

TOWN OF DUSON, LOUISIANA

Financial Report

Year Ended December 31, 2022

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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 the 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, 2022, 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, 2022, 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.

Change in Accounting Principle

As described in Note 21 to the financial statements, in 2022, the Town adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

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 comparative and combining statements on pages 54-55 and 63-65, LCDBG sewer improvement project schedule of net position and schedule of revenues, expenses, and change in net position on pages 66 and 67, and the justice system schedule on page 68 is presented for purposes of additional analysis and is not a required part of the financial statements. These statements 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 54-55, and pages 63-65 were derived from the Town's 2021 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the comparative budgetary statements on pages 56-62 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated June 28, 2023 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's 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 28, 2023

BASIC FINANCIAL STATEMENTS

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

TOWN OF DUSON, LOUISIANA

Statement of Net Position
December 31, 2022

ASSETS	Governmental Activities	Business-Type Activities	Total
Current assets:			
Cash and interest-bearing deposits	\$ 2,977,443	\$ 567,392	\$ 3,544,835
Investments	204,344	1,192	205,536
Receivables, net	139,437	120,781	260,218
Internal balances	1,350	(1,350)	-
Due from other governmental units	110,658	-	110,658
Total current assets	<u>3,433,232</u>	<u>688,015</u>	<u>4,121,247</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	-	314,589	314,589
Investments	-	28,306	28,306
Capital assets:			
Land and construction in progress	330,808	566,514	897,322
Capital assets, net	4,493,585	3,705,415	8,199,000
Total noncurrent assets	<u>4,824,393</u>	<u>4,614,824</u>	<u>9,439,217</u>
Total assets	<u>8,257,625</u>	<u>5,302,839</u>	<u>13,560,464</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>456,107</u>	<u>55,157</u>	<u>511,264</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	78,098	38,328	116,426
Unearned revenue	775,418	-	775,418
Notes payable	-	14,233	14,233
Customer deposits payable	-	88,635	88,635
Bonds payable	145,000	29,969	174,969
Retainage payable	20,156	41,961	62,117
Accrued interest	32,292	2,368	34,660
Total current liabilities	<u>1,050,964</u>	<u>215,494</u>	<u>1,266,458</u>
Noncurrent liabilities:			
Compensated absences payable	12,194	8,413	20,607
Net pension liability	1,074,566	179,272	1,253,838
Notes payable	-	147,644	147,644
Bonds payable	1,800,000	1,000,509	2,800,509
Total noncurrent liabilities	<u>2,886,760</u>	<u>1,335,838</u>	<u>4,222,598</u>
Total liabilities	<u>3,937,724</u>	<u>1,551,332</u>	<u>5,489,056</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	<u>39,839</u>	<u>796</u>	<u>40,635</u>
NET POSITION			
Net investment in capital assets	2,859,237	3,037,613	5,896,850
Restricted for debt service	41,874	221,923	263,797
Restricted for sales tax dedications	2,155,028	-	2,155,028
Unrestricted (deficit)	(319,970)	546,332	226,362
Total net position	<u>\$ 4,736,169</u>	<u>\$ 3,805,868</u>	<u>\$ 8,542,037</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, 2022

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	\$ 564,255	\$ 199,155	\$ -	\$ 179,060	\$ (186,040)	\$ -	\$ (186,040)
Public safety:							
Police	1,257,905	264,519	35,150	-	(958,236)	-	(958,236)
Fire	78,892	-	-	-	(78,892)	-	(78,892)
Streets	538,931	-	2,700	201,559	(334,672)	-	(334,672)
Parks and recreation	7,868	-	12,416	-	4,548	-	4,548
Community center	52,577	-	-	-	(52,577)	-	(52,577)
Interest on long-term debt	80,501	-	-	-	(80,501)	-	(80,501)
Total governmental activities	<u>2,580,929</u>	<u>463,674</u>	<u>50,266</u>	<u>380,619</u>	<u>(1,686,370)</u>	<u>-</u>	<u>(1,686,370)</u>
Business-type activities:							
Water	445,298	403,370	-	147,441	-	105,513	105,513
Sewer	495,345	309,673	-	-	-	(185,672)	(185,672)
Sanitation	117,252	126,369	-	-	-	9,117	9,117
Total business-type activities	<u>1,057,895</u>	<u>839,412</u>	<u>-</u>	<u>147,441</u>	<u>-</u>	<u>(71,042)</u>	<u>(71,042)</u>
Total	<u>\$ 3,638,824</u>	<u>\$ 1,303,086</u>	<u>\$ 50,266</u>	<u>\$ 528,060</u>	<u>(1,686,370)</u>	<u>(71,042)</u>	<u>(1,757,412)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					55,732	-	55,732
Sales and use taxes, levied for general purposes					1,605,884	-	1,605,884
Franchise taxes					100,830	-	100,830
Grants and contributions not restricted to specific programs -							
State sources					951,891	-	951,891
Non-employer contributions					26,785	6,751	33,536
Interest and investment earnings					1,719	1,060	2,779
Miscellaneous					65,228	-	65,228
Transfers					(260,311)	260,311	-
Total general revenues and transfers					<u>2,547,758</u>	<u>268,122</u>	<u>2,815,880</u>
Change in net position					861,388	197,080	1,058,468
Net position - January 1, 2022					<u>3,874,781</u>	<u>3,608,788</u>	<u>7,483,569</u>
Net position - December 31, 2022					<u>\$ 4,736,169</u>	<u>\$ 3,805,868</u>	<u>\$ 8,542,037</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

LCDBG Fund -

To account for the construction of projects provided by the Louisiana Community Development Block Grant.

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, 2022

	General	1969 Sales Tax Special Revenue	1983 Sales Tax Special Revenue	2018 Sales Tax Special Revenue	LCDBG	Other Governmental Funds	Total
ASSETS							
Cash and interest-bearing deposits	\$ 1,042,223	\$ 411,826	\$ 609,439	\$ 754,638	\$ -	\$ 159,317	\$ 2,977,443
Investments	193,606	10,738	-	-	-	-	204,344
Receivables:							
Taxes	30,866	35,646	35,646	35,892	-	977	139,027
Other	410	-	-	-	-	-	410
Due from other governmental units	90,502	-	-	-	20,156	-	110,658
Due from other funds	88,906	166,612	90,498	7,280	-	20,950	374,246
Total assets	<u>\$ 1,446,513</u>	<u>\$ 624,822</u>	<u>\$ 735,583</u>	<u>\$ 797,810</u>	<u>\$ 20,156</u>	<u>\$ 181,244</u>	<u>\$ 3,806,128</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 38,391	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,391
Retainage payable	-	-	-	-	20,156	-	20,156
Accrued liabilities	39,707	-	-	-	-	-	39,707
Unearned revenue	775,418	-	-	-	-	-	775,418
Due to other funds	262,631	25,359	84,906	-	-	-	372,896
Total liabilities	<u>1,116,147</u>	<u>25,359</u>	<u>84,906</u>	<u>-</u>	<u>20,156</u>	<u>-</u>	<u>1,246,568</u>
Fund balances:							
Restricted - sales tax dedications	-	599,463	650,677	723,644	-	181,244	2,155,028
Restricted - debt service	-	-	-	74,166	-	-	74,166
Unassigned	330,366	-	-	-	-	-	330,366
Total fund balances	<u>330,366</u>	<u>599,463</u>	<u>650,677</u>	<u>797,810</u>	<u>-</u>	<u>181,244</u>	<u>2,559,560</u>
Total liabilities and fund balances	<u>\$ 1,446,513</u>	<u>\$ 624,822</u>	<u>\$ 735,583</u>	<u>\$ 797,810</u>	<u>\$ 20,156</u>	<u>\$ 181,244</u>	<u>\$ 3,806,128</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, 2022

Total fund balances for governmental funds at December 31, 2022	\$2,559,560
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 governmental funds. Those assets consist of:	
Capital assets, net	4,824,393
The deferred outflows of expenditures for the various pensions are not a use of current resources and, therefore, are not reported in the governmental funds.	
	456,107
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, not reported in the governmental funds.	
Accrued interest	\$ (32,292)
Compensated absences payable	(12,194)
Bonds payable	(1,945,000)
Net pension liability	<u>(1,074,566)</u> (3,064,052)
The deferred inflows of contributions for the various pensions are not available resources and, therefore, are not reported in the governmental funds.	
	<u>(39,839)</u>
Total net position of governmental activities at December 31, 2022	<u>\$4,736,169</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, 2022

