

TOWN OF DUSON, LOUISIANA

Financial Report

Year Ended December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

* A Professional Accounting Corporation

The Honorable Johnny Thibodeaux, Mayor
and Members of the Board of Aldermen
Town of Duson, Louisiana

Report on Audit of the Financial Statements

Opinions

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 Duson, Louisiana (the Town), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we exercise professional judgement and maintain professional skepticism throughout the audit. We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed. We evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements. We conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of employer's share of net pension liability, and schedule of employer contributions on pages 45 through 50 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Town has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The other supplementary information on pages 54 through 68 is presented for purposes of additional analysis and is not a required part of the financial statements. The comparative statements on pages 54, 55, 63, 64 and 65 and Justice System Funding Schedule on page 68 are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, these statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The prior year comparative amounts on pages 54 and 55 were derived from the Town's 2020 financial statements, which were subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, were fairly presented in all material respects in relation to the basic financial statements from which they were derived.

The budgetary comparison schedules on pages 56 through 62, schedule of number of utility customers on page 66 and schedule of insurance in force on page 67 have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated June 10, 2022, on our consideration of the Town of Duson, Louisiana'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's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 10, 2022

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

TOWN OF DUSON, LOUISIANA

Statement of Net Position
December 31, 2021

| | Governmental Activities | Business-Type Activities | Total |
|---------------------------------------|----------------------------|-----------------------------|---------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and interest-bearing deposits | \$ 2,063,624 | \$ 457,079 | \$ 2,520,703 |
| Investments | 200,950 | 1,172 | 202,122 |
| Receivables, net | 128,696 | 78,129 | 206,825 |
| Internal balances | (30,032) | 30,032 | - |
| Due from other governmental units | 111,913 | 46,123 | 158,036 |
| Prepaid items | 6,522 | 9,822 | 16,344 |
| Total current assets | <u>2,481,673</u> | <u>622,357</u> | <u>3,104,030</u> |
| Noncurrent assets: | | | |
| Restricted assets: | | | |
| Cash and interest-bearing deposits | - | 303,693 | 303,693 |
| Investments | - | 27,836 | 27,836 |
| Capital assets: | | | |
| Land and construction in progress | 76,565 | 351,890 | 428,455 |
| Capital assets, net | 4,474,504 | 3,884,012 | 8,358,516 |
| Total noncurrent assets | <u>4,551,069</u> | <u>4,567,431</u> | <u>9,118,500</u> |
| Total assets | <u>7,032,742</u> | <u>5,189,788</u> | <u>12,222,530</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows related to pensions | 223,738 | 25,104 | 248,842 |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts and other payables | 45,076 | 100,164 | 145,240 |
| Unearned revenue | 451,332 | - | 451,332 |
| Capital lease payable | 8,207 | 13,694 | 21,901 |
| Customer deposits payable | - | 85,396 | 85,396 |
| Bonds payable | 140,000 | 28,653 | 168,653 |
| Retainage payable | - | 24,150 | 24,150 |
| Accrued interest | 34,041 | 2,434 | 36,475 |
| Total current liabilities | <u>678,656</u> | <u>254,491</u> | <u>933,147</u> |
| Noncurrent liabilities: | | | |
| Compensated absences payable | 15,282 | 9,533 | 24,815 |
| Net pension liability | 503,908 | 109,669 | 613,577 |
| Capital lease payable | - | 161,877 | 161,877 |
| Bonds payable | 1,945,000 | 1,030,477 | 2,975,477 |
| Total noncurrent liabilities | <u>2,464,190</u> | <u>1,311,556</u> | <u>3,775,746</u> |
| Total liabilities | <u>3,142,846</u> | <u>1,566,047</u> | <u>4,708,893</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflows related to pensions | 238,853 | 40,057 | 278,910 |
| NET POSITION | | | |
| Net investment in capital assets | 2,457,862 | 2,977,051 | 5,434,913 |
| Restricted for debt service | 58,373 | 215,046 | 273,419 |
| Restricted for sales tax dedications | 1,392,175 | - | 1,392,175 |
| Restricted for capital projects | 860 | - | 860 |
| Unrestricted (deficit) | (34,489) | 416,691 | 382,202 |
| Total net position | <u>\$ 3,874,781</u> | <u>\$ 3,608,788</u> | <u>\$ 7,483,569</u> |

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

TOWN OF DUSON, LOUISIANA

Statement of Activities
For the Year Ended December 31, 2021

| Activities | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|--|---------------------|---------------------------------------|------------------------------------|----------------------------------|---|--------------------------|---------------------|
| | | Fees, Fines, and Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Governmental activities: | | | | | | | |
| General government | \$ 522,843 | \$ 179,766 | \$ - | \$ 103,517 | \$ (239,560) | \$ - | \$ (239,560) |
| Public safety: | | | | | | | |
| Police | 884,512 | 234,551 | 38,983 | - | (610,978) | - | (610,978) |
| Fire | 75,848 | - | - | - | (75,848) | - | (75,848) |
| Streets | 507,068 | - | 2,700 | 9,184 | (495,184) | - | (495,184) |
| Parks and recreation | 2,954 | - | - | - | (2,954) | - | (2,954) |
| Community center | 54,270 | - | - | - | (54,270) | - | (54,270) |
| Interest on long-term debt | 114,717 | - | - | - | (114,717) | - | (114,717) |
| Total governmental activities | <u>2,162,212</u> | <u>414,317</u> | <u>41,683</u> | <u>112,701</u> | <u>(1,593,511)</u> | <u>-</u> | <u>(1,593,511)</u> |
| Business-type activities: | | | | | | | |
| Water | 482,897 | 392,490 | - | 236,879 | - | 146,472 | 146,472 |
| Sewer | 493,565 | 249,797 | - | - | - | (243,768) | (243,768) |
| Sanitation | 117,345 | 127,424 | - | - | - | 10,079 | 10,079 |
| Total business-type activities | <u>1,093,807</u> | <u>769,711</u> | <u>-</u> | <u>236,879</u> | <u>-</u> | <u>(87,217)</u> | <u>(87,217)</u> |
| Total | <u>\$ 3,256,019</u> | <u>\$1,184,028</u> | <u>\$ 41,683</u> | <u>\$ 349,580</u> | <u>(1,593,511)</u> | <u>(87,217)</u> | <u>(1,680,728)</u> |
| General revenues: | | | | | | | |
| Taxes - | | | | | | | |
| Property taxes, levied for general purposes | | | | | 56,184 | - | 56,184 |
| Sales and use taxes, levied for general purposes | | | | | 1,345,465 | - | 1,345,465 |
| Franchise taxes | | | | | 82,335 | - | 82,335 |
| Grants and contributions not restricted to specific programs - | | | | | | | |
| State sources | | | | | 1,049,839 | - | 1,049,839 |
| Non-employer contributions | | | | | 20,526 | 5,640 | 26,166 |
| Interest and investment earnings | | | | | 380 | 401 | 781 |
| Miscellaneous | | | | | 79,081 | - | 79,081 |
| Transfers | | | | | (268,311) | 268,311 | - |
| Total general revenues and transfers | | | | | <u>2,365,499</u> | <u>274,352</u> | <u>2,639,851</u> |
| Change in net position | | | | | 771,988 | 187,135 | 959,123 |
| Net position - January 1, 2021 | | | | | <u>3,102,793</u> | <u>3,421,653</u> | <u>6,524,446</u> |
| Net position - December 31, 2021 | | | | | <u>\$ 3,874,781</u> | <u>\$ 3,608,788</u> | <u>\$ 7,483,569</u> |

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

1969 Sales Tax Fund -

To account for the receipt and use of proceeds of the Town's 1% sales and use tax. These taxes are dedicated for the purpose of constructing, acquiring, extending, improving and maintaining sewers, sewerage disposal works, waterworks facilities, drainage facilities, public streets and roads and bridges, including the purchase of equipment.

1983 Sales Tax Fund -

To account for the receipt and use of proceeds of the Town's 1% sales and use tax. These taxes are dedicated for the purpose of constructing and acquiring extensions and improvements to the waterworks plant and distribution system of the Town and providing for the maintenance thereof; constructing, improving and maintaining public streets and drainage facilities for the Town; constructing, acquiring, extending, improving and maintaining the sewerage collection and disposal facilities of the Town; and maintaining and operating any other works of public improvement for the Town, and purchasing and acquiring the necessary land and equipment thereof; and the Town shall be further authorized to fund the proceeds of the tax into bonds for the purpose of constructing, acquiring, extending, and/or improving capital improvements of the Town to the extent and in the manner permitted by the laws of Louisiana.

2018 Sales Tax Fund -

To account for the receipt and use of the proceeds of a 1% sales and use tax. These taxes are dedicated and used to fund the infrastructure and repairs of roads in the Town.

Hotel/Motel Sales Tax Fund -

To account for the receipt and use of the proceeds of a 4% tax upon the rent or fee charged for the occupancy of hotel rooms within the Town. These taxes are dedicated and used to fund economic development, the promotion of tourism, and related infrastructure within the Town.

Capital Projects Fund

Capital Projects Fund -

To account for the receipt and subsequent disbursement of bond proceeds, grants and Town's matching funds to be utilized for various projects.

Debt Service Fund

Debt Service Fund -

To account for the accumulation and subsequent disbursement of monies for the payment of the Town's \$2,500,000 Sales Tax Bonds, Series 2018, which are being financed by the 2018 sales tax revenues.

Enterprise Fund

Utility Fund -

To account for the provision of water, sewerage and sanitation (garbage) services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

TOWN OF DUSON, LOUISIANA

Balance Sheet - Governmental Funds
December 31, 2021

| | General | 1969 Sales Tax Special Revenue | 1983 Sales Tax Special Revenue | 2018 Sales Tax Special Revenue | Debt Service | Capital Projects | Other Governmental Funds | Total |
|--------------------------------------|---------------------|---|---|---|------------------|---------------------|--------------------------------|--------------------|
| ASSETS | | | | | | | | |
| Cash and interest-bearing deposits | \$ 853,336 | \$214,555 | \$406,857 | \$ 1,022 | \$468,820 | \$ 110 | \$118,924 | \$2,063,624 |
| Investments | 190,390 | 10,560 | - | - | - | - | - | 200,950 |
| Receivables: | | | | | | | | |
| Taxes | 10,751 | 38,492 | 38,492 | 38,801 | - | - | 1,753 | 128,289 |
| Other | 407 | - | - | - | - | - | - | 407 |
| Due from other governmental units | 111,913 | - | - | - | - | - | - | 111,913 |
| Due from other funds | 107,672 | 157,467 | 81,353 | 383,686 | - | 30,609 | 20,950 | 781,737 |
| Prepaid items | 6,522 | - | - | - | - | - | - | 6,522 |
| Total assets | <u>\$ 1,280,991</u> | <u>\$421,074</u> | <u>\$ 526,702</u> | <u>\$ 423,509</u> | <u>\$468,820</u> | <u>\$ 30,719</u> | <u>\$141,627</u> | <u>\$3,293,442</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable | \$ 18,762 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 18,762 |
| Accrued liabilities | 26,314 | - | - | - | - | - | - | 26,314 |
| Unearned revenue | 451,332 | - | - | - | - | - | - | 451,332 |
| Due to other funds | 284,767 | 16,215 | 103,260 | 1,262 | 376,406 | 29,859 | - | 811,769 |
| Total liabilities | <u>781,175</u> | <u>16,215</u> | <u>103,260</u> | <u>1,262</u> | <u>376,406</u> | <u>29,859</u> | <u>-</u> | <u>1,308,177</u> |
| Fund balances: | | | | | | | | |
| Nonspendable - prepaid items | 6,522 | - | - | - | - | - | - | 6,522 |
| Restricted - sales tax dedications | - | 404,859 | 423,442 | 422,247 | - | - | 141,627 | 1,392,175 |
| Restricted - debt service | - | - | - | - | 92,414 | - | - | 92,414 |
| Restricted - capital projects | - | - | - | - | - | 860 | - | 860 |
| Unassigned | 493,294 | - | - | - | - | - | - | 493,294 |
| Total fund balances | <u>499,816</u> | <u>404,859</u> | <u>423,442</u> | <u>422,247</u> | <u>92,414</u> | <u>860</u> | <u>141,627</u> | <u>1,985,265</u> |
| Total liabilities and fund balances | <u>\$ 1,280,991</u> | <u>\$421,074</u> | <u>\$ 526,702</u> | <u>\$ 423,509</u> | <u>\$468,820</u> | <u>\$ 30,719</u> | <u>\$141,627</u> | <u>\$3,293,442</u> |

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

TOWN OF DUSON, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2021

| | | |
|--|------------------|---------------------|
| Total fund balances for governmental funds at December 31, 2021 | | \$ 1,985,265 |
| Total net position reported for governmental activities in the statement of net position is different because: | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of: | | |
| Land | \$ 62,827 | |
| Construction in progress | 13,738 | |
| Buildings and improvements, net of \$496,154 accumulated depreciation | 882,186 | |
| Infrastructure, net of \$1,072,839 accumulated depreciation | 3,368,653 | |
| Equipment and vehicles net of \$639,721 accumulated depreciation | <u>223,665</u> | 4,551,069 |
| | | |
| The deferred outflows of expenditures for the various pensions are not a use of current resources and, therefore, are not reported in the funds. | | 223,738 |
| | | |
| <i>Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, not reported in the governmental funds.</i> | | |
| Accrued Interest | (34,041) | |
| Capital lease payable | (8,207) | |
| Compensated absences payable | (15,282) | |
| Bond payable | (2,085,000) | |
| Net pension liability | <u>(503,908)</u> | (2,646,438) |
| | | |
| The deferred inflows of contributions for the various pensions are not available resources and, therefore, are not reported in the funds. | | <u>(238,853)</u> |
| | | |
| Total net position of governmental activities at December 31, 2021 | | <u>\$ 3,874,781</u> |

