISIANA**  
**ENTERPRISE FUNDS**  
**Combining Balance Sheet**  
**May 31, 1999**  
**With Comparative Totals for May 31, 1998**

<u>Assets</u>	Natural Gas System	Lights	Water	Sewer	<u>Memorandum Totals</u>	
	1999	1998	1999	1998	1999	1998
<b><u>Current assets:</u></b>						
Cash and cash equivalents	\$ 177,772	\$ 156,096	\$ 218	\$ 65	\$ 334,151	\$ 396,282
Receivables, net of allowance for doubtful accounts	12,862	68,138	11,439	5,289	97,728	103,683
Due from other funds	-	-	-	-	-	3,881
<b>Total current assets</b>	<b>190,634</b>	<b>224,234</b>	<b>11,657</b>	<b>5,354</b>	<b>431,879</b>	<b>503,846</b>
<b><u>Restricted assets:</u></b>						
Cash and cash equivalents						
Meter deposits & other restricted cash	48,499	396,319	-	-	444,818	139,839
Bond reserves	23,431	-	12,919	59,442	95,792	9,984
<b>Total restricted assets</b>	<b>71,930</b>	<b>396,319</b>	<b>12,919</b>	<b>59,442</b>	<b>540,610</b>	<b>149,823</b>
<b><u>Property and equipment:</u></b>						
Fixed assets net of acc. depreciation	134,445	240,818	1,036,574	518,682	1,930,519	1,871,537
<b>Total assets</b>	<b>\$ 397,009</b>	<b>\$ 861,371</b>	<b>\$ 1,061,150</b>	<b>\$ 583,478</b>	<b>\$ 2,903,008</b>	<b>\$ 2,525,206</b>
<b><u>Liabilities and fund equity</u></b>						
<b><u>Current liabilities:</u></b>						
Accounts payable	\$ 5,216	\$ 31,499	\$ 878	\$ 88	\$ 37,681	\$ 41,352
Due to other funds	-	-	-	-	-	2,351
Compensated absences payable	6,729	6,729	5,849	6,560	25,867	15,280
<b>Total current liabilities</b>	<b>11,945</b>	<b>38,228</b>	<b>6,727</b>	<b>6,648</b>	<b>63,548</b>	<b>58,983</b>
<b><u>Liabilities payable from restricted assets:</u></b>						
Revenue bonds payable	-	-	4,421	-	4,421	4,200
Accounts payable - construction	-	101,043	-	-	101,043	-
Customer meter deposits	35,004	50,432	-	-	85,436	83,059
<b>Total liabilities payable from restricted assets</b>	<b>35,004</b>	<b>151,475</b>	<b>4,421</b>	<b>-</b>	<b>190,900</b>	<b>87,259</b>
<b><u>Other liabilities:</u></b>						
Revenue bonds payable	-	-	407,511	-	407,511	411,957
Certificates of indebtedness	-	375,000	-	-	375,000	-
<b>Total liabilities</b>	<b>46,949</b>	<b>564,703</b>	<b>418,659</b>	<b>6,648</b>	<b>1,036,959</b>	<b>558,199</b>
<b><u>Fund equity:</u></b>						
Contributed Capital	-	77,855	763,519	438,466	1,279,840	1,279,840
Retained earnings:						
Unreserved	313,134	(26,031)	(129,527)	78,922	236,498	597,495
Reserved for improvements	36,926	244,844	8,499	59,442	349,711	89,672
<b>Total fund equity</b>	<b>350,060</b>	<b>296,668</b>	<b>642,491</b>	<b>576,830</b>	<b>1,866,049</b>	<b>1,967,007</b>
<b>Total liabilities and fund equity</b>	<b>\$ 397,009</b>	<b>\$ 861,371</b>	<b>\$ 1,061,150</b>	<b>\$ 583,478</b>	<b>\$ 2,903,008</b>	<b>\$ 2,525,206</b>

**TOWN OF BOYCE, LOUISIANA**  
**ENTERPRISE FUNDS**  
**Combining Statement of Revenues, Expenditures, and Changes in Retained Earnings**  
**For the Year Ended May 31, 1999**  
**With Comparative Totals for May 31, 1998**