	General	1969 Sales Tax Special Revenue	1983 Sales Tax Special Revenue	2018 Sales Tax Special Revenue	LCDBG	Other Governmental Funds	Total
Revenues:							
Taxes	\$ 156,562	\$ 536,354	\$ 536,354	\$ 514,422	\$ -	\$ 18,754	\$ 1,762,446
Licenses and permits	199,155	-	-	-	-	-	199,155
Intergovernmental	1,181,217	-	-	-	201,559	-	1,382,776
Fines and forfeits	264,519	-	-	-	-	-	264,519
Miscellaneous	65,228	445	267	1,003	-	4	66,947
Total revenues	<u>1,866,681</u>	<u>536,799</u>	<u>536,621</u>	<u>515,425</u>	<u>201,559</u>	<u>18,758</u>	<u>3,675,843</u>
Expenditures:							
Current -							
General government	511,334	11,884	11,886	10,576	-	91	545,771
Public safety -							
Police	1,048,584	-	-	-	-	-	1,048,584
Fire	65,474	-	-	-	-	-	65,474
Streets	405,216	-	-	-	-	-	405,216
Parks and recreation	5,689	-	-	-	-	-	5,689
Community Center	28,443	-	-	-	-	-	28,443
Capital outlay	310,045	-	-	-	201,559	-	511,604
Debt service -							
Principal retirement	8,207	-	-	140,000	-	-	148,207
Interest	550	-	-	81,700	-	-	82,250
Total expenditures	<u>2,383,542</u>	<u>11,884</u>	<u>11,886</u>	<u>232,276</u>	<u>201,559</u>	<u>91</u>	<u>2,841,238</u>
Excess (deficiency) of revenues over expenditures	<u>(516,861)</u>	<u>524,915</u>	<u>524,735</u>	<u>283,149</u>	<u>-</u>	<u>18,667</u>	<u>834,605</u>
Other financing sources (uses):							
Transfers in	367,500	-	-	-	-	20,950	388,450
Transfers out	(20,089)	(330,311)	(297,500)	-	(860)	-	(648,760)
Total other financing sources (uses)	<u>347,411</u>	<u>(330,311)</u>	<u>(297,500)</u>	<u>-</u>	<u>(860)</u>	<u>20,950</u>	<u>(260,310)</u>
Net changes in fund balances	(169,450)	194,604	227,235	283,149	(860)	39,617	574,295
Fund balances, beginning	499,816	404,859	423,442	514,661	860	141,627	1,985,265
Fund balances, ending	<u>\$ 330,366</u>	<u>\$ 599,463</u>	<u>\$ 650,677</u>	<u>\$ 797,810</u>	<u>\$ -</u>	<u>\$ 181,244</u>	<u>\$ 2,559,560</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, 2022

Total net changes in fund balances for the year ended December 31, 2022 per statement of revenues, expenditures and changes in fund balances		\$ 574,295
The change in net position reported for governmental activities in the statement of activities is different because:		
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.		
Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balances	\$ 511,604	
Loss on disposal of capital assets	(14)	
Depreciation expense	<u>(238,266)</u>	273,324
Because some revenues are not considered measurable at year end, they are not considered "available" revenues in the governmental funds.		
Non-employer contributions		26,785
Proceeds from bonds are reported 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 are recorded as expenditures in the governmental funds but reduce the liability in the the statement of net position.		
Principal payments		148,207
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.		
Increase in compensated absences payable	3,088	
Decrease in accrued interest	1,749	
Increase in net pension liabilities and related deferrals	<u>(166,060)</u>	<u>(161,223)</u>
Net change in net position for the year ended December 31, 2022 per statement of activities		<u>\$ 861,388</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, 2022

	<u>Utility Enterprise Fund</u>
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 567,392
Investments	1,192
Receivables:	
Accounts receivable, net	67,562
Unbilled utility receivables	53,219
Due from other funds	<u>81,676</u>
Total current assets	<u>771,041</u>
Noncurrent assets:	
Restricted assets -	
Cash and interest-bearing deposits	314,589
Investments	28,306
Capital assets -	
Land	566,514
Other capital assets, net	<u>3,705,415</u>
Total noncurrent assets	<u>4,614,824</u>
Total assets	<u>5,385,865</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>55,157</u>
LIABILITIES	
Current liabilities:	
Accounts and other payables	38,328
Retainage payable	41,961
Notes payable	14,233
Due to other funds	83,026
Payable from restricted assets -	
Customer deposits payable	88,635
Revenue bonds payable	29,969
Interest payable	<u>2,368</u>
Total current liabilities	<u>298,520</u>
Noncurrent liabilities:	
Compensated absences payable	8,413
Net pension liability	179,272
Notes payable	147,644
Revenue bonds payable	<u>1,000,509</u>
Total noncurrent liabilities	<u>1,335,838</u>
Total liabilities	<u>1,634,358</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>796</u>
NET POSITION	
Net investment in capital assets	3,037,613
Restricted for debt service	221,923
Unrestricted	<u>546,332</u>
Total net position	<u>\$ 3,805,868</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, 2022

	<u>Utility Enterprise Fund</u>
Operating revenues:	
Charges for services -	
Water charges	\$ 403,370
Sewer service charges	309,673
Sanitation charges	<u>126,369</u>
Total operating revenues	<u>839,412</u>
Operating expenses:	
Salaries	193,478
Payroll taxes	15,916
Retirement	35,971
General insurance	52,562
Auto and truck expense	7,539
Utilities and telephone	64,184
Maintenance and repairs	62,497
Supplies and parts	63,104
Office expense	7,352
Garbage collection fees	101,494
Bad debt expense	(19,415)
Depreciation expense	277,502
Dues and fees	3,005
Professional fees	29,580
Contract services	39,967
Group health insurance	38,148
Miscellaneous	<u>27,383</u>
Total operating expenses	<u>1,000,267</u>
Operating loss	<u>(160,855)</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, 2022

	<u>Utility Enterprise Fund</u>
Nonoperating revenues (expenses):	
Interest income	1,060
Interest expense	(57,628)
Non-employer contributions	<u>6,751</u>
Total nonoperating revenues (expenses)	<u>(49,817)</u>
Loss before contributions and transfers	(210,672)
Capital contributions	147,441
Transfers in	<u>260,311</u>
Change in net position	197,080
Net position, beginning	<u>3,608,788</u>
Net position, ending	<u>\$ 3,805,868</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, 2022

	Utility Enterprise Fund
Cash flows from operating activities:	
Receipts from customers	\$ 829,236
Payments to suppliers	(520,214)
Payments to employees	<u>(284,633)</u>
Net cash provided by operating activities	<u>24,389</u>
Cash flows from noncapital financing activities:	
Cash owed to other funds	(22,589)
Transfers from other funds	<u>260,311</u>
Net cash provided by noncapital financing activities	<u>237,722</u>
Cash flows from capital and related financing activities:	
Principal paid on bonds	(28,652)
Principal paid on notes payable	(13,694)
Interest paid on bonds and notes payable	(57,694)
Acquisition of property, plant and equipment	(234,996)
Proceeds from grants	<u>193,564</u>
Net cash used by capital and related financing activities	<u>(141,472)</u>
Cash flows from investing activities:	
Interest earned	<u>1,060</u>
Net cash provided by investing activities	<u>1,060</u>
Net increase in cash and cash equivalents	121,699
Cash and cash equivalents, beginning of period	<u>789,780</u>
Cash and cash equivalents, end of period	<u>\$ 911,479</u>

(continued)

TOWN OF DUSON, LOUISIANA

Statement of Cash Flows
 Proprietary Fund - (Continued)
 For the Year Ended December 31, 2022

	<u>Utility Enterprise Fund</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$(160,855)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	277,502
Pension expense	289
Bad debt recoveries	(19,415)
Changes in current assets and liabilities:	
Increase in accounts receivable	(11,830)
Increase in unbilled utility receivable	(11,407)
Decrease in prepaid items	9,822
Decrease in accounts payable	(61,836)
Increase in customer deposits	3,239
Decrease in compensated absences	<u>(1,120)</u>
Total adjustments	<u>185,244</u>
Net cash provided by operating activities	<u>\$ 24,389</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	\$ 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>
Cash and cash equivalents, end of period -	
Cash and interest-bearing deposits - unrestricted	567,392
Investments-unrestricted	1,192
Cash and interest-bearing deposits - restricted	314,589
Investments-restricted	<u>28,306</u>
Total cash and cash equivalents	<u>911,479</u>
Net increase	<u>\$ 121,699</u>

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

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements

(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. This fund is also 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.

LCDBG Fund -

The LCDBG Fund is used to account for the construction of projects provided by the Louisiana Community Development Block Grant.

