

TOWN OF DUSON, LOUISIANA

Financial Report

Year Ended December 31, 2020

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KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.
Ville Platte, LA 70586 Oberlin, LA 70655
Phone (337) 383-2792 Phone (337) 639-4737

Victor R. Slaven, CPA* - retired 2020

* A Professional Accounting Corporation

INDEPENDENT AUDITOR'S REPORT

WWW.KCSRPCAS.COM

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Duson, Louisiana (the Town), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Duson, Louisiana, as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of net pension liability, and schedule of employer contributions on pages 43 through 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Duson, Louisiana's basic financial statements. The other supplementary information on pages 51 through 67 is presented for purposes of additional analysis and is not a required part of the financial statements.

The comparative statements and Justice System Funding Schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The prior year comparative amounts on this information were derived from the Town of Duson's 2019 financial statements, which were subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, were fairly presented in all material respects in relation to the basic financial statements from which they were derived.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated May 31, 2021, on our consideration of the Town of Duson, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
May 31, 2021

BASIC FINANCIAL STATEMENTS

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

TOWN OF DUSON, LOUISIANA

Statement of Net Position
December 31, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 935,281	\$ 265,299	\$ 1,200,580
Investments	200,884	1,139	202,023
Receivables, net	120,166	72,218	192,384
Internal balances	(56,513)	56,513	-
Due from other governmental units	135,698	16,409	152,107
Prepaid items	26,376	20,513	46,889
Total current assets	1,361,892	432,091	1,793,983
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	-	287,833	287,833
Investments	-	27,827	27,827
Capital assets:			
Land and construction in progress	90,801	63,130	153,931
Capital assets, net	4,549,898	4,131,927	8,681,825
Total noncurrent assets	4,640,699	4,510,717	9,151,416
Total assets	6,002,591	4,942,808	10,945,399
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	357,241	35,348	392,589
LIABILITIES			
Current liabilities:			
Accounts and other payables	53,602	19,818	73,420
Unearned revenue	11,140	-	11,140
Capital lease payable	27,160	13,176	40,336
Customer deposits payable	-	77,470	77,470
Bonds payable	140,000	27,394	167,394
Accrued interest	35,500	2,497	37,997
Total current liabilities	267,402	140,355	407,757
Noncurrent liabilities:			
Compensated absences payable	12,476	7,548	20,024
Net pension liability	841,609	168,547	1,010,156
Capital lease payable	8,208	175,572	183,780
Bonds payable	2,085,000	1,059,130	3,144,130
Total noncurrent liabilities	2,947,293	1,410,797	4,358,090
Total liabilities	3,214,695	1,551,152	4,765,847
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	42,344	5,351	47,695
NET POSITION			
Net investment in capital assets	2,380,331	2,947,179	5,327,510
Restricted for debt service	236,716	208,299	445,015
Restricted for sales tax dedications	553,510	-	553,510
Restricted for capital projects	860	-	860
Unrestricted (deficit)	(67,764)	266,175	198,411
Total net position	\$ 3,102,793	\$3,421,653	\$6,524,446