	Natural Gas System	Lights	Water	Sewer	Memorandum Total	
					1999	1998
<b>Operating revenues:</b>						
Charges for services	\$ 193,775	\$ 571,741	\$ 87,884	\$ 42,294	\$ 895,694	\$ 908,587
Delinquent charges	6,771	15,913	3,431	886	27,001	20,356
Other operating revenues	4,053	3,405	3,562	655	11,675	7,735
<b>Total operating revenues</b>	<b>204,599</b>	<b>591,059</b>	<b>94,877</b>	<b>43,835</b>	<b>934,370</b>	<b>936,678</b>
<b>Operating expenses:</b>						
Salaries - operating	30,719	29,558	21,324	33,498	115,099	108,216
Salaries - clerical	12,080	12,127	12,077	12,077	48,361	45,542
Maintenance supplies	3,502	7,125	6,461	7,253	24,341	19,222
Electricity purchased	192	399,545	8,120	922	408,779	383,413
Natural gas purchased	107,971	-	-	-	107,971	165,709
Truck expense	4,644	9,609	-	-	14,253	9,138
Water testing	-	-	411	-	411	758
Repairs	10,288	14,066	7,139	2,363	33,856	23,674
Legal and professional	3,750	3,750	3,250	2,033	12,783	15,123
Payroll taxes	3,243	3,181	2,547	3,505	12,476	11,699
Insurance	11,313	11,699	12,222	11,672	46,906	35,169
Depreciation	9,434	13,829	53,241	23,401	99,905	98,284
Other	10,537	17,073	7,628	3,802	39,040	28,671
<b>Total operating expenses</b>	<b>207,673</b>	<b>521,562</b>	<b>134,420</b>	<b>100,526</b>	<b>964,181</b>	<b>944,618</b>
<b>Operating income (loss)</b>	<b>(3,074)</b>	<b>69,497</b>	<b>(39,543)</b>	<b>(56,691)</b>	<b>(29,811)</b>	<b>(7,940)</b>
<b>Non-operating revenues (expenses):</b>						
Interest income	9,179	14,006	326	2,679	26,190	22,101
Interest expense	-	-	(21,204)	-	(21,204)	(21,354)
<b>Total non-operating revenues</b>	<b>9,179</b>	<b>14,006</b>	<b>(20,878)</b>	<b>2,679</b>	<b>4,986</b>	<b>747</b>
<b>Income (loss) before operating transfers</b>	<b>6,105</b>	<b>83,503</b>	<b>(60,421)</b>	<b>(54,012)</b>	<b>(24,825)</b>	<b>(7,193)</b>
<b>Operating transfers in (out):</b>						
Operating transfers out	(24,750)	(104,550)	(3,200)	(33)	(132,533)	(160,500)
Operating transfers in	-	10,500	16,750	29,150	56,400	62,000
<b>Total transfers in (out)</b>	<b>(24,750)</b>	<b>(94,050)</b>	<b>13,550</b>	<b>29,117</b>	<b>(76,133)</b>	<b>(98,500)</b>
<b>Net income (loss)</b>	<b>(18,645)</b>	<b>(10,547)</b>	<b>(46,871)</b>	<b>(24,895)</b>	<b>(100,958)</b>	<b>(105,693)</b>
<b>Retained earnings, beginning of year</b>	<b>368,705</b>	<b>229,360</b>	<b>(74,157)</b>	<b>163,259</b>	<b>687,167</b>	<b>792,860</b>
<b>Retained earnings, end of year</b>	<b>\$ 350,060</b>	<b>\$ 218,813</b>	<b>\$ (121,028)</b>	<b>\$ 138,364</b>	<b>\$ 586,209</b>	<b>\$ 687,167</b>

## CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for the accumulation and disbursement of resources used in the construction of capital assets. The Town of Boyce has the following Capital Projects Funds:

1993 LCDBG Fund – Activity in this fund is limited to residual equity transfers to close out the remaining balances in this fund. There are no current revenues and expenditures in this fund.

1998 LCDBG Fund – This fund is used to record the capital activity associated with housing rehabilitation in the amount of \$600,000. This project is funded by an LCDBG grant from the State of Louisiana.