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, 2022, 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 2022 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, 2022 was \$63,219. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month were \$53,219 at December 31, 2022.

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, 2022, employees of the Town have accumulated and vested \$20,607 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, 2022, 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, 2022, the Town reported \$2,418,825 of restricted net position, \$2,418,825 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

G. 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.

H. 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, 2022, taxes of 7.69 mills were levied on property with assessed valuations totaling \$8,513,328 and were dedicated for general corporate purposes.

Total taxes levied were \$65,468. Taxes receivable at December 31, 2022, are \$22,405.

(3) Sales and Use Tax

Proceeds of the 1969 1% sales and use tax levied by the Town were \$536,354 during the year ended December 31, 2022 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 \$536,354 during the year ended December 31, 2022 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 \$514,422 during the year ended December 31, 2022 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 \$18,754 during the year ended December 31, 2022 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, 2022, the Town had cash and interest-bearing deposits (book balances) as follows:

Demand deposits	\$3,840,475
Savings and money market accounts	<u>18,949</u>
Total	<u>\$3,859,424</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, 2022, are secured as follows:

Bank balances	<u>\$3,973,826</u>
Federal deposit insurance	\$ 268,949
Uninsured and uncollateralized	190,555
Pledged securities	<u>3,514,322</u>
Total	<u>\$3,973,826</u>

Deposits in the amount of \$3,514,322 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 had \$190,555 of deposits which were not secured by federal deposit insurance or pledged securities. The Town does not have a policy for custodial credit risk.

(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, 2022, investments in LAMP amounted to \$233,842. 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

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

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, 2022 consist of the following:

	General	1969	1983	2018	Other	Utility	Total
		Sales Tax	Sales Tax	Sales Tax	Governmental Funds		
Accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,562	\$ 67,562
Unbilled accounts	-	-	-	-	-	53,219	53,219
Taxes:							
Ad valorem	22,405	-	-	-	-	-	22,405
Sales tax	-	35,646	35,646	35,892	977	-	108,161
Franchise tax	8,461	-	-	-	-	-	8,461
Other	410	-	-	-	-	-	410
Totals	<u>\$31,276</u>	<u>\$35,646</u>	<u>\$35,646</u>	<u>\$35,892</u>	<u>\$ 977</u>	<u>\$ 120,781</u>	<u>\$260,218</u>

(7) Due from Other Governmental Units

Amounts due from other governmental units of at December 31, 2022 consisted of the following:

Governmental funds-	
State of Louisiana:	
Video poker	\$ 76,621
Grant reimbursements	13,881
	<u>\$ 90,502</u>

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

	<u>Balance</u> 01/01/22	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> 12/31/22
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 62,827	\$ -	\$ -	\$ 62,827
Construction in progress	13,738	254,243	-	267,981
Other capital assets:				
Buildings and improvements	1,378,340	2,100	-	1,380,440
Infrastructure	4,441,492	89,200	-	4,530,692
Equipment and vehicles	863,386	166,061	30,901	998,546
Totals	<u>6,759,783</u>	<u>511,604</u>	<u>30,901</u>	<u>7,240,486</u>
Less accumulated depreciation:				
Buildings and improvements	496,154	33,772	-	529,926
Infrastructure	1,072,839	126,336	-	1,199,175
Equipment and vehicles	639,721	78,158	30,887	686,992
Total accumulated depreciation	<u>2,208,714</u>	<u>238,266</u>	<u>30,887</u>	<u>2,416,093</u>
Governmental activities, capital assets, net	<u>\$ 4,551,069</u>	<u>\$ 273,338</u>	<u>\$ 14</u>	<u>\$ 4,824,393</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 63,130	\$ -	\$ -	\$ 63,130
Construction in progress	288,760	214,624	-	503,384
Other capital assets:				
Plant and equipment - water system	3,446,129	10,448	49,331	3,407,246
Plant and equipment - sewer system	6,141,839	88,457	-	6,230,296
Office equipment	30,046	-	-	30,046
Totals	<u>9,969,904</u>	<u>313,529</u>	<u>49,331</u>	<u>10,234,102</u>
Less accumulated depreciation:				
Plant and equipment - water system	2,333,530	105,982	49,331	2,390,181
Plant and equipment - sewer system	3,370,426	171,520	-	3,541,946
Office equipment	30,046	-	-	30,046
Total accumulated depreciation	<u>5,734,002</u>	<u>277,502</u>	<u>49,331</u>	<u>5,962,173</u>
Business-type activities, capital assets, net	<u>\$ 4,235,902</u>	<u>\$ 36,027</u>	<u>\$ -</u>	<u>\$ 4,271,929</u>

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 13,106
Police	55,025
Fire	13,418
Streets	130,404
Community center	24,134
Park and recreation	<u>2,179</u>
Total depreciation expense	<u>\$ 238,266</u>

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

Water	\$ 105,982
Sewerage	<u>171,520</u>
Total depreciation expense	<u>\$ 277,502</u>

(9) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at December 31, 2022:

Bond sinking fund	\$ 107,125
Bond reserve fund	59,188
Depreciation and contingency fund	87,947
Customers' deposits	<u>88,635</u>
Total restricted assets	<u>\$ 342,895</u>

(10) Accounts and Other Payables

The accounts and other payables of at December 31, 2022 consisted of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts	\$ 38,391	\$ 27,803	\$ 66,194
Payroll liabilities	<u>39,707</u>	<u>10,525</u>	<u>50,232</u>
Totals	<u>\$ 78,098</u>	<u>\$ 38,328</u>	<u>\$ 116,426</u>

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(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, 2022:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Long-term debt payable, January 1, 2022	\$2,093,207	\$ 1,234,701
Retirements	<u>(148,207)</u>	<u>(42,346)</u>
Long-term debt payable, December 31, 2022	<u>\$1,945,000</u>	<u>\$ 1,192,355</u>

Long-term debt payable at December 31, 2022 is comprised of the following:

	<u>Total</u>	<u>Current Portion</u>
Governmental Activities:		
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>\$ 1,945,000</u>	<u>\$ 145,000</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	\$ 1,030,478	\$ 29,969
Notes payable:		
\$230,511 equipment lease-purchase 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 \$181,907 at December 31, 2022	<u>161,877</u>	<u>14,233</u>
	<u>\$ 1,192,355</u>	<u>\$ 44,202</u>

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

The debt is due as follows:

Year ending December 31,	Governmental Activities		Business-Type Activities	
	Principal payments	Interest payments	Principal payments	Interest payments
2023	\$ 145,000	\$ 77,500	\$ 44,202	\$ 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	-	-	151,357	7,540
Total	<u>\$ 1,945,000</u>	<u>\$ 511,726</u>	<u>\$ 1,192,355</u>	<u>\$ 599,324</u>

(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.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

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, 2022.

(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 \$35,150 for the fiscal year ending December 31, 2022. 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.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

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%.

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, 2022 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%	15.50%	\$ 18,246	\$ 78,166
MPERS	10.00%	29.75%	15,290	70,287

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

Net Pension Liability

The Town’s net pension liability at December 31, 2022 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, 2022 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	\$ 551,275	0.627888%	-0.000952%
MPERS	<u>702,563</u>	0.068732%	0.021754%
Total	<u>\$ 1,253,838</u>		

Since the measurement date of the net pension liability was June 30, 2022, 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/>

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)

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:

	<u>MERS</u>	<u>MPERS</u>
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

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	0.000%	0.000%
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.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

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:

Asset Class	MERS*		MPERS*	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Equities	53%	2.31%	55.50%	3.60%
Fixed Income	38%	1.65%	30.50%	0.85%
Alternative Investments	9%	0.39%	14.00%	0.95%
Total	<u>100%</u>	4.35%	<u>100.00%</u>	5.40%
Inflation		2.60%		2.66%
Expected arithmetic nominal return		<u>6.95%</u>		<u>8.06%</u>

*Arithmetic real rates of return

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:

Plan	Current Discount Rate	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
MERS	6.850%	\$ 751,493	\$ 551,275	\$ 381,939
MPERS	6.750%	983,454	702,563	467,926
Total		<u>\$ 1,734,947</u>	<u>\$ 1,253,838</u>	<u>\$ 849,865</u>

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, 2022, the Town recognized \$98,232 and \$223,321 in pension expense related to MERS and MPERS, respectively.