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

TOWN OF DUSON, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Year Ended December 31, 2021

| | General | 1969 Sales Tax Special Revenue | 1983 Sales Tax Special Revenue | 2018 Sales Tax Special Revenue | Debt Service | Capital Projects | Other Governmental Funds | Total |
|---|-------------------|---|---|---|------------------|---------------------|--------------------------------|--------------------|
| Revenues: | | | | | | | | |
| Taxes | \$ 138,519 | \$ 436,492 | \$ 436,492 | \$ 439,279 | \$ - | \$ - | \$ 33,202 | \$1,483,984 |
| Licenses and permits | 179,766 | - | - | - | - | - | - | 179,766 |
| Intergovernmental | 1,195,039 | - | - | - | - | 9,184 | - | 1,204,223 |
| Fines and forfeits | 234,551 | - | - | - | - | - | - | 234,551 |
| Miscellaneous | 79,078 | 9 | 9 | 361 | - | - | 1 | 79,458 |
| Total revenues | <u>1,826,953</u> | <u>436,501</u> | <u>436,501</u> | <u>439,640</u> | <u>-</u> | <u>9,184</u> | <u>33,203</u> | <u>3,181,982</u> |
| Expenditures: | | | | | | | | |
| Current - | | | | | | | | |
| General government | 493,561 | 9,790 | 9,792 | 2,565 | - | - | 151 | 515,859 |
| Public safety: | | | | | | | | |
| Police | 841,897 | - | - | - | - | - | - | 841,897 |
| Fire | 62,430 | - | - | - | - | - | - | 62,430 |
| Streets | 364,064 | - | - | - | - | - | - | 364,064 |
| Parks and recreation | 1,960 | - | - | - | - | - | - | 1,960 |
| Community Center | 28,265 | - | - | - | - | - | - | 28,265 |
| Capital outlay | 144,120 | - | - | - | - | 12,245 | - | 156,365 |
| Debt service - | | | | | | | | |
| Principal retirement | 27,160 | - | - | - | 140,000 | - | - | 167,160 |
| Interest | 2,357 | - | - | - | 85,199 | - | - | 87,556 |
| Total expenditures | <u>1,965,814</u> | <u>9,790</u> | <u>9,792</u> | <u>2,565</u> | <u>225,199</u> | <u>12,245</u> | <u>151</u> | <u>2,225,556</u> |
| Excess (deficiency) of revenues over expenditures | <u>(138,861)</u> | <u>426,711</u> | <u>426,709</u> | <u>437,075</u> | <u>(225,199)</u> | <u>(3,061)</u> | <u>33,052</u> | <u>956,426</u> |
| Other financing sources (uses): | | | | | | | | |
| Transfers in | 281,776 | - | - | - | 45,397 | 3,061 | - | 330,234 |
| Transfers out | (113,663) | (204,485) | (235,000) | (45,397) | - | - | - | (598,545) |
| Total other financing sources (uses) | <u>168,113</u> | <u>(204,485)</u> | <u>(235,000)</u> | <u>(45,397)</u> | <u>45,397</u> | <u>3,061</u> | <u>-</u> | <u>(268,311)</u> |
| Net changes in fund balances | 29,252 | 222,226 | 191,709 | 391,678 | (179,802) | - | 33,052 | 688,115 |
| Fund balances, beginning | <u>470,564</u> | <u>182,633</u> | <u>231,733</u> | <u>30,569</u> | <u>272,216</u> | <u>860</u> | <u>108,575</u> | <u>1,297,150</u> |
| Fund balances, ending | <u>\$ 499,816</u> | <u>\$ 404,859</u> | <u>\$ 423,442</u> | <u>\$ 422,247</u> | <u>\$ 92,414</u> | <u>\$ 860</u> | <u>\$141,627</u> | <u>\$1,985,265</u> |

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

TOWN OF DUSON, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2021

| | | |
|--|------------------|-------------------|
| Total net changes in fund balances for the year ended December 31, 2021 per statement of revenues, expenditures and changes in fund balances | | \$ 688,115 |
| The change in net position reported for governmental activities in the statement of activities is different because: | | |
| <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p> | | |
| Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balances | \$ 156,365 | |
| Loss on disposal of capital assets | (26,760) | |
| Depreciation expense | <u>(219,235)</u> | (89,630) |
| <p>Because some revenues are not considered measurable at year end, they are not considered "available" revenues in the governmental funds.</p> | | |
| Non-employer contributions | | 20,526 |
| <p>Proceeds from bonds and capital leases are reporting as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal of bonds and capital leases are recorded as expenditures in the governmental funds but reduce the liability in the the statement of net position.</p> | | |
| Principal payments on bonds | 140,000 | |
| Principal payments on capital leases | <u>27,160</u> | 167,160 |
| <p>Some expenses reported in the statement of activities do not require the use of current financial resource and therefore, are not reported as expenditures in governmental funds.</p> | | |
| Increase in compensated absences payable | (2,806) | |
| Decrease in accrued interest | 1,460 | |
| Increase in net pension liabilities and related deferrals | <u>(12,837)</u> | <u>(14,183)</u> |
| Net change in net position for the year ended December 31, 2021 per statement of activities | | <u>\$ 771,988</u> |

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

TOWN OF DUSON, LOUISIANA

Statement of Net Position
 Proprietary Fund
 December 31, 2021

| | Utility Enterprise Fund |
|---|-------------------------------|
| ASSETS | |
| Current assets: | |
| Cash and interest-bearing deposits | \$ 457,079 |
| Investments | 1,172 |
| Receivables: | |
| Accounts receivable, net | 36,317 |
| Unbilled utility receivables | 41,812 |
| Due from other funds | 95,164 |
| Due from other governmental units | 46,123 |
| Prepaid items | 9,822 |
| Total current assets | <u>687,489</u> |
| Noncurrent assets: | |
| Restricted assets - | |
| Cash and interest-bearing deposits | 303,693 |
| Investments | 27,836 |
| Capital assets - | |
| Land | 351,890 |
| Other capital assets, net of accumulated depreciation | 3,884,012 |
| Total noncurrent assets | <u>4,567,431</u> |
| Total assets | <u>5,254,920</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred outflows related to pensions | <u>25,104</u> |
| LIABILITIES | |
| Current liabilities: | |
| Accounts and other payables | 100,164 |
| Retainage payable | 24,150 |
| Capital lease payable | 13,694 |
| Due to other funds | 65,132 |
| Payable from restricted assets - | |
| Customer deposits payable | 85,396 |
| Revenue bonds payable | 28,653 |
| Interest payable | 2,434 |
| Total current liabilities | <u>319,623</u> |
| Noncurrent liabilities: | |
| Compensated absences payable | 9,533 |
| Net pension liability | 109,669 |
| Capital lease payable | 161,877 |
| Revenue bonds payable | 1,030,477 |
| Total noncurrent liabilities | <u>1,311,556</u> |
| Total liabilities | <u>1,631,179</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred inflows related to pensions | <u>40,057</u> |
| NET POSITION | |
| Net investment in capital assets | 2,977,051 |
| Restricted for debt service | 215,046 |
| Unrestricted | 416,691 |
| Total net position | <u>\$ 3,608,788</u> |

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

TOWN OF DUSON, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position -
 Proprietary Fund
 For the Year Ended December 31, 2021

| | <u>Utility Enterprise Fund</u> |
|--------------------------|--|
| Operating revenues: | |
| Charges for services - | |
| Water charges | \$ 392,490 |
| Sewer service charges | 249,797 |
| Sanitation charges | <u>127,424</u> |
| Total operating revenues | <u>769,711</u> |
| Operating expenses: | |
| Salaries | 193,513 |
| Payroll taxes | 14,615 |
| Retirement | 19,518 |
| General insurance | 35,821 |
| Auto and truck expense | 4,837 |
| Utilities and telephone | 53,548 |
| Maintenance and repairs | 82,979 |
| Supplies and parts | 89,402 |
| Office expense | 4,262 |
| Garbage collection fees | 98,549 |
| Bad debt expense | 4,366 |
| Depreciation expense | 278,470 |
| Dues and fees | 1,440 |
| Professional fees | 45,385 |
| Contract services | 48,759 |
| Group health insurance | 35,975 |
| Miscellaneous | <u>20,860</u> |
| Total operating expenses | <u>1,032,299</u> |
| Operating loss | <u>(262,588)</u> |

(continued)

TOWN OF DUSON, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position (Continued) -
 Proprietary Fund
 For the Year Ended December 31, 2021

| | <u>Utility Enterprise Fund</u> |
|---|--|
| Nonoperating revenues (expenses): | |
| Interest income | 401 |
| Interest expense | (55,334) |
| Non-employer contributions | 5,640 |
| Loss on disposal of capital assets | <u>(6,174)</u> |
| Total nonoperating revenues (expenses) | <u>(55,467)</u> |
| Loss before contributions and transfers | (318,055) |
| Capital contributions | 236,879 |
| Transfers in | <u>268,311</u> |
| Change in net position | 187,135 |
| Net position, beginning | <u>3,421,653</u> |
| Net position, ending | <u>\$ 3,608,788</u> |

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

TOWN OF DUSON, LOUISIANA

Statement of Cash Flows
 Proprietary Fund
 For the Year Ended December 31, 2021

| | Utility Enterprise Fund |
|---|-------------------------------|
| Cash flows from operating activities: | |
| Receipts from customers | \$ 763,800 |
| Payments to suppliers | (480,885) |
| Payments to employees | (188,210) |
| Net cash provided by operating activities | <u>94,705</u> |
| Cash flows from noncapital financing activities: | |
| Increase in customer deposits payable | 7,926 |
| Transfers from other funds | 268,311 |
| Net cash provided by noncapital financing activities | <u>276,237</u> |
| Cash flows from capital and related financing activities: | |
| Principal paid on notes payable | (27,394) |
| Principal paid on capital lease | (13,177) |
| Interest paid on notes payable and capital lease | (55,397) |
| Acquisition of property, plant and equipment | (274,858) |
| Proceeds from grants | 207,165 |
| Net cash used by capital and related financing activities | <u>(163,661)</u> |
| Cash flows from investing activities: | |
| Maturities of investments | 28,966 |
| Interest earned | 401 |
| Net cash provided by investing activities | <u>29,367</u> |
| Net increase in cash and cash equivalents | 236,648 |
| Cash and cash equivalents, beginning of period | <u>553,132</u> |
| Cash and cash equivalents, end of period | <u>\$ 789,780</u> |

(continued)

TOWN OF DUSON, LOUISIANA

Statement of Cash Flows
 Proprietary Fund - (Continued)
 For the Year Ended December 31, 2021

| | <u>Utility Enterprise Fund</u> |
|---|--|
| Reconciliation of operating loss to net cash used by operating activities: | |
| Operating loss | <u>\$(262,588)</u> |
| Adjustments to reconcile operating loss to net cash used by operating activities: | |
| Depreciation | 278,470 |
| Pension expense | (8,288) |
| Changes in current assets and liabilities: | |
| Decrease in accounts receivable | 1,997 |
| Increase in unbilled utility receivable | (7,908) |
| Decrease in prepaid items | 10,691 |
| Increase in accounts payable | 80,346 |
| Increase in compensated absences | 1,985 |
| Total adjustments | <u>357,293</u> |
| Net cash provided by operating activities | <u>\$ 94,705</u> |
| Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet: | |
| Cash and cash equivalents, beginning of period - | |
| Cash and interest-bearing deposits - unrestricted | \$ 265,299 |
| Cash and interest-bearing deposits - restricted | <u>287,833</u> |
| Total cash and cash equivalents | <u>553,132</u> |
| Cash and cash equivalents, end of period - | |
| Cash and interest-bearing deposits - unrestricted | \$ 457,079 |
| Investments-unrestricted | 1,172 |
| Cash and interest-bearing deposits - restricted | 303,693 |
| Investments-restricted | <u>27,836</u> |
| Total cash and cash equivalents | <u>789,780</u> |
| Net increase | <u>\$ 236,648</u> |

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

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Duson (Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The Town is incorporated under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Aldermen form of government.

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 the primary government is not accountable, but 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. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be 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.

Based on the foregoing criteria, one governmental organization is not part of the Town and is thus excluded from the accompanying financial statements. This organization is the Duson Volunteer Fire Department. Although the Town does provide facilities and some of their financing, no control is exercised over their operations.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

Fund Financial Statements (FFS)

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Town are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The Town reports the following major 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.

Special Revenue Funds:

1969 Sales Tax Fund -

The 1969 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes. These taxes are dedicated as described in note 3.

1983 Sales Tax Fund -

The 1983 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes. These taxes are dedicated as described in note 3.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

2018 Sales Tax Fund -

The 2018 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes. These taxes are dedicated as described in note 3.

Debt Service Fund -

The Debt Service Fund is used to account for the accumulation and subsequent disbursement of monies for the payment of the Town's \$2,500,000 Sales Tax Bonds, Series 2018, which are being financed by the 2018 sales tax revenues.

Capital Projects Fund -

The Capital Projects Fund is used to account for the receipt and subsequent disbursement of bond proceeds, grants, and the Town's matching funds to be utilized for various projects. In addition, the Town reports the following nonmajor governmental fund:

The Town reports the following major enterprise fund:

Utility Fund -

This fund accounts for operations of the water, sewer and sanitation services (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.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity

Cash, interest-bearing deposits, and investments

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Town. For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

At December 31, 2021, all of the Town's investments are in the Louisiana Asset Management Pool (LAMP), which are stated at fair value.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables."

Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem taxes, sales and use taxes, franchise taxes, and oil royalties. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), the difference between the two methods is immaterial to the 2021 financial statements. Through the establishment of an allowance account, uncollectible amounts due from customers' utility receivables are determined based on the Town's collection history. The allowance for uncollectible for customers utility receivables at December 31, 2021 was \$82,634. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month were \$41,812 at December 31, 2021.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or fund financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

| | |
|---------------------------------|-------------|
| Buildings and improvements | 40 years |
| Equipment and vehicles | 3-10 years |
| Utility system and improvements | 10-50 years |
| Infrastructure | 40 years |

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Restricted Assets

Restricted assets include cash, interest-bearing deposits, and investments of the proprietary fund that are legally restricted as to their use. The restricted assets are related to the revenue bond accounts and utility meter deposits.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of capital lease payable and bonds payable. Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund financial statements as it is in the government-wide statements.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Vacation is normally taken in the year accrued, but a maximum of 40 hours can be carried over. All full-time employees are allowed 48 hours of annual sick leave. All unused sick leave may be carried over, with 30 percent of the accumulated balance payable at termination of employment. All unused vacation leave is payable upon termination of employment. At December 31, 2021, employees of the Town have accumulated and vested \$24,815 of compensated absence benefits. The estimated liabilities include required salary-related payments.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires an entity to delay recognition of decreases in net position as expenditures until a future period. In other instances, entities are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. At December 31, 2021, the Town's deferred outflows of resources and deferred inflows of resources are attributable to pension plans.