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, 2020

Activities	Expenses	Program Revenues			Net (Expense) Revenues 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	\$ 473,712	\$ 136,092	\$ -	\$ 92,301	\$ (245,319)	\$ -	\$ (245,319)
Public safety:							
Police	956,049	232,479	34,750	-	(688,820)	-	(688,820)
Fire	69,230	-	-	-	(69,230)	-	(69,230)
Streets	494,215	-	8,100	-	(486,115)	-	(486,115)
Parks and recreation	1,306	-	-	-	(1,306)	-	(1,306)
Community Center	54,974	-	-	-	(54,974)	-	(54,974)
Interest	92,494	-	-	-	(92,494)	-	(92,494)
Total governmental activities	<u>2,141,980</u>	<u>368,571</u>	<u>42,850</u>	<u>92,301</u>	<u>(1,638,258)</u>	<u>-</u>	<u>(1,638,258)</u>
Business-type activities:							
Water	418,260	286,345	-	16,409	-	(115,506)	(115,506)
Sewer	467,597	204,116	-	-	-	(263,481)	(263,481)
Sanitation	114,039	126,964	-	-	-	12,925	12,925
Total business-type activities	<u>999,896</u>	<u>617,425</u>	<u>-</u>	<u>16,409</u>	<u>-</u>	<u>(366,062)</u>	<u>(366,062)</u>
Total	\$ 3,141,876	\$ 985,996	\$ 42,850	\$ 108,710	(1,638,258)	(366,062)	(2,004,320)
General revenues:							
Taxes -							
Property taxes, levied for general purposes							
					61,863	-	61,863
Sales and use taxes, levied for general purposes							
					1,093,209	-	1,093,209
Franchise taxes							
					73,371	-	73,371
Grants and contributions not restricted to specific programs -							
State sources							
					707,273	-	707,273
Non-employer contributions							
					22,393	5,172	27,565
Interest and investment earnings							
					1,597	678	2,275
Miscellaneous							
					37,052	-	37,052
Transfers							
					(208,311)	208,311	-
Total general revenues and transfers							
					<u>1,788,447</u>	<u>214,161</u>	<u>2,002,608</u>
Change in net position							
					150,189	(151,901)	(1,712)
Net position - January 1, 2020							
					<u>2,952,604</u>	<u>3,573,554</u>	<u>6,526,158</u>
Net position - December 31, 2020							
					<u>\$ 3,102,793</u>	<u>\$ 3,421,653</u>	<u>\$ 6,524,446</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 of Duson.

Hotel/Motel Sales Tax Fund -

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

Capital Projects Fund

Capital Projects Fund -

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

Debt Service Fund

Debt Service Fund -

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

Enterprise Fund

Utility Fund -

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

TOWN OF DUSON, LOUISIANA

Balance Sheet - Governmental Funds
December 31, 2020

	General	1969 Sales Tax Special Revenue	1983 Sales Tax Special Revenue	2018 Sales Tax Special Revenue	Debt Service	Capital Projects	Other Governmental Funds	Total
ASSETS								
Cash and interest-bearing deposits	\$ 206,009	\$ 129,537	\$ 223,528	\$ 1,021	\$ 272,216	\$ 110	\$ 102,860	\$ 935,281
Investments	190,328	10,556	-	-	-	-	-	200,884
Receivables:								
Taxes	19,981	30,112	30,112	30,810	-	-	5,715	116,730
Other	3,436	-	-	-	-	-	-	3,436
Due from other governmental units	135,698	-	-	-	-	-	-	135,698
Due from other funds	51,492	50,149	74,073	-	-	30,609	-	206,323
Prepaid items	26,376	-	-	-	-	-	-	26,376
Total assets	<u>\$ 633,320</u>	<u>\$ 220,354</u>	<u>\$ 327,713</u>	<u>\$ 31,831</u>	<u>\$ 272,216</u>	<u>\$ 30,719</u>	<u>\$ 108,575</u>	<u>\$ 1,624,728</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 43,482	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,482
Accrued liabilities	10,120	-	-	-	-	-	-	10,120
Unearned revenue	11,140	-	-	-	-	-	-	11,140
Due to other funds	98,014	37,721	95,980	1,262	-	29,859	-	262,836
Total liabilities	<u>162,756</u>	<u>37,721</u>	<u>95,980</u>	<u>1,262</u>	<u>-</u>	<u>29,859</u>	<u>-</u>	<u>327,578</u>
Fund balances:								
Nonspendable - prepaid items	26,376	-	-	-	-	-	-	26,376
Restricted - sales tax dedications	-	182,633	231,733	30,569	-	-	108,575	553,510
Restricted - debt service	-	-	-	-	272,216	-	-	272,216
Restricted - capital projects	-	-	-	-	-	860	-	860
Unassigned	444,188	-	-	-	-	-	-	444,188
Total fund balances	<u>470,564</u>	<u>182,633</u>	<u>231,733</u>	<u>30,569</u>	<u>272,216</u>	<u>860</u>	<u>108,575</u>	<u>1,297,150</u>
Total liabilities and fund balances	<u>\$ 633,320</u>	<u>\$ 220,354</u>	<u>\$ 327,713</u>	<u>\$ 31,831</u>	<u>\$ 272,216</u>	<u>\$ 30,719</u>	<u>\$ 108,575</u>	<u>\$ 1,624,728</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, 2020