At December 31, 2022, the Town reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	MERS	MPERS	Total
Changes of assumptions	\$ 5,894	\$ 24,235	\$ 30,129
Net difference between projected and actual earnings on pension plan investments	101,385	128,895	230,280
Change in proportion and differences between employer contributions and proportionate share of contributions	12,597	165,079	177,676
Employer contributions subsequent to the measurement date	38,370	34,809	73,179
Total	<u>\$158,246</u>	<u>\$353,018</u>	<u>\$ 511,264</u>

At December 31, 2022, the Town reported deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources		
	MERS	MPERS	Total
Differences between expected and actual experience	\$ 7,014	\$ 5,726	\$ 12,740
Changes in assumptions	-	5,226	5,226
Change in proportion and differences between employer contributions and proportionate share of contributions	-	22,669	22,669
Total	<u>\$ 7,014</u>	<u>\$ 33,621</u>	<u>\$ 40,635</u>

Deferred outflows of resources of \$73,179 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, 2022. 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
2023	\$ 36,411	\$ 105,754	\$ 142,165
2024	20,048	63,998	84,046
2025	10,930	49,046	59,976
2026	45,473	65,790	111,263
	<u>\$112,862</u>	<u>\$284,588</u>	<u>\$397,450</u>

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

Payables to the Pension Plans

At December 31, 2022, the Town's payables were \$6,368 and \$5,372 to MERS and MPERS, respectively for the month of December 2022, which were the contractually required contributions.

(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.

(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, 2022 was as follows:

	<u>Water Department</u>	<u>Sewerage Department</u>	<u>Sanitation Department</u>	<u>Total Enterprise Fund</u>
Operating revenues	\$ 403,370	\$ 309,673	\$ 126,369	\$ 839,412
Operating expenses:				
Depreciation	105,982	171,520	-	277,502
Other	<u>339,316</u>	<u>266,197</u>	<u>117,252</u>	<u>722,765</u>
Total operating expenses	<u>445,298</u>	<u>437,717</u>	<u>117,252</u>	<u>1,000,267</u>
Operating income (loss)	<u>\$ (41,928)</u>	<u>\$ (128,044)</u>	<u>\$ 9,117</u>	<u>\$ (160,855)</u>

(17) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended December 31, 2022 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) Pending Litigation

At December 31, 2022, the Town is not involved in any litigation.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(19) 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, 2022 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 47,018
Benefits - insurance	4,578
Benefits - retirement	7,288
	<u>\$ 58,884</u>

(20) Interfund Transactions

A. Interfund receivables and payables consisted of the following at December 31, 2022:

	<u>Receivable</u>	<u>Payable</u>
Major governmental funds:		
General Fund	\$ 88,906	\$ 262,631
1969 Sales Tax Special Revenue Fund	166,612	25,359
1983 Sales Tax Special Revenue Fund	90,498	84,906
2018 Sales Tax Special Revenue Fund	7,280	-
Other governmental funds	20,950	-
Enterprise fund - Utility Fund	<u>81,676</u>	<u>83,026</u>
Total	<u>\$ 455,922</u>	<u>\$ 455,922</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, 2022:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 367,500	\$ 20,090
1969 Sales Tax Special Revenue Fund	-	330,311
1983 Sales Tax Special Revenue Fund	-	297,500
LCDBG Fund	-	860
Other governmental funds	20,950	-
Enterprise fund - Utility Fund	<u>260,311</u>	<u>-</u>
Total	<u>\$ 648,761</u>	<u>\$ 648,761</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.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(21) New Accounting Pronouncement

In June of 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Town adopted this standard in the year ended December 31, 2022. The implementation of this standard had no material effect on the Town's financial statements for the year ended December 31, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF DUSON, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Taxes	\$ 144,500	\$ 154,500	\$ 156,562	\$ 2,062
Licenses and permits	165,000	170,000	199,155	29,155
Intergovernmental	806,500	1,163,703	1,181,217	17,514
Fines and forfeits	195,000	245,000	264,519	19,519
Miscellaneous	69,300	76,100	65,228	(10,872)
Total revenues	<u>1,380,300</u>	<u>1,809,303</u>	<u>1,866,681</u>	<u>57,378</u>
Expenditures:				
Current -				
General government	448,500	506,750	511,334	(4,584)
Public safety:				
Police	780,700	1,065,650	1,048,584	17,066
Fire	59,300	69,100	65,474	3,626
Streets	328,000	449,120	405,216	43,904
Parks and recreation	800	5,275	5,689	(414)
Community Center	21,000	28,000	28,443	(443)
Capital outlay	113,000	239,500	310,045	(70,545)
Debt service	-	9,000	8,757	243
Total expenditures	<u>1,751,300</u>	<u>2,372,395</u>	<u>2,383,542</u>	<u>(11,147)</u>
Excess (deficiency) of revenues over expenditures	<u>(371,000)</u>	<u>(563,092)</u>	<u>(516,861)</u>	<u>46,231</u>
Other financing sources (uses):				
Transfer in	395,000	395,000	367,500	(27,500)
Transfer out	-	-	(40,245)	(40,245)
Total other financing sources (uses)	<u>395,000</u>	<u>395,000</u>	<u>327,255</u>	<u>(67,745)</u>
Net change in fund balance	24,000	(168,092)	(189,606)	(21,514)
Fund balance, beginning	<u>499,816</u>	<u>499,816</u>	<u>499,816</u>	<u>-</u>
Fund balance, ending	<u>\$ 523,816</u>	<u>\$ 331,724</u>	<u>\$ 310,210</u>	<u>\$ (21,514)</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, 2022

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales taxes	\$ 345,000	\$ 532,001	\$ 536,354	\$ 4,353
Miscellaneous	<u>50</u>	<u>241</u>	<u>445</u>	<u>204</u>
Total revenues	<u>345,050</u>	<u>532,242</u>	<u>536,799</u>	<u>4,557</u>
Expenditures:				
General government -				
Collection fees	2,800	2,726	2,740	(14)
Professional fees	<u>8,200</u>	<u>9,145</u>	<u>9,144</u>	<u>1</u>
Total general government	<u>11,000</u>	<u>11,871</u>	<u>11,884</u>	<u>(13)</u>
Excess of revenues over expenditures	<u>334,050</u>	<u>520,371</u>	<u>524,915</u>	<u>4,544</u>
Other financing sources (uses):				
Transfer to General Fund	(185,000)	(185,000)	(185,000)	-
Transfer to Utility Fund	<u>(140,000)</u>	<u>(183,426)</u>	<u>(145,311)</u>	<u>38,115</u>
Total other financing sources (uses)	<u>(325,000)</u>	<u>(368,426)</u>	<u>(330,311)</u>	<u>38,115</u>
Net change in fund balance	9,050	151,945	194,604	42,659
Fund balance, beginning	<u>404,859</u>	<u>404,859</u>	<u>404,859</u>	<u>-</u>
Fund balance, ending	<u>\$ 413,909</u>	<u>\$ 556,804</u>	<u>\$ 599,463</u>	<u>\$ 42,659</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, 2022

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales taxes	\$ 345,000	\$ 532,001	\$ 536,354	\$ 4,353
Miscellaneous	<u>50</u>	<u>119</u>	<u>267</u>	<u>148</u>
Total revenues	<u>345,050</u>	<u>532,120</u>	<u>536,621</u>	<u>4,501</u>
Expenditures:				
General government -				
Collection fees	2,800	2,726	2,740	(14)
Professional fees	<u>8,200</u>	<u>9,145</u>	<u>9,146</u>	<u>(1)</u>
Total general government	<u>11,000</u>	<u>11,871</u>	<u>11,886</u>	<u>(15)</u>
Excess of revenues over expenditures	<u>334,050</u>	<u>520,249</u>	<u>524,735</u>	<u>4,486</u>
Other financing uses:				
Transfer to General Fund	(210,000)	(210,000)	(182,500)	27,500
Transfer to Utility Fund	<u>(115,000)</u>	<u>(85,000)</u>	<u>(115,000)</u>	<u>(30,000)</u>
Total other financing uses	<u>(325,000)</u>	<u>(295,000)</u>	<u>(297,500)</u>	<u>(2,500)</u>
Net change in fund balance	9,050	225,249	227,235	1,986
Fund balance, beginning	<u>423,442</u>	<u>423,442</u>	<u>423,442</u>	<u>-</u>
Fund balance, ending	<u>\$ 432,492</u>	<u>\$ 648,691</u>	<u>\$ 650,677</u>	<u>\$ 1,986</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, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Sales taxes	\$ 350,000	\$ 514,578	\$ 514,422	\$ (156)
Miscellaneous	350	5,650	1,003	(4,647)
Total revenues	<u>350,350</u>	<u>520,228</u>	<u>515,425</u>	<u>(4,803)</u>
Expenditures:				
General government -				
Collection fees	2,800	2,649	1,400	1,249
Professional fees	500	9,160	9,176	(16)
Total general government	<u>3,300</u>	<u>11,809</u>	<u>10,576</u>	<u>1,233</u>
Debt service -				
Bond payments	-	140,000	140,000	-
Interest expense	-	82,000	81,700	300
Total debt service	<u>-</u>	<u>222,000</u>	<u>221,700</u>	<u>300</u>
Excess of revenues over expenditures	<u>347,050</u>	<u>286,419</u>	<u>283,149</u>	<u>(3,570)</u>
Other financing uses:				
Transfer to General Fund	(9,000)	-	-	-
Transfer to Debt Service Fund	<u>(338,050)</u>	<u>(346,593)</u>	<u>-</u>	<u>346,593</u>
Total other financing uses	<u>(347,050)</u>	<u>(346,593)</u>	<u>-</u>	<u>346,593</u>
Net change in fund balance	-	(60,174)	283,149	343,023
Fund balance, beginning	<u>514,661</u>	<u>514,661</u>	<u>514,661</u>	<u>-</u>
Fund balance, ending	<u>\$ 514,661</u>	<u>\$ 454,487</u>	<u>\$ 797,810</u>	<u>\$ 343,023</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, 2022*