Equity Classifications

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. In the government-wide statements, the Town reports three components as follows:

- a. Net investment in capital assets – This component consists of net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased balances of deferred outflows of resources related to those assets.
- b. Restricted net position – This component is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Town's debt. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets. Constraints may be placed on the use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Town typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project. At December 31, 2021, the Town reported \$1,666,454 of restricted net position, \$1,665,594 of which was restricted by enabling legislation.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

- c. Unrestricted net position – This component consists of all other net position that does not meet the definition of the above two components and is available for general use by the Town.

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balances of the governmental funds are classified as follows.

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Town’s Board of Aldermen, which is the highest level of decision-making authority for the Town.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Town’s adopted policy, only the Mayor and Board of Aldermen may assign amounts for specified purposes.
- e. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town has provided otherwise in his commitment or assignment actions. Proprietary (Utility) fund equity is classified the same as in the government-wide statements.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, governmental funds expenditures are classified by character and proprietary fund expenses are classified by operating and nonoperating.

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

F. Revenue Restrictions

The Town has various restrictions placed over certain revenue sources from state or local requirements. The Town uses unrestricted resources only when restricted resources are fully depleted. The primary restricted revenue sources include:

| <u>Revenue Source</u> | <u>Legal Restrictions of Use</u> |
|-----------------------|----------------------------------|
| Sales tax | See Note 3 |

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

I. Comparative Data and Reclassification

Comparative data for the prior year have been presented in certain sections of the accompanying financials statements in order to provide an understanding of changes in the Town's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(2) 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 taxpayers in November or December. Billed taxes become delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessors of Lafayette Parish and Acadia Parish. The Town bills and collects the taxes for Acadia Parish while taxes for Lafayette Parish are billed and collected by the Lafayette Parish Sheriff. Town property tax revenues are budgeted in the year billed.

For the year ended December 31, 2021, taxes of 7.69 mills were levied on property with assessed valuations totaling \$7,494,010 and were dedicated for general corporate purposes.

Total taxes levied were \$57,629. Taxes receivable at December 31, 2021, are \$3,945.

(3) Sales and Use Tax

Proceeds of the 1969 1% sales and use tax levied by the Town were \$436,492 during the year ended December 31, 2021 and are dedicated to the following purposes:

Constructing, acquiring, extending, improving and maintaining sewers, sewerage disposal works, waterworks facilities, drainage facilities, public streets and roads and bridges, including the purchase of equipment.

Proceeds of the 1983 1% sales and use tax levied by the Town were \$436,492 during the year ended December 31, 2021 and are dedicated to the following purposes:

Constructing and acquiring extensions and improvements to the waterworks plant and distribution system of the Town and providing for the maintenance thereof; constructing, improving and maintaining public streets and drainage facilities for the Town; constructing, acquiring, extending, improving and maintaining the sewerage collection and disposal facilities of the Town; and maintaining and operating any other works of public improvement for the Town, and purchasing and acquiring the necessary land and equipment therefore; and the Town shall be further authorized to fund the proceeds of the tax into bonds for the purpose of constructing, acquiring, extending, and/or improving capital improvements of the Town to the extent and in the manner permitted by the laws of Louisiana.

Proceeds of the 2018 1% sales and use tax levied by the Town were \$439,279 during the year ended December 31, 2021 and are dedicated to the following purposes:

Infrastructure and repairs of roads in the Town.

Proceeds of the 4% hotel/motel occupancy tax levied by the Town were \$33,202 during the year ended December 31, 2021 and are dedicated to the following purposes:

Fund economic development, the promotion of tourism, and related infrastructure within the Town.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(4) Cash and Interest-Bearing Deposits

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Town may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2021, the Town had cash and interest-bearing deposits (book balances) as follows:

| | |
|-----------------------------------|--------------------|
| Demand deposits | \$2,806,858 |
| Savings and money market accounts | <u>17,538</u> |
| Total | <u>\$2,824,396</u> |

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Town's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security 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 bank. These securities are held in the name of the Town or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at December 31, 2021, are secured as follows:

| | |
|---------------------------|--------------------|
| Bank balances | <u>\$2,896,453</u> |
| Federal deposit insurance | \$ 267,538 |
| Pledged securities | <u>2,628,915</u> |
| Total | <u>\$2,896,453</u> |

Deposits in the amount of \$2,628,915 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Town's name. The Town does not have a policy for custodial credit risk.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(5) Investments

The Town participates in the Louisiana Asset Management Pool (LAMP). The LAMP is an investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment. As of December 31, 2021, investments in LAMP amounted to \$229,958. The LAMP is not registered with the Securities and Exchange Commission (SEC) as an investment company. LAMP is intended to improve administrative efficiency and increase yield of participating public entities. The portfolio securities are valued at market value even though amortized cost method is permitted by Rule 2a-7 of the Investment Company Act of 1940, as amended, which governs registered money market funds. Because LAMP is not a money market fund, it has no obligation to conform to this rule.

The investment in LAMP is not exposed to custodial credit risk, and is not categorized in the three categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. Credit risk is the risk that an issuer or other counterparty to an investment will be unable to meet its obligations.

LAMP has a fund rating of AAAM issued by Standard & Poors. Interest rate risk is the risk that changes in interest rates will adversely affect the estimated fair value of an investment. The investments in LAMP are stated at fair value based on quoted market rates. The fair value of investments is determined on a weekly basis by LAMP and the fair value of the Town's investment in LAMP is the same as the value of the pool shares. The financial report for LAMP may be accessed on its website (www.lamppool.com).

(6) Receivables

Receivables at December 31, 2021 consist of the following:

| | General | 1969 | 1983 | 2018 | Other | Utility | Total |
|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------------|-----------------|------------------|
| | | Sales Tax | Sales Tax | Sales Tax | Governmental Funds | | |
| Accounts | \$ - | \$ - | \$ - | \$ - | \$ - | \$36,317 | \$ 36,317 |
| Unbilled accounts | - | - | - | - | - | 41,812 | 41,812 |
| Taxes: | | | | | | | |
| Ad valorem | 3,945 | - | - | - | - | - | 3,945 |
| Sales tax | - | 38,492 | 38,492 | 38,801 | 1,753 | - | 117,538 |
| Franchise tax | 6,806 | - | - | - | - | - | 6,806 |
| Other | 407 | - | - | - | - | - | 407 |
| Totals | <u>\$11,158</u> | <u>\$38,492</u> | <u>\$38,492</u> | <u>\$38,801</u> | <u>\$ 1,753</u> | <u>\$78,129</u> | <u>\$206,825</u> |

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(7) Due from Other Governmental Units

Amounts due from other governmental units of at December 31, 2021 consisted of the following:

Fund Financial Statements:

Governmental funds-

Lafayette Parish Sheriff:

| | |
|---|-----------|
| Ad valorem taxes collected but not remitted | \$ 20,903 |
|---|-----------|

State of Louisiana:

| | |
|-------------|--------|
| Video poker | 79,730 |
|-------------|--------|

| | |
|------------|-------|
| Beer taxes | 1,280 |
|------------|-------|

| | |
|-------|--------|
| Other | 10,000 |
|-------|--------|

| | |
|--|-------------------|
| | <u>\$ 111,913</u> |
|--|-------------------|

Proprietary Funds -

State of Louisiana:

| | |
|-------------------|--------|
| State grant funds | 46,123 |
|-------------------|--------|

| | |
|--|------------------|
| | <u>\$ 46,123</u> |
|--|------------------|

Government-wide financial statements:

Total amount reported in -

| | |
|--------------------------------|------------|
| Governmental Funds, from above | \$ 111,913 |
|--------------------------------|------------|

| | |
|-------------------------------|--------|
| Proprietary Funds, from above | 46,123 |
|-------------------------------|--------|

| | |
|--|-------------------|
| | <u>\$ 158,036</u> |
|--|-------------------|

(8) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at December 31, 2021:

| | |
|-------------------|------------|
| Bond sinking fund | \$ 106,897 |
|-------------------|------------|

| | |
|-------------------|--------|
| Bond reserve fund | 55,270 |
|-------------------|--------|

| | |
|-----------------------------------|--------|
| Depreciation and contingency fund | 83,966 |
|-----------------------------------|--------|

| | |
|---------------------|--------|
| Customers' deposits | 85,396 |
|---------------------|--------|

| | |
|--|-------------------|
| | <u>\$ 331,529</u> |
|--|-------------------|

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(9) Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

| | <u>Balance</u> 01/01/21 | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> 12/31/21 |
|--|----------------------------|-------------------|------------------|----------------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 62,827 | \$ - | \$ - | \$ 62,827 |
| Construction in progress | 27,974 | 12,245 | 26,481 | 13,738 |
| Other capital assets: | | | | |
| Buildings and improvements | 1,383,340 | - | 5,000 | 1,378,340 |
| Infrastructure | 4,409,498 | 31,994 | - | 4,441,492 |
| Equipment and vehicles | 811,539 | 112,126 | 60,279 | 863,386 |
| Totals | <u>6,695,178</u> | <u>156,365</u> | <u>91,760</u> | <u>6,759,783</u> |
| Less accumulated depreciation: | | | | |
| Buildings and improvements | 467,532 | 33,622 | 5,000 | 496,154 |
| Infrastructure | 953,892 | 118,947 | - | 1,072,839 |
| Equipment and vehicles | 633,055 | 66,666 | 60,000 | 639,721 |
| Total accumulated depreciation | <u>2,054,479</u> | <u>219,235</u> | <u>65,000</u> | <u>2,208,714</u> |
| Governmental activities, capital assets, net | <u>\$ 4,640,699</u> | <u>\$(62,870)</u> | <u>\$26,760</u> | <u>\$ 4,551,069</u> |
| Business-type activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 63,130 | \$ - | \$ - | \$ 63,130 |
| Construction in progress | - | 288,760 | - | 288,760 |
| Other capital assets: | | | | |
| Plant and equipment - water system | 3,432,276 | 28,286 | 14,433 | 3,446,129 |
| Plant and equipment - sewer system | 6,133,397 | 8,442 | - | 6,141,839 |
| Office equipment | 30,046 | - | - | 30,046 |
| Totals | <u>9,658,849</u> | <u>325,488</u> | <u>14,433</u> | <u>9,969,904</u> |
| Less accumulated depreciation: | | | | |
| Plant and equipment - water system | 2,236,183 | 105,607 | 8,260 | 2,333,530 |
| Plant and equipment - sewer system | 3,197,563 | 172,863 | - | 3,370,426 |
| Office equipment | 30,046 | - | - | 30,046 |
| Total accumulated depreciation | <u>5,463,792</u> | <u>278,470</u> | <u>8,260</u> | <u>5,734,002</u> |
| Business-type activities, capital assets, net | <u>\$ 4,195,057</u> | <u>\$ 47,018</u> | <u>\$ 6,173</u> | <u>\$ 4,235,902</u> |

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

| | |
|----------------------------|-------------------|
| General government | \$ 11,159 |
| Police | 48,486 |
| Fire | 13,418 |
| Streets | 119,173 |
| Community Center | 26,004 |
| Park and recreation | <u>995</u> |
| Total depreciation expense | <u>\$ 219,235</u> |

Depreciation expense was charged to business-type activities as follows:

| | |
|----------------------------|-------------------|
| Water | \$ 105,607 |
| Sewerage | <u>172,863</u> |
| Total depreciation expense | <u>\$ 278,470</u> |

(10) Accounts and Other Payables

The accounts and other payables of at December 31, 2021 consisted of the following:

| | Governmental Activities | Business-Type Activities | Total |
|---------------------|----------------------------|-----------------------------|-------------------|
| Accounts | \$ 18,762 | \$ 91,698 | \$ 110,460 |
| Payroll liabilities | <u>26,314</u> | <u>8,466</u> | <u>34,780</u> |
| Totals | <u>\$ 45,076</u> | <u>\$ 100,164</u> | <u>\$ 145,240</u> |

(11) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the Town for the year ended December 31, 2021:

| | Governmental Activities | Business-type Activities |
|---|----------------------------|-----------------------------|
| Long-term debt payable, January 1, 2021 | \$2,260,368 | \$1,275,272 |
| Retirements | <u>(167,161)</u> | <u>(40,571)</u> |
| Long-term debt payable, December 31, 2021 | <u>\$2,093,207</u> | <u>\$1,234,701</u> |

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

Long-term debt payable at December 31, 2021 is comprised of the following:

| | <u>Total</u> | <u>Current Portion</u> |
|--|---------------------|----------------------------|
| Governmental Activities: | | |
| Capital Leases: | | |
| \$31,863 equipment lease dated October 28, 2019, due in annual installments of \$8,757, including interest at 6.70%, through October 28, 2022, secured by General Fund revenues and assets with a carrying value of \$21,821 at December 31, 2021 | \$ 8,207 | \$ 8,207 |
| Sales Tax Bonds: | | |
| \$2,500,000 Sales Tax Bonds dated July 23, 2018, due in annual installments ranging from \$135,000 to \$215,000 including interest ranging from 2.00% to 4.750% from August 1, 2019 through August 1, 2033; payable from 2018 Sales Tax Special Revenue Fund | <u>2,085,000</u> | <u>140,000</u> |
| | <u>\$2,093,207</u> | <u>\$ 148,207</u> |
| Business-Type Activities: | | |
| Direct Placement Revenue Bonds: | | |
| \$1,390,000 Sewer Revenue Bonds dated February 12, 2004, due in monthly installments of \$6,311 including interest at 4.50% from March 12, 2005 through January 12, 2044; payable from Utility Fund revenues | \$1,059,130 | \$28,653 |
| Capital Lease: | | |
| \$230,511 equipment lease dated July 6, 2017 due in monthly installments of \$1,687, including interest at 3.685% through July 15, 2032, secured by Utility Fund revenues and asset with a carrying value of \$208,220 at December 31, 2020 | <u>175,571</u> | <u>13,694</u> |
| | <u>\$ 1,234,701</u> | <u>\$ 42,347</u> |

The debt is due as follows:

| <u>Year ending December 31,</u> | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | |
|-------------------------------------|--------------------------------|------------------------------|---------------------------------|------------------------------|
| | <u>Principal payments</u> | <u>Interest payments</u> | <u>Principal payments</u> | <u>Interest payments</u> |
| 2022 | 148,207 | 82,250 | 42,346 | 53,619 |
| 2023 | 145,000 | 77,500 | 44,201 | 51,765 |
| 2024 | 150,000 | 72,425 | 46,138 | 49,828 |
| 2025 | 155,000 | 66,425 | 48,161 | 47,807 |
| 2026 | 165,000 | 58,675 | 50,272 | 45,695 |
| 2027-2031 | 910,000 | 207,051 | 286,427 | 193,406 |
| 2032-2036 | 420,000 | 29,650 | 257,746 | 132,698 |
| 2037-2041 | - | - | 308,052 | 70,585 |
| 2042-2044 | - | - | <u>151,358</u> | <u>7,540</u> |
| Total | <u>\$2,093,207</u> | <u>\$ 593,976</u> | <u>\$ 1,234,701</u> | <u>\$ 652,943</u> |

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(12) Flow of Funds; Restrictions on Use – Revenue Bonds

A. Sewer Revenue Bonds

Under the terms of the bond indenture relative to the Sewer Revenue Bonds, Series 2004, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operation of the Sewer utility system, are pledged and dedicated to the retirement of said bonds, and to establish and maintain the following funds:

- (1) Bond sinking fund - required monthly deposit of \$6,311 through January 2044 to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.
- (2) Bond reserve fund - required monthly deposit of \$316 until there is a balance of \$75,727 to be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the bond sinking fund.
- (3) Depreciation and contingency fund - required monthly deposit of \$316 until there is a balance of \$75,727 in the bond reserve fund, at which time the deposit will increase to \$632. Funds may be used for the making of extraordinary repairs or replacements to the system and to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful corporate purpose.