Total fund balances for governmental funds at December 31, 2020		\$1,297,150
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 62,827	
Construction in progress	27,974	
Buildings and improvements, net of \$467,532 accumulated depreciation	915,808	
Infrastructure, net of \$953,892 accumulated depreciation	3,455,606	
Equipment and vehicles net of \$633,055 accumulated depreciation	<u>178,484</u>	4,640,699
The deferred outflows of expenditures for the various pensions are not a use of current resources and, therefore, are not reported in the funds.		357,241
Interest expense is accrued at year-end in the government-wide financial statements, but is recorded only if due and payable on the governmental fund financial statements.		(35,500)
Some liabilities are not due and payable in the current period and, therefore, not reported in the governmental funds.		
Capital lease payable	(35,368)	
Compensated absences payable	(12,476)	
Bond payable	(2,225,000)	
Net pension liability	<u>(841,609)</u>	(3,114,453)
The deferred inflows of contributions for the various pensions are not available resources and, therefore, are not reported in the funds.		<u>(42,344)</u>
Total net position of governmental activities at December 31, 2020		<u>\$3,102,793</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, 2020

	General	1969 Sales Tax Special Revenue	1983 Sales Tax Special Revenue	2018 Sales Tax Special Revenue	Debt Service Fund	Capital Projects	Other Governmental Funds	Total
Revenues:								
Taxes	\$ 135,234	\$ 352,535	\$ 352,535	\$ 360,235	\$ -	\$ -	\$ 27,904	\$ 1,228,443
Licenses and permits	136,092	-	-	-	-	-	-	136,092
Intergovernmental	842,424	-	-	-	-	-	-	842,424
Fines and forfeits	192,763	-	-	-	-	-	-	192,763
Miscellaneous	37,972	174	106	391	-	-	6	38,649
Total revenues	<u>1,344,485</u>	<u>352,709</u>	<u>352,641</u>	<u>360,626</u>	<u>-</u>	<u>-</u>	<u>27,910</u>	<u>2,438,371</u>
Expenditures:								
Current -								
General government	423,105	10,614	10,615	2,836	-	-	146	447,316
Public safety:								
Police	745,393	-	-	-	-	-	-	745,393
Fire	55,812	-	-	-	-	-	-	55,812
Streets	381,954	-	-	-	-	-	-	381,954
Parks and recreation	311	-	-	-	-	-	-	311
Community Center	28,329	-	-	-	-	-	-	28,329
Capital outlay	35,923	-	-	-	-	2,493	-	38,416
Debt service -								
Principal retirement	25,466	-	-	-	135,000	-	-	160,466
Interest	4,051	-	-	-	88,238	-	-	92,289
Total expenditures	<u>1,700,344</u>	<u>10,614</u>	<u>10,615</u>	<u>2,836</u>	<u>223,238</u>	<u>2,493</u>	<u>146</u>	<u>1,950,286</u>
Excess (deficiency) of revenues over expenditures	<u>(355,859)</u>	<u>342,095</u>	<u>342,026</u>	<u>357,790</u>	<u>(223,238)</u>	<u>(2,493)</u>	<u>27,764</u>	<u>488,085</u>
Other financing sources (uses):								
Transfers in	461,435	50,000	-	-	344,588	2,493	-	858,516
Transfers out	(2,493)	(358,311)	(350,000)	(352,568)	-	-	(3,455)	(1,066,827)
Total other financing sources (uses)	<u>458,942</u>	<u>(308,311)</u>	<u>(350,000)</u>	<u>(352,568)</u>	<u>344,588</u>	<u>2,493</u>	<u>(3,455)</u>	<u>(208,311)</u>
Net changes in fund balances	<u>103,083</u>	<u>33,784</u>	<u>(7,974)</u>	<u>5,222</u>	<u>121,350</u>	<u>-</u>	<u>24,309</u>	<u>279,774</u>
Fund balances, beginning	367,481	148,849	239,707	25,347	150,866	860	84,266	1,017,376
Fund balances, ending	<u>\$ 470,564</u>	<u>\$ 182,633</u>	<u>\$ 231,733</u>	<u>\$ 30,569</u>	<u>\$ 272,216</u>	<u>\$ 860</u>	<u>\$ 108,575</u>	<u>\$ 1,297,150</u>