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	2022	0.627888%	\$ 551,275	\$504,797	109.2%	69.56%
	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	2022	0.068732%	702,563	198,891	353.2%	70.80%
	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, 2022

Plan	Year Ended December 31,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Employee Payroll
MERS	2022	\$78,166	\$78,166	-	\$ 504,297	15.50%
	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	2022	\$70,287	\$70,287	-	\$ 221,376	31.75%
	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, 2022, the following funds had actual expenditures over appropriations, at the functional level, as follows:

Fund/ Function	Budget	Actual	Excess
General Fund:			
General government	\$ 506,750	\$ 511,334	\$ (4,584)
Parks and recreation	5,275	5,689	(414)
Community center	28,000	28,443	(443)
Capital outlay	239,500	310,045	(70,545)
1969 Sales Tax Special Revenue Fund:			
General Government	11,871	11,884	(13)
1983 Sales Tax Special Revenue Fund:			
General Government	11,871	11,886	(15)

OTHER SUPPLEMENTARY INFORMATION

TOWN OF DUSON, LOUISIANA

Statement of Net Position
December 31, 2022
With Comparative Totals for December 31, 2021

	2022			2021
	Governmental Activities	Business-Type Activities	Total	Total
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 2,977,443	\$ 567,392	\$ 3,544,835	\$ 2,520,703
Investments	204,344	1,192	205,536	202,122
Receivables, net	139,437	120,781	260,218	206,825
Internal balances	1,350	(1,350)	-	-
Due from other governmental units	110,658	-	110,658	158,036
Prepaid items	-	-	-	16,344
Total current assets	<u>3,433,232</u>	<u>688,015</u>	<u>4,121,247</u>	<u>3,104,030</u>
Noncurrent assets:				
Restricted assets -				
Cash and interest-bearing deposits	-	314,589	314,589	303,693
Investments	-	28,306	28,306	27,836
Capital assets -				
Land and construction in progress	330,808	566,514	897,322	428,455
Capital assets, net	<u>4,493,585</u>	<u>3,705,415</u>	<u>8,199,000</u>	<u>8,358,516</u>
Total noncurrent assets	<u>4,824,393</u>	<u>4,614,824</u>	<u>9,439,217</u>	<u>9,118,500</u>
Total assets	<u>8,257,625</u>	<u>5,302,839</u>	<u>13,560,464</u>	<u>12,222,530</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	<u>456,107</u>	<u>55,157</u>	<u>511,264</u>	<u>248,842</u>
LIABILITIES				
Current liabilities:				
Accounts and other payables	78,098	38,328	116,426	145,240
Retainage payable	20,156	41,961	62,117	24,150
Unearned revenue	775,418	-	775,418	451,332
Note payable	-	14,233	14,233	21,901
Payable from restricted assets:				
Customer deposits payable	-	88,635	88,635	85,396
Revenue bonds payable	145,000	29,969	174,969	168,653
Accrued interest	<u>32,292</u>	<u>2,368</u>	<u>34,660</u>	<u>36,475</u>
Total current liabilities	<u>1,050,964</u>	<u>215,494</u>	<u>1,266,458</u>	<u>933,147</u>
Noncurrent liabilities:				
Compensated absences payable	12,194	8,413	20,607	24,815
Net pension liability	1,074,566	179,272	1,253,838	613,577
Note payable	-	147,644	147,644	161,877
Revenue bonds payable	<u>1,800,000</u>	<u>1,000,509</u>	<u>2,800,509</u>	<u>2,975,477</u>
Total noncurrent liabilities	<u>2,886,760</u>	<u>1,335,838</u>	<u>4,222,598</u>	<u>3,775,746</u>
Total liabilities	<u>3,937,724</u>	<u>1,551,332</u>	<u>5,489,056</u>	<u>4,708,893</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	<u>39,839</u>	<u>796</u>	<u>40,635</u>	<u>278,910</u>
NET POSITION				
Net investment in capital assets	2,859,237	3,037,613	5,896,850	5,434,913
Restricted for debt service	41,874	221,923	263,797	273,419
Restricted for sales tax dedication	2,155,028	-	2,155,028	1,392,175
Restricted for capital projects	-	-	-	860
Unrestricted (deficit)	<u>(319,970)</u>	<u>546,332</u>	<u>226,362</u>	<u>382,202</u>
Total net position	<u>\$ 4,736,169</u>	<u>\$ 3,805,868</u>	<u>\$ 8,542,037</u>	<u>\$ 7,483,569</u>

TOWN OF DUSON

Comparative Balance Sheet
General and Major Special Revenue Funds
December 31, 2022 and 2021

	General		1969 Sales Tax Special Revenue		1983 Sales Tax Special Revenue		2018 Sales Tax Special Revenue	
	2022	2021	2022	2021	2022	2021	2022	2021
ASSETS								
Cash and interest-bearing deposits	\$ 1,042,223	\$ 853,336	\$ 411,826	\$ 214,555	\$ 609,439	\$ 406,857	\$ 754,638	\$ 469,842
Investments	193,606	190,390	10,738	10,560	-	-	-	-
Receivables:								
Taxes	30,866	10,751	35,646	38,492	35,646	38,492	35,892	38,801
Other	410	407	-	-	-	-	-	-
Due from other governmental units	90,502	111,913	-	-	-	-	-	-
Due from other funds	88,906	107,672	166,612	157,467	90,498	81,353	7,280	383,686
Prepaid items	-	6,522	-	-	-	-	-	-
Total assets	<u>\$ 1,446,513</u>	<u>\$ 1,280,991</u>	<u>\$ 624,822</u>	<u>\$ 421,074</u>	<u>\$ 735,583</u>	<u>\$ 526,702</u>	<u>\$ 797,810</u>	<u>\$ 892,329</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 38,391	\$ 18,762	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	39,707	26,314	-	-	-	-	-	-
Unearned revenue	775,418	451,332	-	-	-	-	-	-
Due to other funds	262,631	284,767	25,359	16,215	84,906	103,260	-	377,668
Total liabilities	<u>1,116,147</u>	<u>781,175</u>	<u>25,359</u>	<u>16,215</u>	<u>84,906</u>	<u>103,260</u>	<u>-</u>	<u>377,668</u>
Fund balances:								
Nonspendable - prepaid items	-	6,522	-	-	-	-	-	-
Restricted - sales tax dedications	-	-	599,463	404,859	650,677	423,442	723,644	514,661
Restricted - debt service	-	-	-	-	-	-	74,166	-
Unassigned	330,366	493,294	-	-	-	-	-	-
Total fund balances	<u>330,366</u>	<u>499,816</u>	<u>599,463</u>	<u>404,859</u>	<u>650,677</u>	<u>423,442</u>	<u>797,810</u>	<u>514,661</u>
Total liabilities and fund balances	<u>\$ 1,446,513</u>	<u>\$ 1,280,991</u>	<u>\$ 624,822</u>	<u>\$ 421,074</u>	<u>\$ 735,583</u>	<u>\$ 526,702</u>	<u>\$ 797,810</u>	<u>\$ 892,329</u>

TOWN OF DUSON, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended December 31, 2022
With Actual Amounts for the Year Ended 2021