In the event that the Sewer Revenue Bonds are in default, the bonding agency has the right to compel the performance of all duties, including the fixing, charging, and collecting of rentals, fees or other charges for the use of the System. The Bond owner may also appoint an agent to take possession of the System to hold, operate, maintain, manage and control the System in the name of the bond owner. This agent shall collect and receive all fees, rentals, and other revenues, maintain and operate the System in a manner to compensate the bond issuer for the amount owed, until the bond is repaid in full.

B. Sales Tax Revenue Bonds

Under the terms of the bond indenture relative to the Sales Tax Bonds, Series 2018, all proceeds of the 2018 sales tax, after the reasonable and necessary expenses of the collection and administration thereof, shall be pledged and dedicated to the retirement of said bonds, and to establish and maintain the following fund:

Bond sinking fund - required monthly deposit (determined to be the sum of the next interest and principal payment divided by the number of deposit dates remaining prior to the payment less any monies in the fund at the deposit date) to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.

The Town was in compliance with all covenants of the bond indentures at December 31, 2021.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(13) On-behalf Payments for Salaries

The Town of Duson receives on-behalf payments from the State of Louisiana for police salaries. On-behalf payments to the Town totaled \$38,983 for the fiscal year ending December 31, 2021. Such payments are recorded as intergovernmental revenues and public safety expenditures in the General Fund financial statements.

(14) Employee Retirement Systems

The Town participates in two cost-sharing defined benefit plans, each administered by separate public employee retirement systems. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all plans administered by these public employee retirement systems to the State Legislature. These plans are not closed to new entrants. Substantially all Town employees participate in one of the following retirement systems:

Plan Descriptions:

Municipal Employees' Retirement Systems (MERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:1731 and 11:1781. The Government participates in Plan B.

State of Louisiana - Municipal Police Employees' Retirement System (MPERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:2211 and 11:2220.

The systems' financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Interest income is recognized when earned.

A brief summary of eligibility and benefits of the plans are provided in the following table:

| | <u>MERS</u> | <u>MPERS</u> |
|--|--|---|
| Final average salary | Highest 60 months | Highest 36 months or 60 months ¹ |
| Years of service required and/or age eligible for benefits | 30 years at any age 10 years age 60 | 25 years at any age 20 years age 55 12 years age 55 20 years any age ² 30 years any age ³ 25 years age 55 ³ 10 years age 60 ³ |
| Benefit percent per years of service | 3.00% | 2.50 - 3.33% ⁴ |

¹ Membership commencing January 1, 2013

² With actuarial reduced benefits

³ Under non hazardous duty sub plan commencing January 1, 2013

⁴ Membership commencing January 1, 2013 non hazardous duty plan 2.5%, hazardous duty plan 3.0%, membership prior to January 1, 2013 3.33%.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. Contributions of employees, employers, and non-employer contributing entities effective for the year ended December 31, 2021 for the defined benefit pension plans in which the Town is a participating employer were as follows:

| <u>Plan</u> | <u>Active Member Contribution Percentage</u> | <u>Employer Contribution Percentage</u> | <u>Amount from Nonemployer Contributing Entities</u> | <u>Amount of Town Contributions</u> |
|-------------|--|---|--|---|
| MERS | 5.00% | 14.75% | \$ 15,668 | \$ 74,675 |
| MPERS | 10.00% | 31.75% | 10,498 | 48,845 |

Net Pension Liability

The Town's net pension liability at December 31, 2021 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the Town is a participating employer. The Town's net pension liability for each plan was measured as of the plan's measurement date (June 30, 2021 for both plans) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportionate share of the net pension liability for each of the plans in which it participates was based on the Town's required contributions in proportion to total required contributions for all employers.

As of the most recent measurement date, the Town's proportion for each plan and the change in proportion from the prior measurement date were as follows:

| <u>Plan</u> | <u>Proportionate Share of Net Pension Liability</u> | <u>Proportionate Share (%) of Net Pension Liability</u> | <u>Increase/(Decrease) from Prior Measurement Date</u> |
|-------------|---|---|--|
| MERS | \$ 363,159 | 0.628840% | 0.047630% |
| MPERS | <u>250,418</u> | 0.046978% | -0.005330% |
| Total | <u>\$ 613,577</u> | | |

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

Since the measurement date of the net pension liability was June 30, 2021, the net pension liability is based upon fiduciary net position for each of the plans as of those dates. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the Town's net pension liability is available in the separately issued plan financial reports for those fiscal years. The financial report for each plan may be accessed on their website as follows:

MERS - <http://www.mersla.com/>

MPERS - <http://lampers.org/>

Actuarial Assumptions

The following table provides information concerning actuarial assumptions used in the determination of the total pension liability for each of the defined benefit plans in which the primary government is a participating employer:

| | MERS | MPERS |
|---|-------------------------|-------------------------|
| Date of experience study on which significant assumptions are based | 7/1/2013 - 6/30/2018 | 7/1/2014 - 6/30/2019 |
| Expected remaining service lives | 3 | 4 |
| Inflation Rate | 2.5% | 2.5% |
| Projected salary increases | 4.9% - 7.4% | 4.7% - 12.3% |
| Projected benefit changes including COLAs | None | None |
| Source of mortality assumptions | (1), (2), (3) | (4), (5), (6) |

- (1) PubG-2010(B) Healthy Retiree Table
- (2) PubG-2010(B) Employee Table
- (3) PubNS-2010(B) Disabled Retiree Table
- (4) Pub-2010 Safety Below-Median Healthy Retiree Table
- (5) Pub-2010 Safety Below-Median Employee Table
- (6) Pub-2010 Safety Disabled Retiree Table

Cost of Living Adjustments

The pension plans in which the Town participates have the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis.

Pursuant to LRS 11:242(B), the power of the Board of Trustees of the statewide systems (MERS and MPERS) to grant a COLA is effective in calendar years that the legislature fails to grant a COLA, unless in the legislation granting a COLA, the legislature authorizes the Board of Trustees to provide an additional COLA. The authority to grant a COLA by the Board is subject to the funded status and interest earnings. The effects of the benefit changes made as a result of the COLAs is included in the measurement of the total pension liability as of the measurement date at which the ad hoc COLA was granted and the amount is known and reasonably estimable.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

Discount Rate

The discount rates used to measure the Town's total pension liability for each plan and the significant assumptions used in the determination of the discount rate for each plan are as follows:

| | <u>MERS</u> | <u>MPERS</u> |
|--|-------------|--------------|
| Discount rate | 6.850% | 6.750% |
| Change in discount rate from prior valuation | -0.100% | -0.200% |
| Plan cash flow assumptions | (1) | (1) |
| Rates incorporated in the Discount Rate: | | |
| Long-term Rate of Return | 6.850% | 6.750% |
| Periods applied | All | All |
| Municipal Bond Rate | N/A | N/A |

***Plan Cash Flow Assumptions:**

- 1) Plan member contributions will be made at the current contributions rates and sponsor contributions will be made at the actuarially determined rates.

The discount rates used to measure the Town's total pension liability for each plan is equal to the long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits. For MERS and MPERS, the long-term expected rate of return for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

The target allocation and best estimates of arithmetic/geometric real rates of return for each major asset class are summarized for each plan in the following tables:

| <u>Asset Class</u> | <u>MERS*</u> | | <u>MPERS*</u> | |
|------------------------------------|----------------------|---|----------------------|---|
| | Target Allocation | Long-term Expected Real Rate of Return | Target Allocation | Long-term Expected Real Rate of Return |
| Equities | 53% | 2.31% | 55.50% | 3.47% |
| Fixed Income | 38% | 1.65% | 30.50% | 0.59% |
| Alternative Investments | 9% | 0.39% | 14.00% | 1.02% |
| Total | <u>100%</u> | <u>4.35%</u> | <u>100.00%</u> | <u>5.08%</u> |
| Inflation | | <u>2.60%</u> | | <u>2.22%</u> |
| Expected arithmetic nominal return | | <u>6.95%</u> | | <u>7.30%</u> |

*Arithmetic real rates of return

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended December 31, 2021, the Town recognized \$58,511 and \$77,147 in pension expense related to MERS and MPERS, respectively.

At December 31, 2021, the Town reported deferred outflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | | |
|--|---------------------------------------|------------------|-------------------|
| | <u>MERS</u> | <u>MPERS</u> | <u>Total</u> |
| Changes of assumptions | \$ 14,696 | \$ 27,733 | \$ 42,429 |
| Change in proportion and differences between employer contributions and proportionate share of contributions | 24,918 | 115,400 | 140,318 |
| Employer contributions subsequent to the measurement date | <u>38,448</u> | <u>27,647</u> | <u>66,095</u> |
| Total | <u>\$ 78,062</u> | <u>\$170,780</u> | <u>\$ 248,842</u> |

At December 31, 2021, the Town reported deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Inflows of Resources</u> | | |
|--|--------------------------------------|------------------|-------------------|
| | <u>MERS</u> | <u>MPERS</u> | <u>Total</u> |
| Differences between expected and actual experience | \$ 14,986 | \$ 7,712 | \$ 22,698 |
| Changes in assumptions | - | 7,143 | 7,143 |
| Net difference between projected and actual earnings on pension plan investments | 98,140 | 116,926 | 215,066 |
| Change in proportion and differences between employer contributions and proportionate share of contributions | <u>-</u> | <u>34,003</u> | <u>34,003</u> |
| Total | <u>\$ 113,126</u> | <u>\$165,784</u> | <u>\$ 278,910</u> |

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

Deferred outflows of resources of \$66,095 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending December 31, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

| Year Ended December 31 | MERS | MPERS | Total |
|---------------------------|--------------------|--------------------|--------------------|
| 2022 | \$ (4,472) | \$ 43,112 | \$ 38,640 |
| 2023 | (9,098) | 8,173 | (925) |
| 2024 | (25,454) | (33,651) | (59,105) |
| 2025 | (34,488) | (40,285) | (74,773) |
| | <u>\$ (73,512)</u> | <u>\$ (22,651)</u> | <u>\$ (96,163)</u> |

Payables to the Pension Plans

At December 31, 2021, the Town's payables were \$4,404 and \$6,049 to MERS and MPERS, respectively for the month of December 2021, which were the contractually required contributions.

Sensitivity of the Government's Proportional Share of the Net Pension Liabilities to Changes in the Discount Rate:

The following presents the Government's proportionate shares of the net pension liabilities of the plans, calculated using their respective discount rates, as well as what the Government's proportionate shares of the net pension liabilities would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

| <u>Plan</u> | <u>Current Discount Rate</u> | <u>Net Pension Liability</u> | | |
|-------------|----------------------------------|------------------------------|----------------------------------|------------------------|
| | | <u>1% Decrease</u> | <u>Current Discount Rate</u> | <u>1% Increase</u> |
| MERS | 6.850% | \$ 557,162 | \$ 363,159 | \$ 199,069 |
| MPERS | 6.750% | <u>436,440</u> | <u>250,418</u> | <u>95,153</u> |
| Total | | <u>\$ 993,602</u> | <u>\$ 613,577</u> | <u>\$ 294,222</u> |

(15) Risk Management

The Town is exposed to risks of loss in the areas of general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(16) Departmental Information for the Enterprise Fund

The Town of Duson maintains one enterprise fund with three departments which provide water, sewerage and sanitation services. Departmental information for the year ended December 31, 2021 was as follows:

| | <u>Water Department</u> | <u>Sewerage Department</u> | <u>Sanitation Department</u> | <u>Total Enterprise Fund</u> |
|--------------------------|-----------------------------|--------------------------------|----------------------------------|--------------------------------------|
| Operating revenues | \$ 392,490 | \$ 249,797 | \$ 127,424 | \$ 769,711 |
| Operating expenses: | | | | |
| Depreciation | 105,607 | 172,863 | - | 278,470 |
| Other | <u>371,116</u> | <u>265,368</u> | <u>117,345</u> | <u>753,829</u> |
| Total operating expenses | <u>476,723</u> | <u>438,231</u> | <u>117,345</u> | <u>1,032,299</u> |
| Operating income (loss) | <u>\$ (84,233)</u> | <u>\$ (188,434)</u> | <u>\$ 10,079</u> | <u>\$ (262,588)</u> |

(17) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended December 31, 2021 follows:

| | |
|-------------------|------------------|
| Johnny Thibodeaux | \$ 47,018 |
| Aldermen: | |
| Carroll Pepper | 8,759 |
| Coby Duhon | 7,963 |
| Stephen Hanks | 7,963 |
| Carolyn Richard | 7,963 |
| Wade Robin | <u>7,963</u> |
| Total | <u>\$ 87,629</u> |

(18) Compensation, Benefits, and Other Payments to Agency Head

The schedule of compensation, benefits, and other payments to Johnny Thibodeaux, Mayor, for the year ended December 31, 2021 follows:

| <u>Purpose</u> | <u>Amount</u> |
|-----------------------|------------------|
| Salary | \$ 47,018 |
| Benefits - insurance | 4,065 |
| Benefits - retirement | 10,864 |
| Registration fees | 300 |
| Conference travel | <u>378</u> |
| | <u>\$ 62,625</u> |

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(19) Pending Litigation

At December 31, 2021, the Town is not involved in any litigation.