# TOWN OF BOYCE, LOUISIANA

## Capital Projects Funds Combining Balance Sheets May 31, 1999

	<u>1993 LCDBG Fund</u>	<u>1998 LCDBG Fund</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ 82	\$ 82
Due from other governmental units	-	6,325	6,325
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 6,407</u>	<u>\$ 6,407</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Construction payable	\$ -	\$ 6,325	\$ 6,325
<b>Total liabilities</b>	<u>-</u>	<u>6,325</u>	<u>6,325</u>
<b>Fund balances:</b>			
Unreserved	-	82	82
<b>Total fund balances</b>	<u>-</u>	<u>82</u>	<u>82</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ -</u>	<u>\$ 6,407</u>	<u>\$ 6,407</u>

**TOWN OF BOYCE, LOUISIANA**  
**Capital Projects Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended May 31, 1999**

	1993 LCDBG Fund	1998 LCDBG Fund	Total
Revenues:			
Intergovernmental	\$ -	\$ 31,456	\$ 31,456
Total revenues	<u>-</u>	<u>31,456</u>	<u>31,456</u>
Expenditures - LCDBG			
Administrative	-	30,500	30,500
Construction	-	-	-
Other	-	956	956
Total LCDBG	<u>-</u>	<u>31,456</u>	<u>31,456</u>
Expenditures - Local			
Other	-	18	18
Total Local	<u>-</u>	<u>18</u>	<u>18</u>
Total expenditures	<u>-</u>	<u>31,474</u>	<u>31,474</u>
Excess (deficiency) of revenues over expenditures	-	(18)	(18)
Other financing sources (uses):			
Operating transfers in	<u>33</u>	<u>100</u>	<u>133</u>
Total other financing sources (uses):	<u>33</u>	<u>100</u>	<u>133</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	33	82	115
Fund balance, beginning	<u>(33)</u>	<u>-</u>	<u>(33)</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ 82</u>	<u>\$ 82</u>

**ROZIER, HARRINGTON & MCKAY**  
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September 3, 1999

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Julius Patrick, Jr., Mayor  
And the Board of Alderman  
Town of Boyce, Louisiana

We have audited the financial statements of the Town of Boyce, Louisiana, as of and for the year ended May 31, 1999, and have issued our report thereon dated September 3, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Town of Boyce, Louisiana's financial statements are free of 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 that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Town of Boyce, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be

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The Honorable Julius Patrick, Jr., Mayor  
And The Board of Alderman  
September 3, 1999  
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material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



ROZIER, HARRINGTON & MCKAY  
CERTIFIED PUBLIC ACCOUNTANTS



**TOWN OF BOYCE, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended May 31, 1999**

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**PART I – SUMMARY OF AUDITORS' RESULTS:**

- The Independent Auditors' Report on the general purpose financial statements for the Town of Boyce, Louisiana as of May 31, 1999 and for the year then ended expressed a qualified opinion.
- No reportable conditions were noted in the audit.
- 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 Town was not required to have a Single Audit; therefore, none of the reporting required by OMB Circular A-133 was required.

**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:**

- Not applicable.

**TOWN OF BOYCE, LOUISIANA**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**For the Year Ended May 31, 1999**

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<b>SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS</b>	
Finding - There were no findings in connection with internal control and compliance material to the financial statements in the prior year.	Response - N/A.
<b>SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>	
Finding - There were no findings in connection with internal control and compliance to federal awards in the prior year.	Response - N/A.
<b>SECTION III - MANAGEMENT LETTER</b>	
Finding - There was no management letter issued with the prior year report.	Response - N/A.

**TOWN OF BOYCE, LOUISIANA  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
For the Year Ended May 31, 1999**

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<b>SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS</b>	
Finding - There were no findings in connection with internal control and compliance material to the financial statements.	Response - N/A.
<b>SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>	
Finding - There were no findings in connection with internal control and compliance to federal awards.	Response - N/A.
<b>SECTION III - MANAGEMENT LETTER</b>	
Finding - There was no management letter issued with this report.	Response - N/A.