	2022			Variance with Final Budget Positive (Negative)	2021
	Budget		Actual		
	Original	Final			
Taxes:					
Ad valorem	\$ 55,000	\$ 55,000	\$ 55,732	\$ 732	\$ 56,184
Franchise - electric	75,000	85,000	85,910	910	68,876
Franchise - gas	5,500	5,500	6,376	876	4,568
Franchise - cable TV	9,000	9,000	8,544	(456)	8,891
Total taxes	<u>144,500</u>	<u>154,500</u>	<u>156,562</u>	<u>2,062</u>	<u>138,519</u>
Occupational licenses	<u>165,000</u>	<u>170,000</u>	<u>199,155</u>	<u>29,155</u>	<u>179,766</u>
Intergovernmental:					
Federal grants	-	18,703	18,703	-	93,517
State Funds-					
State Grants	35,000	148,000	160,357	12,357	10,000
Municipal police supplemental pay	36,000	36,000	35,150	(850)	38,983
Beer taxes	5,000	5,500	3,379	(2,121)	5,259
Grass cutting	5,500	5,500	2,700	(2,800)	2,700
Video poker revenue	725,000	950,000	948,512	(1,488)	1,044,580
Local grants	-	-	12,416	12,416	-
Total intergovernmental	<u>806,500</u>	<u>1,163,703</u>	<u>1,181,217</u>	<u>5,098</u>	<u>1,195,039</u>
Fines and forfeits	<u>195,000</u>	<u>245,000</u>	<u>264,519</u>	<u>19,519</u>	<u>234,551</u>
Miscellaneous:					
Interest income	3,800	3,000	3,263	263	138
Rent income	10,000	7,500	6,435	(1,065)	5,445
Other sources	55,500	65,600	55,530	(10,070)	73,495
Total miscellaneous	<u>69,300</u>	<u>76,100</u>	<u>65,228</u>	<u>(10,872)</u>	<u>79,078</u>
Total revenues	<u>\$ 1,380,300</u>	<u>\$ 1,809,303</u>	<u>\$ 1,866,681</u>	<u>\$ 57,378</u>	<u>\$ 1,826,953</u>

TOWN OF DUSON, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2022
With Actual Amounts for the Year Ended 2021

	2022			Variance with Final Budget Positive (Negative)	2021
	Budget		Actual		
	Original	Final			
Current:					
General government -					
Salaries	\$ 218,000	\$ 222,000	\$ 208,357	\$ 13,643	\$ 201,946
Payroll taxes	17,000	18,000	16,897	1,103	16,340
Retirement	26,000	26,000	25,578	422	24,580
General insurance	28,000	31,000	33,006	(2,006)	33,873
Group health insurance	15,000	15,000	15,566	(566)	14,298
Utilities	13,450	10,950	10,205	745	11,152
Telephone	8,000	7,300	7,404	(104)	7,406
Meetings and conventions	900	2,100	2,122	(22)	300
Meals, lodging and travel	200	300	306	(6)	372
Advertising	7,000	4,500	3,967	533	2,681
Building permits	15,000	63,000	59,059	3,941	56,030
Computer services	4,500	5,400	4,692	708	12,817
Repairs and maintenance	5,000	4,000	13,494	(9,494)	11,914
Auto expenditures	1,500	4,300	15,813	(11,513)	8,664
Professional fees	70,000	71,500	66,518	4,982	69,598
Office expenditures	7,500	7,250	6,502	748	9,084
Uniforms	750	150	(206)	356	1,093
Miscellaneous	10,700	14,000	22,054	(8,054)	11,413
Total general government	<u>448,500</u>	<u>506,750</u>	<u>511,334</u>	<u>(4,584)</u>	<u>493,561</u>
Public safety -					
Police:					
Salaries	420,000	480,000	499,970	(19,970)	449,067
Payroll taxes	38,000	42,000	39,426	2,574	35,329
Retirement	63,000	81,000	81,134	(134)	65,650
General insurance	50,000	65,000	68,358	(3,358)	63,274
Group health insurance	47,500	46,000	45,853	147	41,199
Computer services	5,000	43,500	41,896	1,604	7,430
Repairs and maintenance	2,500	150	37,847	(37,697)	11,709
Professional fees	15,000	18,000	18,188	(188)	8,275
Supplies	13,500	39,000	15,083	23,917	17,028
Utilities	9,500	12,000	11,465	535	8,859
Telephone	25,000	28,500	28,112	388	24,260
Auto expenditures	45,000	116,000	74,958	41,042	53,873
Office supplies	4,500	3,800	3,325	475	2,982
Uniforms	7,000	9,500	9,485	15	7,954
Training and education	2,000	5,500	5,473	27	360.00
Miscellaneous	33,200	75,700	68,011	7,689	44,648
Total police	<u>780,700</u>	<u>1,065,650</u>	<u>1,048,584</u>	<u>17,066</u>	<u>841,897</u>

(continued)

TOWN OF DUSON, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended December 31, 2022
With Actual Amounts for the Year Ended 2021

	2022		Actual	Variance with Final Budget Positive (Negative)	2021
	Budget				
	Original	Final			
Fire -					
General insurance	15,000	19,500	19,477	23	16,018
Utilities	8,800	10,600	10,651	(51)	8,949
Telephone	7,000	7,500	6,939	561	6,709
Supplies and materials	500	-	-	-	-
Volunteer fire department	28,000	31,500	28,407	3,093	30,754
Total fire	<u>59,300</u>	<u>69,100</u>	<u>65,474</u>	<u>3,626</u>	<u>62,430</u>
Total public safety	<u>840,000</u>	<u>1,134,750</u>	<u>1,114,058</u>	<u>20,692</u>	<u>904,327</u>
Streets -					
Salaries	104,000	100,500	87,466	13,034	86,599
Payroll taxes	8,500	7,500	7,029	471	6,945
Retirement	13,000	13,300	12,810	490	12,594
General insurance	25,000	27,500	28,509	(1,009)	28,476
Group health insurance	17,500	18,000	17,985	15	18,089
Professional services	5,000	18,000	19,313	(1,313)	6,819
Supplies, materials and repairs	13,000	60,200	22,844	37,356	12,391
Auto and truck expenditures	23,000	20,000	21,587	(1,587)	21,980
Utilities	33,000	56,000	55,231	769	37,985
Telephone	4,500	6,800	6,611	189	5,237
Office expenditures	1,000	1,350	1,254	96	749
Rentals	4,000	30,000	34,369	(4,369)	42,098
Miscellaneous	1,500	3,970	6,635	(2,665)	2,561
Contract labor	75,000	86,000	83,573	2,427	81,541
Total streets	<u>328,000</u>	<u>449,120</u>	<u>405,216</u>	<u>43,904</u>	<u>364,064</u>
Parks and recreation -					
General insurance	350	350	526	(176)	661
Utilities	250	4,800	4,609	191	1,170
Repairs and maintenance	200	125	458	(333)	70
Miscellaneous	-	-	96	(96)	59
Total parks and recreation	<u>800</u>	<u>5,275</u>	<u>5,689</u>	<u>(414)</u>	<u>1,960</u>

(continued)

TOWN OF DUSON, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended December 31, 2022
With Actual Amounts for the Year Ended 2021

	2022				2021
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	
Community Center -					
General insurance	9,000	10,000	10,072	(72)	-
Supplies and materials	2,500	8,000	8,059	(59)	20,369
Contract labor	500	-	-	-	-
Utilities	9,000	10,000	10,312	(312)	7,896
Total Community Center	<u>21,000</u>	<u>28,000</u>	<u>28,443</u>	<u>(443)</u>	<u>28,265</u>
Capital outlay:					
Administration	-	63,000	-	63,000	23,211
Police	58,000	70,000	100,067	(30,067)	79,042
Streets	55,000	69,500	161,287	(91,787)	41,867
Park and recreation	-	37,000	48,691	(11,691)	-
Total capital outlay	<u>113,000</u>	<u>239,500</u>	<u>310,045</u>	<u>(70,545)</u>	<u>144,120</u>
Debt service:					
Principal retirement	-	8,300	8,207	93	27,160
Interest	-	700	550	150	2,357
Total debt service	<u>-</u>	<u>9,000</u>	<u>8,757</u>	<u>243</u>	<u>29,517</u>
Total expenditures	<u>\$ 1,751,300</u>	<u>\$ 2,372,395</u>	<u>\$ 2,383,542</u>	<u>\$ (11,147)</u>	<u>\$ 1,965,814</u>

TOWN OF DUSON, LOUISIANA
1969 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2022
With Actual Amounts for the Year Ended 2021