(20) Interfund Transactions

A. Interfund receivables and payables consisted of the following at December 31, 2021:

| | <u>Receivable</u> | <u>Payable</u> |
|-------------------------------------|-------------------|-------------------|
| Major governmental funds: | | |
| General Fund | \$ 107,672 | \$ 284,767 |
| 1969 Sales Tax Special Revenue Fund | 157,467 | 16,215 |
| 1983 Sales Tax Special Revenue Fund | 81,353 | 103,260 |
| 2018 Sales Tax Special Revenue Fund | 383,686 | 1,262 |
| Debt Service Fund | - | 376,406 |
| Capital Projects Fund | 30,609 | 29,859 |
| Other governmental funds | 20,950 | - |
| Enterprise fund - Utility Fund | <u>95,164</u> | <u>65,132</u> |
| Total | <u>\$ 876,901</u> | <u>\$ 876,901</u> |

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made.

B. Transfers consisted of the following for the year ended December 31, 2021:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|-------------------------------------|---------------------|----------------------|
| Major governmental funds: | | |
| General Fund | \$ 281,776 | \$ 113,663 |
| 1969 Sales Tax Special Revenue Fund | - | 204,485 |
| 1983 Sales Tax Special Revenue Fund | - | 235,000 |
| 2018 Sales Tax Special Revenue Fund | - | 45,397 |
| Debt Service Fund | 45,397 | - |
| Capital Projects Fund | 3,061 | - |
| Enterprise fund - Utility Fund | <u>268,311</u> | <u>-</u> |
| Total | <u>\$ 598,545</u> | <u>\$ 598,545</u> |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) to use unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(21) Risks and Uncertainties

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may impact the Town's ongoing operations; however, the extent and severity of the potential impact is unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF DUSON, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2021

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------|-------------------|-------------------|---|
| | Original | Final | | (Negative) |
| Revenues: | | | | |
| Taxes | \$ 137,500 | \$ 137,500 | \$ 138,519 | \$ 1,019 |
| Licenses and permits | 165,000 | 195,000 | 179,766 | (15,234) |
| Intergovernmental | 1,124,500 | 1,107,000 | 1,195,039 | 88,039 |
| Fines and forfeits | 195,000 | 230,000 | 234,551 | 4,551 |
| Miscellaneous | 69,300 | 192,725 | 79,078 | (113,647) |
| Total revenues | <u>1,691,300</u> | <u>1,862,225</u> | <u>1,826,953</u> | <u>(35,272)</u> |
| Expenditures: | | | | |
| Current - | | | | |
| General government | 433,850 | 530,375 | 493,561 | 36,814 |
| Public safety: | | | | |
| Police | 731,250 | 845,600 | 841,897 | 3,703 |
| Fire | 58,300 | 64,500 | 62,430 | 2,070 |
| Streets | 292,500 | 387,150 | 364,064 | 23,086 |
| Parks and recreation | 800 | 1,325 | 1,960 | (635) |
| Community Center | 19,500 | 40,000 | 28,265 | 11,735 |
| Capital outlay | 512,000 | 282,302 | 144,120 | 138,182 |
| Debt service | - | - | 29,517 | (29,517) |
| Total expenditures | <u>2,048,200</u> | <u>2,151,252</u> | <u>1,965,814</u> | <u>185,438</u> |
| Excess (deficiency) of revenues over expenditures | <u>(356,900)</u> | <u>(289,027)</u> | <u>(138,861)</u> | <u>150,166</u> |
| Other financing sources (uses): | | | | |
| Transfer in | 395,000 | 300,000 | 281,776 | (18,224) |
| Transfer out | - | - | (113,663) | (113,663) |
| Total other financing sources (uses) | <u>395,000</u> | <u>300,000</u> | <u>168,113</u> | <u>(131,887)</u> |
| Net change in fund balance | 38,100 | 10,973 | 29,252 | 18,279 |
| Fund balance, beginning | <u>470,564</u> | <u>470,564</u> | <u>470,564</u> | <u>-</u> |
| Fund balance, ending | <u>\$ 508,664</u> | <u>\$ 481,537</u> | <u>\$ 499,816</u> | <u>\$ 18,279</u> |

See notes to the required supplementary information.

TOWN OF DUSON, LOUISIANA
1969 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2021

| | Budget | | Actual | Variance with |
|---|------------------|------------------|------------------|--|
| | Original | Final | | Final Budget Positive (Negative) |
| Revenues: | | | | |
| Sales taxes | \$340,000 | \$ 428,790 | \$436,492 | \$ 7,702 |
| Miscellaneous | <u>500</u> | <u>14</u> | <u>9</u> | <u>(5)</u> |
| Total revenues | <u>340,500</u> | <u>428,804</u> | <u>436,501</u> | <u>7,697</u> |
| Expenditures: | | | | |
| General government - | | | | |
| Collection fees | 2,800 | 2,471 | 2,510 | (39) |
| Professional fees | <u>8,200</u> | <u>7,280</u> | <u>7,280</u> | <u>-</u> |
| Total general government | <u>11,000</u> | <u>9,751</u> | <u>9,790</u> | <u>(39)</u> |
| Excess of revenues over expenditures | <u>329,500</u> | <u>419,053</u> | <u>426,711</u> | <u>7,658</u> |
| Other financing sources (uses): | | | | |
| Transfer to General Fund | (185,000) | (150,000) | (21,174) | 128,826 |
| Transfer to Utility Fund | <u>(140,000)</u> | <u>(183,426)</u> | <u>(183,311)</u> | <u>115</u> |
| Total other financing sources (uses) | <u>(325,000)</u> | <u>(333,426)</u> | <u>(204,485)</u> | <u>128,941</u> |
| Net change in fund balance | 4,500 | 85,627 | 222,226 | 136,599 |
| Fund balance, beginning | <u>182,633</u> | <u>182,633</u> | <u>182,633</u> | <u>-</u> |
| Fund balance, ending | <u>\$187,133</u> | <u>\$268,260</u> | <u>\$404,859</u> | <u>\$136,599</u> |

See notes to the required supplementary information.

TOWN OF DUSON, LOUISIANA
1983 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2021

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Sales taxes | \$ 340,000 | \$ 428,790 | \$ 436,492 | \$ 7,702 |
| Miscellaneous | <u>500</u> | <u>9</u> | <u>9</u> | <u>-</u> |
| Total revenues | <u>340,500</u> | <u>428,799</u> | <u>436,501</u> | <u>7,702</u> |
| Expenditures: | | | | |
| General government - | | | | |
| Collection fees | 2,800 | 2,472 | 2,513 | (41) |
| Professional fees | <u>8,200</u> | <u>7,280</u> | <u>7,279</u> | <u>1</u> |
| Total general government | <u>11,000</u> | <u>9,752</u> | <u>9,792</u> | <u>(40)</u> |
| Excess of revenues over expenditures | <u>329,500</u> | <u>419,047</u> | <u>426,709</u> | <u>7,662</u> |
| Other financing uses: | | | | |
| Transfer to General Fund | (210,000) | (150,000) | (150,000) | - |
| Transfer to Utility Fund | <u>(115,000)</u> | <u>(85,000)</u> | <u>(85,000)</u> | <u>-</u> |
| Total other financing uses | <u>(325,000)</u> | <u>(235,000)</u> | <u>(235,000)</u> | <u>-</u> |
| Net change in fund balance | 4,500 | 184,047 | 191,709 | 7,662 |
| Fund balance, beginning | <u>231,733</u> | <u>231,733</u> | <u>231,733</u> | <u>-</u> |
| Fund balance, ending | <u>\$ 236,233</u> | <u>\$ 415,780</u> | <u>\$ 423,442</u> | <u>\$ 7,662</u> |

See notes to the required supplementary information.

TOWN OF DUSON, LOUISIANA
2018 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2021

| | Budget | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Sales taxes | \$ 340,000 | \$ 430,319 | \$ 439,279 | \$ 8,960 |
| Miscellaneous | <u>500</u> | <u>347</u> | <u>361</u> | <u>14</u> |
| Total revenues | <u>340,500</u> | <u>430,666</u> | <u>439,640</u> | <u>8,974</u> |
| Expenditures: | | | | |
| General government - | | | | |
| Collection fees | 2,800 | 2,488 | 2,535 | (47) |
| Professional fees | <u>8,200</u> | <u>30</u> | <u>30</u> | <u>-</u> |
| Total general government | <u>11,000</u> | <u>2,518</u> | <u>2,565</u> | <u>(47)</u> |
| Excess of revenues over expenditures | <u>329,500</u> | <u>428,148</u> | <u>437,075</u> | <u>8,927</u> |
| Other financing uses: | | | | |
| Transfer to General Fund | (9,000) | - | - | - |
| Transfer to Debt Service Fund | <u>(320,000)</u> | <u>(412,959)</u> | <u>(45,397)</u> | <u>367,562</u> |
| Total other financing uses | <u>(329,000)</u> | <u>(412,959)</u> | <u>(45,397)</u> | <u>367,562</u> |
| Net change in fund balance | 500 | 15,189 | 391,678 | 376,489 |
| Fund balance, beginning | <u>30,569</u> | <u>30,569</u> | <u>30,569</u> | <u>-</u> |
| Fund balance, ending | <u>\$ 31,069</u> | <u>\$ 45,758</u> | <u>\$ 422,247</u> | <u>\$ 376,489</u> |

See notes to the required supplementary information.

TOWN OF DUSON, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2021*

| Plan | Plan Year Ended June 30, | Employer Proportion of the Net Pension Liability (Asset) | Employer Proportionate Share of the Net Pension Liability (Asset) | Covered Payroll | Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|-------|--------------------------------|---|--|--------------------|---|--|
| MERS | 2021 | 0.628840% | \$ 363,159 | 533,392 | 68.1% | 79.14% |
| | 2020 | 0.581210% | 526,708 | 450,421 | 116.9% | 66.26% |
| | 2019 | 0.578434% | 506,022 | 442,195 | 114.4% | 66.14% |
| | 2018 | 0.611522% | 517,245 | 453,184 | 114.1% | 65.60% |
| | 2017 | 0.585868% | 506,912 | 434,864 | 116.6% | 63.49% |
| | 2016 | 0.568060% | 470,870 | 417,358 | 112.8% | 63.34% |
| MPERS | 2021 | 0.046978% | 250,418 | 144,727 | 173.0% | 84.09% |
| | 2020 | 0.052308% | 483,448 | 161,567 | 299.2% | 70.94% |
| | 2019 | 0.031940% | 290,069 | 99,746 | 290.8% | 71.01% |
| | 2018 | 0.015994% | 135,214 | 47,200 | 286.5% | 71.89% |
| | 2017 | 0.015560% | 135,845 | 47,597 | 285.4% | 70.08% |
| | 2016 | 0.013215% | 123,862 | 37,017 | 334.6% | 66.04% |

* The amounts presented are as of the measurement date (June 30 fiscal year end).

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the required supplementary information.

TOWN OF DUSON, LOUISIANA

Schedule of Employer Contributions
For the Year Ended December 31, 2021

| <u>Plan</u> | <u>Year Ended December 31,</u> | <u>Contractually Required Contribution</u> | <u>Contributions in Relation to Contractually Required Contribution</u> | <u>Contribution Deficiency (Excess)</u> | <u>Covered Payroll</u> | <u>Contributions as a % of Covered Employee Payroll</u> |
|-------------|------------------------------------|--|---|---|----------------------------|---|
| MERS | 2021 | \$81,738 | \$77,582 | (4,156) | \$ 554,156 | 14.75% |
| | 2020 | 67,921 | 67,921 | - | 485,151 | 14.00% |
| | 2019 | 62,343 | 62,343 | - | 445,307 | 14.00% |
| | 2018 | 60,115 | 60,115 | - | 441,211 | 13.63% |
| | 2017 | 54,365 | 54,365 | - | 448,371 | 12.13% |
| | 2016 | 43,746 | 43,746 | - | 426,790 | 10.25% |
| MPERS | 2021 | \$53,524 | \$53,524 | - | \$ 168,580 | 31.75% |
| | 2020 | 45,893 | 45,893 | - | 138,524 | 33.13% |
| | 2019 | 48,169 | 48,169 | - | 148,785 | 32.38% |
| | 2018 | 21,086 | 21,086 | - | 66,940 | 31.50% |
| | 2017 | 14,943 | 14,943 | - | 47,818 | 31.25% |
| | 2016 | 12,929 | 12,929 | - | 42,210 | 30.63% |

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the required supplementary information.

TOWN OF DUSON, LOUISIANA

Notes to the Required Supplementary Information

(1) Budget and Budgetary Accounting

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

- a. Prior to December 15, the Town Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the period commencing the following January 1.
- b. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
- e. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
- f. All budgetary appropriations lapse at the end of each fiscal year.
- g. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen.

(2) Pension Plans

Changes of assumptions about future economic or demographic factors or of other outputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that were provided with pensions through the pension plans. These assumptions include the rate of investment return, mortality of plan members, rate of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plans.