	2022			Variance with Final Budget Positive (Negative)	2021
	Budget		Actual		
	Original	Final			
Revenues:					
Sales taxes	\$ 345,000	\$ 532,001	\$ 536,354	\$ 4,353	\$ 436,492
Miscellaneous	<u>50</u>	<u>241</u>	<u>445</u>	<u>204</u>	<u>9</u>
Total revenues	<u>345,050</u>	<u>532,242</u>	<u>536,799</u>	<u>4,557</u>	<u>436,501</u>
Expenditures:					
General government -					
Collection fees	2,800	2,726	2,740	(14)	2,510
Professional fees	<u>8,200</u>	<u>9,145</u>	<u>9,144</u>	<u>1</u>	<u>7,280</u>
Total general government	<u>11,000</u>	<u>11,871</u>	<u>11,884</u>	<u>(13)</u>	<u>9,790</u>
Excess of revenues over expenditures	<u>334,050</u>	<u>520,371</u>	<u>524,915</u>	<u>4,544</u>	<u>426,711</u>
Other financing sources (uses):					
Transfer to General Fund	(185,000)	(185,000)	(185,000)	-	(21,174)
Transfer to Utility Fund	<u>(140,000)</u>	<u>(183,426)</u>	<u>(145,311)</u>	<u>38,115</u>	<u>(183,311)</u>
Total other financing sources (uses)	<u>(325,000)</u>	<u>(368,426)</u>	<u>(330,311)</u>	<u>38,115</u>	<u>(204,485)</u>
Net change in fund balance	9,050	151,945	194,604	42,659	222,226
Fund balance, beginning	<u>404,859</u>	<u>404,859</u>	<u>404,859</u>	<u>-</u>	<u>182,633</u>
Fund balance, ending	<u>\$ 413,909</u>	<u>\$ 556,804</u>	<u>\$ 599,463</u>	<u>\$ 42,659</u>	<u>\$ 404,859</u>

TOWN OF DUSON, LOUISIANA
1983 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2022
With Actual Amounts for the Year Ended 2021

	2022			Variance with Final Budget Positive (Negative)	2021
	Budget		Actual		
	Original	Final			
Revenues:					
Sales taxes	\$ 345,000	\$ 532,001	\$ 536,354	\$ 4,353	\$ 436,492
Miscellaneous	50	119	267	148	9
Total revenues	<u>345,050</u>	<u>532,120</u>	<u>536,621</u>	<u>4,501</u>	<u>436,501</u>
Expenditures:					
General government -					
Collection fees	2,800	2,726	2,740	(14)	2,513
Professional fees	8,200	9,145	9,146	(1)	7,279
Total general government	<u>11,000</u>	<u>11,871</u>	<u>11,886</u>	<u>(15)</u>	<u>9,792</u>
Excess of revenues over expenditures	<u>334,050</u>	<u>520,249</u>	<u>524,735</u>	<u>4,486</u>	<u>426,709</u>
Other financing uses:					
Transfer to General Fund	(210,000)	(210,000)	(182,500)	27,500	(150,000)
Transfer to Utility Fund	(115,000)	(85,000)	(115,000)	(30,000)	(85,000)
Total other financing uses	<u>(325,000)</u>	<u>(295,000)</u>	<u>(297,500)</u>	<u>(2,500)</u>	<u>(235,000)</u>
Net change in fund balance	9,050	225,249	227,235	1,986	191,709
Fund balance, beginning	<u>423,442</u>	<u>423,442</u>	<u>423,442</u>	-	<u>231,733</u>
Fund balance, ending	<u>\$ 432,492</u>	<u>\$ 648,691</u>	<u>\$ 650,677</u>	<u>\$ 1,986</u>	<u>\$ 423,442</u>

TOWN OF DUSON, LOUISIANA
2018 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2022
With Actual Amounts for the Year Ended 2021

	2022			Variance with Final Budget Positive (Negative)	2021
	Budget		Actual		
	Original	Final			
Revenues:					
Sales taxes	\$ 350,000	\$ 514,578	\$ 514,422	\$ (156)	\$ 439,279
Miscellaneous	350	5,650	1,003	(4,647)	361
Total revenues	<u>350,350</u>	<u>520,228</u>	<u>515,425</u>	<u>(4,803)</u>	<u>439,640</u>
Expenditures:					
General government -					
Collection fees	2,800	2,649	1,400	1,249	2,535
Professional fees	500	9,160	9,176	(16)	30
Total general government	<u>3,300</u>	<u>11,809</u>	<u>10,576</u>	<u>1,233</u>	<u>2,565</u>
Debt service -					
Bond payments	-	140,000	140,000	-	140,000
Interest Expense	-	82,000	81,700	300	85,199
Total debt service	<u>-</u>	<u>222,000</u>	<u>221,700</u>	<u>300</u>	<u>225,199</u>
Total Expenditures	<u>3,300</u>	<u>233,809</u>	<u>232,276</u>	<u>1,533</u>	<u>227,764</u>
Excess of revenues over expenditures	<u>347,050</u>	<u>286,419</u>	<u>283,149</u>	<u>(6,336)</u>	<u>211,876</u>
Other financing uses):					
Transfer to General Fund	(9,000)	-	-	-	45,397
Transfer to Debt Service Fund	(338,050)	(346,593)	-	346,593	(45,397)
Total other financing uses	<u>(347,050)</u>	<u>(346,593)</u>	<u>-</u>	<u>346,593</u>	<u>-</u>
Net change in fund balance	-	(60,174)	283,149	340,257	211,876
Fund balance, beginning	<u>514,661</u>	<u>514,661</u>	<u>514,661</u>	<u>-</u>	<u>302,785</u>
Fund balance, ending	<u>\$ 514,661</u>	<u>\$ 454,487</u>	<u>\$ 797,810</u>	<u>\$ 340,257</u>	<u>\$ 514,661</u>

TOWN OF DUSON, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Net Position
December 31, 2022 and 2021

	2022	2021
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 567,392	\$ 457,079
Investments	1,192	1,172
Receivables:		
Accounts receivable, net	67,562	36,317
Unbilled utility receivables	53,219	41,812
Due from other funds	81,676	95,164
Due from other governmental units	-	46,123
Prepaid items	-	9,822
Total current assets	771,041	687,489
Noncurrent assets:		
Restricted assets -		
Cash and interest-bearing deposits	314,589	303,693
Investments	28,306	27,836
Capital assets:		
Land and construction in progress	566,514	351,890
Other capital assets, net of accumulated depreciation	3,705,415	3,884,012
Total noncurrent assets	4,614,824	4,567,431
Total assets	5,385,865	5,254,920
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	55,157	25,104
LIABILITIES		
Current liabilities:		
Accounts and other payables	38,328	100,164
Retainage payable	41,961	24,150
Notes payable	14,233	13,694
Due to other funds	83,026	65,132
Payable from restricted assets -		
Customers' deposits	88,635	85,396
Revenue bonds payable	29,969	28,653
Interest payable	2,368	2,434
Total current liabilities	298,520	319,623
Noncurrent liabilities:		
Compensated absences payable	8,413	9,533
Net pension liability	179,272	109,669
Notes payable	147,644	161,877
Revenue bonds payable	1,000,509	1,030,477
Total noncurrent liabilities	1,335,838	1,311,556
Total liabilities	1,634,358	1,631,179
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	796	40,057
NET POSITION		
Net investment in capital assets	3,037,613	2,977,051
Restricted for debt service	221,923	215,046
Unrestricted	546,332	416,691
Total net position	\$ 3,805,868	\$ 3,608,788

TOWN OF DUSON, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Revenues, Expenses, and Changes in Net Position -
Years Ended December 31, 2022 and 2021

	Total	
	2022	2021
Operating revenues:		
Customer service charges	\$ 839,412	\$ 769,711
Operating expenses:		
Salaries	193,478	193,513
Payroll taxes	15,916	14,615
Retirement	35,971	19,518
Maintenance and repairs	62,497	82,979
Professional fees	29,580	45,385
Utilities and telephone	64,184	53,548
General insurance	52,562	35,821
Group health insurance	38,148	35,975
Office expense	7,352	4,262
Supplies and parts	63,104	89,402
Garbage collection fees	101,494	98,549
Auto and truck expense	7,539	4,837
Bad debts expense	(19,415)	4,366
Depreciation expense	277,502	278,470
Dues and fees	3,005	1,440
Contract services	39,967	48,759
Meals, lodging and travel	1,492	286
Miscellaneous	25,891	20,574
Allocation of general and administrative expenses	-	-
Total operating expenses	1,000,267	1,032,299
Operating income (loss)	(160,855)	(262,588)
Nonoperating revenues (expenses):		
Interest income	1,060	401
Interest expense	(57,628)	(55,334)
Non-employer contributions	6,751	5,640
Loss on disposal of capital assets	-	(6,174)
Total nonoperating revenues (expenses)	(49,817)	(55,467)
Loss before contributions and transfers	(210,672)	(318,055)
Capital contributions	147,441	236,879
Transfers in	260,311	268,311
Change in net position	197,080	187,135
Net position, beginning	3,608,788	3,421,653
Net position, ending	\$ 3,805,868	\$ 3,608,788

Water		Sewerage		Sanitation		General Administration	
2022	2021	2022	2021	2022	2021	2022	2021
\$ 403,370	\$ 392,490	\$ 309,673	\$ 249,797	\$ 126,369	\$ 127,424	\$ -	\$ -
59,796	62,329	63,351	63,053	-	-	70,331	68,131
5,093	4,622	5,162	4,964	-	-	5,661	5,029
11,413	6,112	11,321	6,251	-	-	13,237	7,155
30,968	43,697	31,529	39,282	-	-	-	-
6,125	1,587	5,982	31,285	-	-	17,473	12,513
18,498	16,044	45,686	37,504	-	-	-	-
36,167	26,538	13,536	9,007	-	-	2,859	276
10,875	10,368	10,960	10,364	-	-	16,313	15,243
6,130	4,047	1,222	215	-	-	-	-
46,213	80,374	16,891	9,028	-	-	-	-
-	-	-	-	101,494	98,549	-	-
4,069	2,352	3,470	2,485	-	-	-	-
(8,401)	1,835	(7,822)	1,672	(3,192)	859	-	-
105,982	105,607	171,520	172,863	-	-	-	-
2,975	1,440	30	-	-	-	-	-
26,732	42,114	13,235	6,645	-	-	-	-
1,492	148	-	138	-	-	-	-
20,684	12,261	5,207	8,313	-	-	-	-
60,487	55,248	46,437	35,162	18,950	17,937	(125,874)	(108,347)
445,298	476,723	437,717	438,231	117,252	117,345	-	-
\$ (41,928)	\$ (84,233)	\$ (128,044)	\$ (188,434)	\$ 9,117	\$ 10,079	\$ -	\$ -

TOWN OF DUSON, LOUISIANA
LCDBG Sewer Improvement Project

Schedule of Net Position
December 31, 2022

Assets:	
Due from other governments	<u>\$ 20,156</u>
Liabilities:	
Retainage payable	<u>20,156</u>
Net Position	<u><u>\$ -</u></u>

TOWN OF DUSON, LOUISIANA
LCDBG Sewer Improvement Project

Schedule of Revenues, Expenses, and Change in Net Position
For the Year Ended December 31, 2022

Revenues:	
LCDBG program	\$ 201,559
Expenses:	
Construction	<u>201,559</u>
Excess of revenues over expenditures	-
Net position, beginning of year	<u>-</u>
Net position end of year	<u>\$ -</u>

TOWN OF DUSON, LOUISIANA
Justice System Funding Schedule - Collecting/Disbursing Entity
Year Ended December 31, 2022

	First Six Month Period Ended <u>6/30/2022</u>	Second Six Month Period Ended <u>12/31/2022</u>
Beginning Balance of Amounts Collected	\$ 1,359	\$ 3,475
Add: Collections -		
Civil Fees	-	-
Bond Fees	3,900	5,300
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	19,838	19,835
Criminal Fines - Contempt	-	-
Criminal Fines - Other	128,088	123,378
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees	-	-
Interest Earnings on Collected Balances	-	-
Other	-	-
Subtotal Collections	<u>151,826</u>	<u>148,513</u>
Less: Disbursements to Governments and Nonprofits -		
Acadiana Criminalistics Lab - Criminal Fines	15,700	17,780
Louisiana Commission on Law Enforcement - Criminal Fines	1,196	1,423
Louisiana State Treasurer CMIS - Criminal Fines	568	741
Louisiana Supreme Court - Criminal Fines	258	308
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency - Criminal Fines Other	<u>131,988</u>	<u>128,703</u>
Subtotal Disbursements/Retainage	<u>149,710</u>	<u>148,955</u>
Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ 3,475</u>	<u>\$ 3,033</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, 2022, 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 28, 2023.

Report on 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. We identified certain deficiencies in internal control, described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan, we identified items 2022-001 and 2022-002 as deficiencies in internal control that we consider to be a material weakness.

Report on 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying summary schedule of current and prior year findings and management's corrective action plan as item 2022-003.

Town of Duson, Louisiana's Response to Findings

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

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 28, 2023

TOWN OF DUSON, LOUISIANA

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

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

A. Internal Control Findings -

2022-001 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.

2022-002 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 –

2022-003 Uninsured Bank Balances

Fiscal year finding initially occurred: 2022

CONDITION: The Town had uninsured bank balances in the amount of \$190,555. LA R.S. 39:1218-1229 requires that bank balances be secured by federal deposit insurance or collateralized by the financial institution with designed securities as defined by R.S. 39:1224.

CRITERIA: The Town should have bank balances secured by federal deposit insurance or collateralized by the financial institution with designated securities as defined by R.S. 39:1224.

CAUSE: The Town had excess bank balances unsecured by federal deposit insurance or collateralized by the financial institution with designated securities.

EFFECT: Failure to adequately secure bank balances could result in the loss of those bank balances if the bank was insolvent.

RECOMMENDATION: The Town should coordinate with the appropriate financial institution to ensure any deposits in excess of federal deposit insurance are properly collateralized.

MANAGEMENT'S CORRECTION ACTION PLAN: The Town has determined that it will secure all bank balances with federal deposit insurance or collateralized by the financial institution with designated securities as defined by R.S. 39:1224.

Part II. Prior Year Findings

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.

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

CURRENT STATUS: Unresolved. See finding 2022-001.

TOWN OF DUSON, LOUISIANA

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

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.

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.

CURRENT STATUS: Unresolved. See finding 2022-002.

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, 2022

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Johnny Thibodeaux, Mayor,
Members of Board of Alderman
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, 2022 through December 31, 2022. 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, 2022 through December 31, 2022. 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) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) **Credit Cards (and debit cards, fuel cards, Purchase 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).
- 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) **Prevention of 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 unassigned fund balance in the General Fund.
 - d) Observed the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

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, 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.
 - e) Only employees/ officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
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, whether by paper or electronic means, 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 procedure #9, as applicable.

11. Using the Town's main operating account and the month selected in "Bank Reconciliations" procedure #3, we randomly selected 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observed that each electronic disbursement was:
 - a) Approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy.
 - b) Approved by the required number of authorized signers per the entity's policy.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

12. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.
13. 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) were 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.
14. 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)

15. 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 #1g).

- d) We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

16. 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

17. 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.
18. We randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #17 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).
 - 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.
19. 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.
20. 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

21. Using the 5 randomly selected employees/officials from procedure #17 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 calendar year as required by R.S. 42:1170; and
 - 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.
22. We inquired and/or observed whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Debt Service

23. 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 as required by Article VII, Section 8 of the Louisiana Constitution.
24. 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

25. 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 as required by R.S. 24:523.

The Town represented that there were no misappropriations of public funds and/or assets during the fiscal year.

26. 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

27. 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 evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - 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.

28. We randomly selected 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19 and observed evidence that the selected terminated employees have been removed or disabled from the network.

Prevention of Sexual Harassment

29. Using the 5 randomly selected employees/officials from procedure #17 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 as required by R.S. 42:343.

30. 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).

31. 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 does not have sufficient policies and procedures regarding Purchasing, Information Technology Disaster Recovery, and the Prevention of Sexual Harassment.

Bank Reconciliations

- 2. Of the 5 bank reconciliations selected, 1 account did not have evidence of reconciling items outstanding for more than 12 months from the statement closing date.

Credit Cards

- 3. Both credit card statements tested were not approved, in writing, by someone other than the authorized card holder.

Travel and Travel-related Expense Reimbursements

4. Four of five travel expense reimbursements were not reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

Fraud Notice

5. The Town does not have the notice required by RS 24:523.1 link posted on their website.

Sexual Harassment

6. The Town does not have the sexual harassment policy and complaint link posted on their website.
7. The Town does not have a sexual harassment report on file for fiscal year 2022.
8. Of the five employees selected for testing, one employee did not complete at least one hour of sexual harassment training during the calendar year.

Management's Response:

Management concurs with the exceptions noted and is working to address the deficiencies identified.

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 28, 2023