TOWN OF DUSON, LOUISIANA

Notes to the Required Supplementary Information

(3) Excess of Expenditures Over Appropriations

For the year ended December 31, 2021, the following funds had actual expenditures over appropriations, at the functional level, as follows:

| Fund/ Function | Budget | Actual | Excess |
|--------------------------------------|----------|----------|----------|
| General Fund: | | | |
| Parks and recreation | \$ 1,325 | \$ 1,960 | \$ (635) |
| Debt service | - | 29,517 | (29,517) |
| 1969 Sales Tax Special Revenue Fund: | | | |
| General Government | 9,751 | 9,790 | (39) |
| 1983 Sales Tax Special Revenue Fund: | | | |
| General Government | 9,752 | 9,792 | (40) |
| 2018 Sales Tax Special Revenue Fund: | | | |
| General Government | 2,518 | 2,565 | (47) |

OTHER SUPPLEMENTARY INFORMATION

TOWN OF DUSON, LOUISIANA

Statement of Net Position
December 31, 2021
With Comparative Totals for December 31, 2020

| | 2021 | | | 2020 Total |
|---------------------------------------|----------------------------|-----------------------------|---------------------|---------------------|
| | Governmental Activities | Business-Type Activities | Total | |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and interest-bearing deposits | \$ 2,063,624 | \$ 457,079 | \$ 2,520,703 | \$ 1,200,580 |
| Investments | 200,950 | 1,172 | 202,122 | 202,023 |
| Receivables, net | 128,696 | 78,129 | 206,825 | 192,384 |
| Internal balances | (30,032) | 30,032 | - | - |
| Due from other governmental units | 111,913 | 46,123 | 158,036 | 152,107 |
| Prepaid items | 6,522 | 9,822 | 16,344 | 46,889 |
| Total current assets | <u>2,481,673</u> | <u>622,357</u> | <u>3,104,030</u> | <u>1,793,983</u> |
| Noncurrent assets: | | | | |
| Restricted assets - | | | | |
| Cash and interest-bearing deposits | - | 303,693 | 303,693 | 287,833 |
| Investments | - | 27,836 | 27,836 | 27,827 |
| Capital assets - | | | | |
| Land and construction in progress | 76,565 | 351,890 | 428,455 | 153,931 |
| Capital assets, net | <u>4,474,504</u> | <u>3,884,012</u> | <u>8,358,516</u> | <u>8,681,825</u> |
| Total noncurrent assets | <u>4,551,069</u> | <u>4,567,431</u> | <u>9,118,500</u> | <u>9,151,416</u> |
| Total assets | <u>7,032,742</u> | <u>5,189,788</u> | <u>12,222,530</u> | <u>10,945,399</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred outflows related to pensions | <u>223,738</u> | <u>25,104</u> | <u>248,842</u> | <u>392,589</u> |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts and other payables | 45,076 | 100,164 | 145,240 | 73,420 |
| Retainage payable | - | 24,150 | 24,150 | - |
| Unearned revenue | 451,332 | - | 451,332 | 11,140 |
| Capital lease payable | 8,207 | 13,694 | 21,901 | 40,336 |
| Payable from restricted assets: | | | | |
| Customer deposits payable | - | 85,396 | 85,396 | 77,470 |
| Revenue bonds payable | 140,000 | 28,653 | 168,653 | 167,394 |
| Accrued interest | 34,041 | 2,434 | 36,475 | 37,997 |
| Total current liabilities | <u>678,656</u> | <u>254,491</u> | <u>933,147</u> | <u>407,757</u> |
| Noncurrent liabilities: | | | | |
| Compensated absences payable | 15,282 | 9,533 | 24,815 | 20,024 |
| Net pension liability | 503,908 | 109,669 | 613,577 | 1,010,156 |
| Capital lease payable | - | 161,877 | 161,877 | 183,780 |
| Revenue bonds payable | <u>1,945,000</u> | <u>1,030,477</u> | <u>2,975,477</u> | <u>3,144,130</u> |
| Total noncurrent liabilities | <u>2,464,190</u> | <u>1,311,556</u> | <u>3,775,746</u> | <u>4,358,090</u> |
| Total liabilities | <u>3,142,846</u> | <u>1,566,047</u> | <u>4,708,893</u> | <u>4,765,847</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred inflows related to pensions | <u>238,853</u> | <u>40,057</u> | <u>278,910</u> | <u>47,695</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 2,457,862 | 2,977,051 | 5,434,913 | 5,327,510 |
| Restricted for debt service | 58,373 | 215,046 | 273,419 | 445,015 |
| Restricted for sales tax dedication | 1,392,175 | - | 1,392,175 | 553,510 |
| Restricted for capital projects | 860 | - | 860 | 860 |
| Unrestricted (deficit) | <u>(34,489)</u> | <u>416,691</u> | <u>382,202</u> | <u>197,551</u> |
| Total net position | <u>\$ 3,874,781</u> | <u>\$ 3,608,788</u> | <u>\$ 7,483,569</u> | <u>\$ 6,524,446</u> |

TOWN OF DUSON

Comparative Balance Sheet
General and Major Special Revenue Funds
December 31, 2021 and 2020

| | General | | 1969 Sales Tax Special Revenue | | 1983 Sales Tax Special Revenue | | 2018 Sales Tax Special Revenue | |
|--------------------------------------|--------------------|-------------------|-----------------------------------|-------------------|-----------------------------------|-------------------|-----------------------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| ASSETS | | | | | | | | |
| Cash and interest-bearing deposits | \$ 853,336 | \$ 206,009 | \$ 214,555 | \$ 129,537 | \$ 406,857 | \$ 223,528 | \$ 1,022 | \$ 1,021 |
| Investments | 190,390 | 190,328 | 10,560 | 10,556 | - | - | - | - |
| Receivables: | | | | | | | | |
| Taxes | 10,751 | 19,981 | 38,492 | 30,112 | 38,492 | 30,112 | 38,801 | 30,810 |
| Other | 407 | 3,436 | - | - | - | - | - | - |
| Due from other governmental units | 111,913 | 135,698 | - | - | - | - | - | - |
| Due from other funds | 107,672 | 52,686 | 157,466 | 50,149 | 81,353 | 74,073 | 383,686 | - |
| Prepaid items | 6,522 | 26,376 | - | - | - | - | - | - |
| Total assets | <u>\$1,280,991</u> | <u>\$ 634,514</u> | <u>\$ 421,073</u> | <u>\$ 220,354</u> | <u>\$ 526,702</u> | <u>\$ 327,713</u> | <u>\$ 423,509</u> | <u>\$ 31,831</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable | \$ 18,762 | \$ 43,482 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accrued liabilities | 26,314 | 10,120 | - | - | - | - | - | - |
| Unearned revenue | 451,332 | 11,140 | - | - | - | - | - | - |
| Due to other funds | 284,767 | 99,208 | 16,214 | 37,721 | 103,260 | 95,980 | 1,262 | 1,262 |
| Total liabilities | <u>781,175</u> | <u>163,950</u> | <u>16,214</u> | <u>37,721</u> | <u>103,260</u> | <u>95,980</u> | <u>1,262</u> | <u>1,262</u> |
| Fund balances: | | | | | | | | |
| Nonspendable - prepaid items | 6,522 | 26,376 | - | - | - | - | - | - |
| Restricted - sales tax dedications | - | - | 404,859 | 182,633 | 423,442 | 231,733 | 422,247 | 30,569 |
| Unassigned | 493,294 | 444,188 | - | - | - | - | - | - |
| Total fund balances | <u>499,816</u> | <u>470,564</u> | <u>404,859</u> | <u>182,633</u> | <u>423,442</u> | <u>231,733</u> | <u>422,247</u> | <u>30,569</u> |
| Total liabilities and fund balances | <u>\$1,280,991</u> | <u>\$ 634,514</u> | <u>\$ 421,073</u> | <u>\$ 220,354</u> | <u>\$ 526,702</u> | <u>\$ 327,713</u> | <u>\$ 423,509</u> | <u>\$ 31,831</u> |

TOWN OF DUSON, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended December 31, 2021
With Actual Amounts for the Year Ended 2020

| | 2021 | | | Variance with Final Budget Positive (Negative) | 2020 |
|--------------------------------------|---------------------|---------------------|---------------------|---|---------------------|
| | Budget | | Actual | | |
| | Original | Final | | | |
| Taxes: | | | | | |
| Ad valorem | \$ 48,000 | \$ 48,000 | \$ 56,184 | \$ 8,184 | \$ 61,863 |
| Franchise - electric | 75,000 | 75,000 | 68,876 | (6,124) | 61,125 |
| Franchise - gas | 5,500 | 5,500 | 4,568 | (932) | 3,938 |
| Franchise - cable TV | 9,000 | 9,000 | 8,891 | (109) | 8,308 |
| Total taxes | <u>137,500</u> | <u>137,500</u> | <u>138,519</u> | <u>1,019</u> | <u>135,234</u> |
| Occupational licenses | <u>165,000</u> | <u>195,000</u> | <u>179,766</u> | <u>(15,234)</u> | <u>136,092</u> |
| Intergovernmental: | | | | | |
| Federal grants | - | - | 93,517 | 93,517 | 63,118 |
| State Funds- | | | | | |
| State Grants | 468,000 | 10,000 | 10,000 | - | 29,183 |
| Municipal police supplemental pay | 36,000 | 36,000 | 38,983 | 2,983 | 34,750 |
| Beer taxes | 5,000 | 5,500 | 5,259 | (241) | 5,161 |
| Grass cutting | 5,500 | 5,500 | 2,700 | (2,800) | 8,100 |
| Video poker revenue | 610,000 | 1,050,000 | 1,044,580 | (5,420) | 702,112 |
| Total intergovernmental | <u>1,124,500</u> | <u>1,107,000</u> | <u>1,195,039</u> | <u>88,039</u> | <u>842,424</u> |
| Fines and forfeits | <u>195,000</u> | <u>230,000</u> | <u>234,551</u> | <u>4,551</u> | <u>192,763</u> |
| Miscellaneous: | | | | | |
| Interest income | 3,800 | 125 | 138 | 13 | 1,317 |
| Rent income | 10,000 | 6,500 | 5,445 | (1,055) | 5,940 |
| Other sources | 55,500 | 186,100 | 73,495 | (112,605) | 30,715 |
| Total miscellaneous | <u>69,300</u> | <u>192,725</u> | <u>79,078</u> | <u>(113,647)</u> | <u>37,972</u> |
| Total revenues | <u>\$ 1,691,300</u> | <u>\$ 1,862,225</u> | <u>\$ 1,826,953</u> | <u>\$ (35,272)</u> | <u>\$ 1,344,485</u> |

TOWN OF DUSON, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2021
With Actual Amounts for the Year Ended 2020

| | 2021 | | | Variance with Final Budget Positive (Negative) | 2020 |
|-----------------------------|----------------|----------------|----------------|---|----------------|
| | Budget | | Actual | | |
| | Original | Final | | | |
| Current: | | | | | |
| General government - | | | | | |
| Salaries | \$ 216,000 | \$ 215,000 | \$ 201,946 | \$ 13,054 | \$ 201,395 |
| Payroll taxes | 17,000 | 17,000 | 16,340 | 660 | 16,164 |
| Retirement | 25,000 | 25,000 | 24,580 | 420 | 23,597 |
| General insurance | 25,000 | 28,000 | 33,873 | (5,873) | 27,666 |
| Group health insurance | 14,200 | 14,200 | 14,298 | (98) | 13,845 |
| Utilities | 13,450 | 13,450 | 11,152 | 2,298 | 10,164 |
| Telephone | 9,000 | 9,000 | 7,406 | 1,594 | 5,429 |
| Meetings and conventions | 900 | 900 | 300 | 600 | 1,026 |
| Meals, lodging and travel | 200 | 375 | 372 | 3 | - |
| Advertising | 7,000 | 5,000 | 2,681 | 2,319 | 5,275 |
| Building permits | 10,000 | 57,000 | 56,030 | 970 | 6,089 |
| Computer services | 3,500 | 12,500 | 12,817 | (317) | 5,864 |
| Repairs and maintenance | 5,000 | 36,000 | 11,914 | 24,086 | 4,535 |
| Auto expenditures | 1,500 | 1,500 | 8,664 | (7,164) | 6,546 |
| Professional fees | 68,000 | 74,200 | 69,598 | 4,602 | 63,810 |
| Office expenditures | 7,500 | 8,400 | 9,084 | (684) | 11,034 |
| Uniforms | 750 | 950 | 1,093 | (143) | - |
| Miscellaneous | 9,850 | 11,900 | 11,413 | 487 | 20,666 |
| Total general government | <u>433,850</u> | <u>530,375</u> | <u>493,561</u> | <u>36,814</u> | <u>423,105</u> |
| Public safety - | | | | | |
| Police: | | | | | |
| Salaries | 392,400 | 425,000 | 449,067 | (24,067) | 409,603 |
| Payroll taxes | 38,000 | 37,000 | 35,329 | 1,671 | 33,414 |
| Retirement | 61,000 | 68,500 | 65,650 | 2,850 | 57,416 |
| General insurance | 45,000 | 56,000 | 63,274 | (7,274) | 52,340 |
| Group health insurance | 47,500 | 43,000 | 41,199 | 1,801 | 35,473 |
| Computer services | 5,000 | 6,500 | 7,430 | (930) | 24,183 |
| Repairs and maintenance | 2,500 | 1,500 | 11,709 | (10,209) | 9,478 |
| Professional fees | 15,000 | 13,000 | 8,275 | 4,725 | 11,944 |
| Supplies | 13,500 | 17,500 | 17,028 | 472 | 8,116 |
| Utilities | 9,500 | 9,500 | 8,859 | 641 | 7,172 |
| Telephone | 20,000 | 25,000 | 24,260 | 740 | 26,235 |
| Auto expenditures | 45,000 | 70,000 | 53,873 | 16,127 | 39,368 |
| Office supplies | 4,500 | 4,700 | 2,982 | 1,718 | 2,057 |
| Uniforms | 6,500 | 8,000 | 7,954 | 46 | 6,538 |
| Training and education | 2,000 | 500 | 360 | 140 | - |
| Miscellaneous | 23,850 | 59,900 | 44,648 | 15,252 | 22,056 |
| Total police | <u>731,250</u> | <u>845,600</u> | <u>841,897</u> | <u>3,703</u> | <u>745,393</u> |

(continued)

TOWN OF DUSON, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended December 31, 2021
With Actual Amounts for the Year Ended 2020

| | 2021 | | | Variance with Final Budget Positive (Negative) | 2020 |
|---------------------------------|----------------|----------------|----------------|---|----------------|
| | Budget | | Actual | | |
| | Original | Final | | | |
| Fire - | | | | | |
| General insurance | 15,000 | 16,500 | 16,018 | 482 | 16,645 |
| Utilities | 8,800 | 9,500 | 8,949 | 551 | 7,484 |
| Telephone | 6,000 | 7,000 | 6,709 | 291 | 6,843 |
| Supplies and materials | 500 | - | - | - | - |
| Volunteer fire department | <u>28,000</u> | <u>31,500</u> | <u>30,754</u> | <u>746</u> | <u>24,840</u> |
| Total fire | <u>58,300</u> | <u>64,500</u> | <u>62,430</u> | <u>2,070</u> | <u>55,812</u> |
| | | | | | |
| Total public safety | <u>789,550</u> | <u>910,100</u> | <u>904,327</u> | <u>5,773</u> | <u>801,205</u> |
| | | | | | |
| Streets - | | | | | |
| Salaries | 96,000 | 100,500 | 86,599 | 13,901 | 79,468 |
| Payroll taxes | 8,500 | 7,500 | 6,945 | 555 | 6,777 |
| Retirement | 13,000 | 13,300 | 12,594 | 706 | 11,089 |
| General insurance | 24,000 | 24,000 | 28,476 | (4,476) | 25,850 |
| Group health insurance | 15,000 | 18,000 | 18,089 | (89) | 16,386 |
| Professional services | 5,000 | 33,000 | 6,819 | 26,181 | 34,110 |
| Supplies, materials and repairs | 13,000 | 10,400 | 12,391 | (1,991) | 28,114 |
| Auto and truck expenditures | 23,000 | 43,000 | 21,980 | 21,020 | 15,094 |
| Utilities | 33,000 | 38,000 | 37,985 | 15 | 29,418 |
| Telephone | 3,500 | 5,400 | 5,237 | 163 | 5,094 |
| Office expenditures | 1,000 | 1,050 | 749 | 301 | 823 |
| Rentals | 4,000 | 4,000 | 42,098 | (38,098) | 42,875 |
| Miscellaneous | 1,500 | 3,000 | 2,561 | 439 | 1,896 |
| Contract labor | <u>52,000</u> | <u>86,000</u> | <u>81,541</u> | <u>4,459</u> | <u>84,960</u> |
| Total streets | <u>292,500</u> | <u>387,150</u> | <u>364,064</u> | <u>23,086</u> | <u>381,954</u> |
| | | | | | |
| Parks and recreation - | | | | | |
| General insurance | 350 | 350 | 661 | (311) | 241 |
| Utilities | 250 | 850 | 1,170 | (320) | 70 |
| Repairs and maintenance | 200 | 125 | 70 | 55 | - |
| Miscellaneous | - | - | 59 | (59) | - |
| Total parks and recreation | <u>800</u> | <u>1,325</u> | <u>1,960</u> | <u>(635)</u> | <u>311</u> |

(continued)

TOWN OF DUSON, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended December 31, 2021
With Actual Amounts for the Year Ended 2020

| | 2021 | | | Variance with Final Budget Positive (Negative) | 2020 |
|-------------------------|---------------------|---------------------|---------------------|---|---------------------|
| | Original Budget | Final Budget | Actual | | |
| Community Center - | | | | | |
| General insurance | 9,000 | 9,000 | - | 9,000 | 9,055 |
| Supplies and materials | 1,000 | 22,000 | 20,369 | 1,631 | 11,269 |
| Repairs and maintenance | - | - | - | - | 180 |
| Contract labor | 500 | - | - | - | - |
| Utilities | 9,000 | 9,000 | 7,896 | 1,104 | 7,825 |
| Total Community Center | <u>19,500</u> | <u>40,000</u> | <u>28,265</u> | <u>11,735</u> | <u>28,329</u> |
| Capital outlay: | | | | | |
| Administration | - | - | 23,211 | (23,211) | - |
| Police | 17,000 | 76,700 | 79,042 | (2,342) | 9,442 |
| Streets | 495,000 | 95,000 | 41,867 | 53,133 | 26,481 |
| Park and recreation | - | 110,602 | - | 110,602 | - |
| Total capital outlay | <u>512,000</u> | <u>282,302</u> | <u>144,120</u> | <u>138,182</u> | <u>35,923</u> |
| Debt service: | | | | | |
| Principal retirement | - | - | 27,160 | (27,160) | 25,466 |
| Interest | - | - | 2,357 | (2,357) | 4,051 |
| Total debt service | <u>-</u> | <u>-</u> | <u>29,517</u> | <u>(29,517)</u> | <u>29,517</u> |
| Total expenditures | <u>\$ 2,048,200</u> | <u>\$ 2,151,252</u> | <u>\$ 1,965,814</u> | <u>\$ 185,438</u> | <u>\$ 1,700,344</u> |

TOWN OF DUSON, LOUISIANA
1969 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2021
With Actual Amounts for the Year Ended 2020

| | 2021 | | Actual | Variance with Final Budget Positive (Negative) | 2020 |
|---|-------------------|-------------------|-------------------|---|-------------------|
| | Budget | | | | |
| | Original | Final | | | |
| Revenues: | | | | | |
| Sales taxes | \$ 340,000 | \$ 428,790 | \$ 436,492 | \$ 7,702 | \$ 352,535 |
| Miscellaneous | 500 | 14 | 9 | (5) | 174 |
| Total revenues | <u>340,500</u> | <u>428,804</u> | <u>436,501</u> | <u>7,697</u> | <u>352,709</u> |
| Expenditures: | | | | | |
| General government - | | | | | |
| Collection fees | 2,800 | 2,471 | 2,510 | (39) | 2,634 |
| Professional fees | 8,200 | 7,280 | 7,280 | - | 7,980 |
| Total general government | <u>11,000</u> | <u>9,751</u> | <u>9,790</u> | <u>(39)</u> | <u>10,614</u> |
| Excess of revenues over expenditures | <u>329,500</u> | <u>419,053</u> | <u>426,711</u> | <u>7,658</u> | <u>342,095</u> |
| Other financing sources (uses): | | | | | |
| Transfer from 1983 Sales Tax Fund | - | - | - | - | 50,000 |
| Transfer to General Fund | (185,000) | (150,000) | (21,174) | 128,826 | (235,000) |
| Transfer to Utility Fund | (140,000) | (183,426) | (183,311) | 115 | (123,311) |
| Total other financing sources (uses) | <u>(325,000)</u> | <u>(333,426)</u> | <u>(204,485)</u> | <u>128,941</u> | <u>(308,311)</u> |
| Net change in fund balance | 4,500 | 85,627 | 222,226 | 136,599 | 33,784 |
| Fund balance, beginning | <u>182,633</u> | <u>182,633</u> | <u>182,633</u> | <u>-</u> | <u>148,849</u> |
| Fund balance, ending | <u>\$ 187,133</u> | <u>\$ 268,260</u> | <u>\$ 404,859</u> | <u>\$ 136,599</u> | <u>\$ 182,633</u> |

TOWN OF DUSON, LOUISIANA
1983 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2021
With Actual Amounts for the Year Ended 2020

| | 2021 | | | Variance with Final Budget Positive (Negative) | 2020 |
|---|-------------------|-------------------|-------------------|---|-------------------|
| | Budget | | Actual | | |
| | Original | Final | | | |
| Revenues: | | | | | |
| Sales taxes | \$ 340,000 | \$ 428,790 | \$ 436,492 | \$ 7,702 | \$ 352,535 |
| Miscellaneous | 500 | 9 | 9 | - | 106 |
| Total revenues | <u>340,500</u> | <u>428,799</u> | <u>436,501</u> | <u>7,702</u> | <u>352,641</u> |
| Expenditures: | | | | | |
| General government - | | | | | |
| Collection fees | 2,800 | 2,472 | 2,513 | (41) | 2,635 |
| Professional fees | 8,200 | 7,280 | 7,279 | 1 | 7,980 |
| Total general government | <u>11,000</u> | <u>9,752</u> | <u>9,792</u> | <u>(40)</u> | <u>10,615</u> |
| Excess of revenues over expenditures | <u>329,500</u> | <u>419,047</u> | <u>426,709</u> | <u>7,662</u> | <u>342,026</u> |
| Other financing uses: | | | | | |
| Transfer to General Fund | (210,000) | (150,000) | (150,000) | - | (215,000) |
| Transfer to 1969 Sales Tax Fund | - | - | - | - | (50,000) |
| Transfer to Utility Fund | (115,000) | (85,000) | (85,000) | - | (85,000) |
| Total other financing uses | <u>(325,000)</u> | <u>(235,000)</u> | <u>(235,000)</u> | <u>-</u> | <u>(350,000)</u> |
| Net change in fund balance | 4,500 | 184,047 | 191,709 | 7,662 | (7,974) |
| Fund balance, beginning | <u>231,733</u> | <u>231,733</u> | <u>231,733</u> | <u>-</u> | <u>239,707</u> |
| Fund balance, ending | <u>\$ 236,233</u> | <u>\$ 415,780</u> | <u>\$ 423,442</u> | <u>\$ 7,662</u> | <u>\$ 231,733</u> |

TOWN OF DUSON, LOUISIANA
2018 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2021
With Actual Amounts for the Year Ended 2020

| | 2021 | | | Variance with Final Budget Positive (Negative) | 2020 |
|---|------------------|------------------|-------------------|---|------------------|
| | Budget | | Actual | | |
| | Original | Final | | | |
| Revenues: | | | | | |
| Sales taxes | \$ 340,000 | \$ 430,319 | \$ 439,279 | \$ 8,960 | \$ 360,235 |
| Miscellaneous | 500 | 347 | 361 | 14 | 391 |
| Total revenues | <u>340,500</u> | <u>430,666</u> | <u>439,640</u> | <u>8,974</u> | <u>360,626</u> |
| Expenditures: | | | | | |
| General government - | | | | | |
| Collection fees | 2,800 | 2,488 | 2,535 | (47) | 2,491 |
| Professional fees | 8,200 | 30 | 30 | - | 30 |
| Miscellaneous | - | - | - | - | 315 |
| Total general government | <u>11,000</u> | <u>2,518</u> | <u>2,565</u> | <u>(47)</u> | <u>2,836</u> |
| Excess of revenues over expenditures | <u>329,500</u> | <u>428,148</u> | <u>437,075</u> | <u>8,927</u> | <u>357,790</u> |
| Other financing uses: | | | | | |
| Transfer to General Fund | (9,000) | - | - | - | (7,980) |
| Transfer to Debt Service Fund | (320,000) | (412,959) | (45,397) | 367,562 | (344,588) |
| Total other financing uses | <u>(329,000)</u> | <u>(412,959)</u> | <u>(45,397)</u> | <u>367,562</u> | <u>(352,568)</u> |
| Net change in fund balance | 500 | 15,189 | 391,678 | 376,489 | 5,222 |
| Fund balance, beginning | <u>30,569</u> | <u>30,569</u> | <u>30,569</u> | - | <u>25,347</u> |
| Fund balance, ending | <u>\$ 31,069</u> | <u>\$ 45,758</u> | <u>\$ 422,247</u> | <u>\$ 376,489</u> | <u>\$ 30,569</u> |

TOWN OF DUSON, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Net Position
December 31, 2021 and 2020

| | 2021 | 2020 |
|---|-------------|-------------|
| ASSETS | | |
| Current assets: | | |
| Cash and interest-bearing deposits | \$ 457,079 | \$ 265,299 |
| Investments | 1,172 | 1,139 |
| Receivables: | | |
| Accounts receivable, net | 36,317 | 38,314 |
| Unbilled utility receivables | 41,812 | 33,904 |
| Due from other funds | 95,164 | 100,629 |
| Due from other governmental units | 46,123 | 16,409 |
| Prepaid items | 9,822 | 20,513 |
| Total current assets | 687,489 | 476,207 |
| Noncurrent assets: | | |
| Restricted assets - | | |
| Cash and interest-bearing deposits | 303,693 | 287,833 |
| Investments | 27,836 | 27,827 |
| Capital assets: | | |
| Land and construction in progress | 351,890 | 63,130 |
| Other capital assets, net of accumulated depreciation | 3,884,012 | 4,131,927 |
| Total noncurrent assets | 4,567,431 | 4,510,717 |
| Total assets | 5,254,920 | 4,986,924 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred outflows related to pensions | 25,104 | 35,348 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts and other payables | 100,164 | 19,818 |
| Retainage payable | 24,150 | - |
| Capital lease payable | 13,694 | 13,176 |
| Due to other funds | 65,132 | 44,116 |
| Payable from restricted assets - | | |
| Customers' deposits | 85,396 | 77,470 |
| Revenue bonds payable | 28,653 | 27,394 |
| Interest payable | 2,434 | 2,497 |
| Total current liabilities | 319,623 | 184,471 |
| Compensated absences payable | 9,533 | 7,548 |
| Net pension liability | 109,669 | 168,547 |
| Capital lease payable | 161,877 | 175,572 |
| Revenue bonds payable | 1,030,477 | 1,059,130 |
| Total noncurrent liabilities | 1,311,556 | 1,410,797 |
| Total liabilities | 1,631,179 | 1,595,268 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred inflows related to pensions | 40,057 | 5,351 |
| NET POSITION | | |
| Net investment in capital assets | 2,977,051 | 2,963,588 |
| Restricted for debt service | 215,046 | 208,299 |
| Unrestricted | 416,691 | 249,766 |
| Total net position | \$3,608,788 | \$3,421,653 |

TOWN OF DUSON, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Revenues, Expenses, and Changes in Net Position -
Years Ended December 31, 2021 and 2020

| | Total | |
|---|--------------------|---------------------|
| | <u>2021</u> | <u>2020</u> |
| Operating revenues: | | |
| Customer service charges | \$ 769,711 | \$ 617,425 |
| Operating expenses: | | |
| Salaries | 193,513 | 173,249 |
| Payroll taxes | 14,615 | 14,503 |
| Retirement | 19,518 | 26,468 |
| Maintenance and repairs | 82,979 | 99,529 |
| Professional fees | 45,385 | 20,465 |
| Utilities and telephone | 53,548 | 44,108 |
| General insurance | 35,821 | 39,205 |
| Group health insurance | 35,975 | 26,183 |
| Office expense | 4,262 | 4,765 |
| Supplies and parts | 89,402 | 36,910 |
| Garbage collection fees | 98,549 | 94,685 |
| Auto and truck expense | 4,837 | 5,860 |
| Bad debts expense | 4,366 | 4,097 |
| Depreciation expense | 278,470 | 280,150 |
| Dues and fees | 1,440 | 4,836 |
| Contract services | 48,759 | 31,429 |
| Meals, lodging and travel | 286 | 757 |
| Miscellaneous | 20,574 | 15,330 |
| Allocation of general and administrative expenses | - | - |
| Total operating expenses | <u>1,032,299</u> | <u>922,529</u> |
| Operating income (loss) | <u>(262,588)</u> | <u>(305,104)</u> |
| Nonoperating revenues (expenses): | | |
| Interest income | 401 | 678 |
| Interest expense | (55,334) | (57,038) |
| Non-employer contributions | 5,640 | 5,172 |
| Loss on disposal of capital assets | (6,174) | (20,329) |
| Total nonoperating revenues (expenses) | <u>(55,467)</u> | <u>(71,517)</u> |
| Loss before contributions and transfers | (318,055) | (376,621) |
| Capital contributions | 236,879 | 16,409 |
| Transfers in | <u>268,311</u> | <u>208,311</u> |
| Change in net position | 187,135 | (151,901) |
| Net position, beginning | <u>3,421,653</u> | <u>3,573,554</u> |
| Net position, ending | <u>\$3,608,788</u> | <u>\$ 3,421,653</u> |

| Water | | Sewerage | | Sanitation | | General Administration | |
|-------------|--------------|--------------|--------------|------------|------------|------------------------|----------|
| 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| \$ 392,490 | \$ 286,345 | \$ 249,797 | \$ 204,116 | \$ 127,424 | \$ 126,964 | \$ - | \$ - |
| 62,329 | 55,884 | 63,053 | 60,806 | - | - | 68,131 | 56,559 |
| 4,622 | 4,901 | 4,964 | 4,967 | - | - | 5,029 | 4,635 |
| 6,112 | 9,790 | 6,251 | 10,052 | - | - | 7,155 | 6,626 |
| 43,697 | 51,876 | 39,282 | 47,653 | - | - | - | - |
| 1,587 | 3,660 | 31,285 | 3,825 | - | - | 12,513 | 12,980 |
| 16,044 | 13,523 | 37,504 | 30,585 | - | - | - | - |
| 26,538 | 26,621 | 9,007 | 12,584 | - | - | 276 | - |
| 10,368 | 7,520 | 10,364 | 9,877 | - | - | 15,243 | 8,786 |
| 4,047 | 4,290 | 215 | 475 | - | - | - | - |
| 80,374 | 28,748 | 9,028 | 8,162 | - | - | - | - |
| - | - | - | - | 98,549 | 94,685 | - | - |
| 2,352 | 1,652 | 2,485 | 4,208 | - | - | - | - |
| 1,835 | 3,165 | 1,672 | - | 859 | 932 | - | - |
| 105,607 | 107,410 | 172,863 | 172,740 | - | - | - | - |
| 1,440 | 4,836 | - | - | - | - | - | - |
| 42,114 | 18,717 | 6,645 | 12,712 | - | - | - | - |
| 148 | 757 | 138 | - | - | - | - | - |
| 12,261 | 13,033 | 8,313 | 2,297 | - | - | - | - |
| 55,248 | 41,548 | 35,162 | 29,616 | 17,937 | 18,422 | (108,347) | (89,586) |
| 476,723 | 397,931 | 438,231 | 410,559 | 117,345 | 114,039 | - | - |
| \$ (84,233) | \$ (111,586) | \$ (188,434) | \$ (206,443) | \$ 10,079 | \$ 12,925 | \$ - | \$ - |

TOWN OF DUSON, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
December 31, 2021 and 2020

Records maintained by the Town indicated the following number of customers were being serviced during the months of December 31, 2021 and 2020:

| <u>Department</u> | <u>2021</u> | <u>2020</u> |
|-------------------|-------------|-------------|
| Water (metered) | 682 | 638 |
| Sewer | 572 | 567 |
| Sanitation | 519 | 517 |

TOWN OF DUSON, LOUISIANA

Schedule of Insurance in Force
(Unaudited)
December 31, 2021

| <u>Description of Coverage</u> | <u>Coverage Amounts</u> |
|--|-----------------------------------|
| Workmen's Compensation - Employer's liability | \$ 500,000 |
| Buildings and contents - Basic property coverage: Buildings and equipment | 4,212,476 |
| Automobile coverage - General liability, aggregate Auto liability, aggregate Physical damage coverage | 1,500,000 1,500,000 246,400 |
| Property coverage - Fire and light, extended coverage, vandalism and malicious mischief | 50,000 |
| Law enforcement and public officials liability (all coverage) | 1,000,000 |
| Surety bonds - Town Clerk Public employees' dishonesty bonds Police notary bonds - \$10,000 per officer | 80,000 202,000 10,000 |

TOWN OF DUSON, LOUISIANA
Justice System Funding Schedule - Collecting/Disbursing Entity
Year Ended December 31, 2021

| | First Six Month Period Ended <u>6/30/2021</u> | Second Six Month Period Ended <u>12/31/2021</u> |
|--|--|--|
| Beginning Balance of Amounts Collected | \$ 497 | \$ 3,437 |
| Add: Collections - | | |
| Civil Fees | - | - |
| Bond Fees | 300 | 2,500 |
| Asset Forfeiture/Sale | - | - |
| Pre-Trial Diversion Program Fees | - | - |
| Criminal Court Costs/Fees | 22,006 | 19,694 |
| Criminal Fines - Contempt | - | - |
| Criminal Fines - Other | 135,638 | 95,615 |
| Restitution | - | - |
| Probation/Parole/Supervision Fees | - | - |
| Service/Collection Fees | - | - |
| Interest Earnings on Collected Balances | - | - |
| Other | - | - |
| Subtotal Collections | <u>157,944</u> | <u>117,809</u> |
| Less: Disbursements to Governments and Nonprofits - | | |
| Acadiana Criminalistics Lab - Criminal Fines | 16,440 | 18,350 |
| Louisiana Commission on Law Enforcement - Criminal Fines | 2,323 | 1,335 |
| Louisiana State Treasurer CMIS - Criminal Fines | 573 | 647 |
| Louisiana Supreme Court - Criminal Fines | 287 | 376 |
| Less: Amounts Retained by Collecting Agency | | |
| Amounts "Self-Disbursed" to Collecting Agency - Criminal Fines Other | 135,344 | 99,179 |
| Less: Disbursements to Individuals/3rd Party Collection or | | |
| Other Disbursements to Individuals | <u>37</u> | <u>-</u> |
| Subtotal Disbursements/Retainage | <u>155,004</u> | <u>119,887</u> |
| Ending Balance of Amounts Collected but not Disbursed/Retained | <u>\$ 3,437</u> | <u>\$ 1,359</u> |

INTERNAL CONTROL, COMPLIANCE

AND

OTHER MATTERS

KOLDER, SLAVEN & COMPANY, LLC

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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 Johnny Thibodeaux, Mayor
and members of the Board of Aldermen
Town of Duson, 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 Duson, Louisiana (the Town) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated June 10, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan, we identified items 2021-001 and 2021-002 as deficiencies in internal control that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Town of Duson, Louisiana's Response to Findings

The Town's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This report is intended 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 Town'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. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 10, 2022

TOWN OF DUSON, LOUISIANA

Summary Schedule of Current and Prior Year Findings
And Management's Corrective Action Plan (Continued)

Part I. Current Year Findings and Management's Corrective Action Plan

A. Internal Control Findings -

2021-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: 2007

CONDITION: The Town did not have adequate segregation of functions within the accounting system.

CRITERIA: The Town should have a control policy according to which no person should be given responsibility for more than one related function.

CAUSE: Due to the size of the Town, there are a small number of available employees.

EFFECT: The Town has employees that are performing more than one related function.

RECOMMENDATION: The Town should establish and monitor mitigating controls over functions that are not completely segregated.

MANAGEMENT'S CORRECTION ACTION PLAN: Due to the size of the operations and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

2021-002 Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: 2021

CONDITION: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities in the financial statement preparation process.

CRITERIA: The Town's internal control over financial reporting includes those policies and procedures that pertain to its ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statement, including the ability of its management and staff to detect potential misstatements that may exist in the financial statements and related disclosures.

CAUSE: The Town does not have personnel with the necessary qualifications to perform this function.

EFFECT: Financial statements and related supporting transactions may reflect a material departure from generally accepted accounting principles.

RECOMMENDATION: The Town should either hire the personnel needed or outsource this task to ensure the financial statements and transactions are in accordance with GAAP.

TOWN OF DUSON, LOUISIANA

Summary Schedule of Current and Prior Year Findings
And Management's Corrective Action Plan (Continued)

MANAGEMENT'S CORRECTION ACTION PLAN: The Town has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP and determined that it is in the best interests of the Town to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

B. Compliance Findings –

There are no findings to report under this section.

Part II. Prior Year Findings

A. Internal Control Findings -

2020-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: 2007

CONDITION: The Town did not have adequate segregation of functions within the accounting system.

RECOMMENDATION: The Town should establish and monitor mitigating controls over functions that are not completely segregated.

CURRENT STATUS: Unresolved. See finding 2021-001.

B. Compliance Findings -

There are no findings to report under this section.

TOWN OF DUSON
Duson, Louisiana

Agreed-Upon Procedures Report

Year Ended December 31, 2021

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Town of Duson
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Town of Duson (the Town) management is responsible for those C/C areas identified in the SAUPs.

The Town has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the Town's written policies and procedures and observed that they address each of the following categories and subcategories if applicable to public funds and the Town's operations:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Board or Finance Committee

- 2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) Observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
 - c) Obtained the prior year audit report and observed the unassigned fund balance in the General Fund. If the General Fund had a negative ending unassigned fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the General Fund.

Bank Reconciliations

3. We obtained a listing of the Town's bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the Town's main operating account. We selected the Town's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for selected accounts, and observed that:
 - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding electronic fund transfers)

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed the bond or insurance policy for theft was enforced during the fiscal period.

7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* We obtained supporting documentation for each of the 10 deposits and:
 - a) Observed that receipts are sequentially pre-numbered.
 - b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Traced the deposit slip total to the actual deposit per the bank statement.
 - d) Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Traced the actual deposit per the bank statement to the general ledger.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing was complete. We randomly selected 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and we observed that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, we obtained the Town's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and we obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, we obtained supporting documentation for each transaction and:
 - a) We observed whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) We observed that the disbursement documentation includes evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.

12. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, we randomly selected one monthly bank statement), we obtained supporting documentation, and:
 - a) We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) We observed that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, we observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, we described the nature of the transaction and noted whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. We obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. We randomly selected 5 reimbursements, we obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, we observed the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) We observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

15. We obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* We obtained management's representation that the listing is complete. We randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) We observed that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

- c) If the contract was amended (e.g., change order), we observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
- d) We randomly selected one payment from the fiscal period for each of the 5 contracts, we obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

- 16. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees/officials, we obtained related paid salaries and personnel files, and we agreed paid salaries to authorized salaries/pay rates in the personnel files.
- 17. We randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, we obtained attendance records and leave documentation for the pay period, and:
 - a) We observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) We observed that supervisors approved the attendance and leave of the selected employees/officials.
 - c) We observed that any leave accrued or taken during the pay period is reflected in the Town's cumulative leave records.
 - d) We observed the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- 18. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. We randomly selected two employees/officials, we obtained related documentation of the hours and pay rates used in management's termination payment calculations and the Town's policy on termination payments. We agreed the hours to the employee or officials' cumulate leave records, agreed the pay rates to the employee/officials' authorized pay rates in the employee or officials' personnel files, and agreed the termination payment to entity policy.
- 19. We obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Ethics

- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained ethics documentation from management, and:
 - a) We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) We observed whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Debt Service

21. We obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. We selected all debt instruments on the listing, obtained supporting documentation, and observed State Bond Commission approval was obtained for each debt instrument issued.
22. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Fraud Notice

23. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing was complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the Town reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Town is domiciled.
24. Observed that the Town has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Information Technology Disaster Recovery/Business Continuity

25. We performed the following procedures, verbally discussed the results with management, and reported "We performed the procedure and discussed the results with management."
 - a) We obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observed that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), we observed evidence that backups are encrypted before being transported.
 - b) We obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
 - c) We obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. We randomly selected 5 computers and observed while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained sexual harassment training documentation from management, and observed the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. We observed the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

28. We obtained the entity's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Exceptions:

No exceptions were found as a result of applying the procedures listed above except:

Written Policies and Procedures

1. The Town's written policies and procedures do not include sufficient information regarding how vendors are added to the vendor list.

Management's response:

The Town will update the written policies and procedures to include sufficient information regarding how vendors are added to the vendor list.

2. The Town's written policies and procedures do not include sufficient information for ethics including: (a) system to monitor possible ethics violations (b) requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Management's response:

The Town will update written policies and procedures to include sufficient information for ethics including: (a) system to monitor possible ethics violations and (b) requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

3. The Town's written policies and procedures do not include sufficient information regarding information technology disaster recovery/business continuity, which includes: (a) identification of critical data and frequency of data backups (b) storage backups in a separate physical location isolated from the network (c) periodic testing/verification that backups can be restored (d) use of antivirus software on all systems (e) timely application of all available systems and software patches/updates and (f) identification of personnel, processes, and tools needed to recover operations after a critical event.

Management's response: The Town will establish written policies and procedures to include information regarding information technology disaster recovery/business continuity, which includes: (a) identification of critical data and frequency of data backups (b) storage backups in a separate physical location isolated from the network (c) periodic testing/verification that backups can be restored (d) use of antivirus software on all systems (e) timely application of all available systems and software patches/updates, and (f) identification of personnel, processes, and tools needed to recover operations after a critical event.

4. The Town's written policies and procedures do not include sufficient information for sexual harassment, including R.S. 42:342-344 requirements: (a) agency responsibilities and prohibitions (b) annual employee training, and (c) annual reporting.

Management's response: The Town will establish written policies and procedures to include sufficient information for sexual harassment, including R.S. 42:342-344 requirements: (a) agency responsibilities and prohibitions (b) annual employee training, and (c) annual reporting.

Bank Reconciliations

5. Of the 5 corresponding bank statements and reconciliations selected, 1 account did not have documentation to research reconciling items outstanding for more than 12 months from the statement closing date.

Management's response: Management will ensure that corresponding bank statements and reconciliations will include documentation to research reconciling items outstanding for more than 12 months from the statement closing date.

Fraud Notice

6. The Town does not have the notice required by RS 24:523.1 sign posted on the premises, or the link posted on their website.

Management's response: Management will ensure that the fraud notice sign is posted on the premises and the link is posted to their website.

Sexual Harassment

7. The Town does not have the sexual harassment policy and complaint procedures posted on the premises, or the link posted on their website.

Management's response: Management will ensure that the sexual harassment policy and complaint procedures are posted on the premises and the link is posted to their website.

We were engaged by the Town to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent from the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 27, 2022