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, 2020

Total net changes in fund balances at December 31, 2020 per
statement of revenues, expenditures and changes in fund balances \$ 279,774

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	\$ 38,416	
Loss on disposal of capital assets	(718)	
Depreciation expense for the year ended December 31, 2020	<u>(214,998)</u>	(177,300)

Because some revenues are not considered measurable at year end,
they are not considered "available" revenues in the governmental funds.

Non-employer contributions	22,393	
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Proceeds from bonds and capital leases are reporting as financing sources
in governmental funds and thus contribute to the change in fund balance.
In the statement of net position, however, issuing debt increases long-
term liabilities and does not affect the statement of activities. Similarly,
repayment of principal of bonds and capital leases are recorded as
expenditures in the governmental funds but reduce the liability in the
the statement of net position.

Principal payments on bonds	135,000	
Principal payments on capital leases	<u>25,466</u>	160,466

Expenses reported in the statement of activities are recognized when liabilities
are incurred; while expenditures are recognized at the fund level when cash
payments are made. The amounts below represent the difference between
the expenses incurred at the government-wide level and the current
financial resources expended at the fund level.

Compensated absences	(1,161)	
Interest expense	(205)	
Pension expense	<u>(133,778)</u>	<u>(135,144)</u>

Total net changes in net position at December 31, 2020 per
statement of activities \$ 150,189

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

TOWN OF DUSON, LOUISIANA

Statement of Net Position
Proprietary Fund
December 31, 2020

	Utility Enterprise Fund
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 265,299
Investments	1,139
Receivables:	
Accounts receivable, net	38,314
Unbilled utility receivables	33,904
Due from other funds	100,629
Due from other governmental units	16,409
Prepaid items	20,513
Total current assets	<u>476,207</u>
Noncurrent assets:	
Restricted assets -	
Cash and interest-bearing deposits	287,833
Investments	27,827
Capital assets -	
Land	63,130
Other capital assets, net of accumulated depreciation	<u>4,131,927</u>
Total noncurrent assets	<u>4,510,717</u>
Total assets	<u>4,986,924</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>35,348</u>
LIABILITIES	
Current liabilities:	
Accounts and other payables	19,818
Capital lease payable	13,176
Due to other funds	44,116
Payable from restricted assets -	
Customer deposits payable	77,470
Revenue bonds payable	27,394
Interest payable	2,497
Total current liabilities	<u>184,471</u>
Noncurrent liabilities:	
Compensated absences payable	7,548
Net pension liability	168,547
Capital lease payable	175,572
Revenue bonds payable	<u>1,059,130</u>
Total noncurrent liabilities	<u>1,410,797</u>
Total liabilities	<u>1,595,268</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>5,351</u>
NET POSITION	
Net investment in capital assets	2,947,179
Restricted for debt service	208,299
Unrestricted	266,175
Total net position	<u>\$ 3,421,653</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, 2020

	<u>Utility Enterprise Fund</u>
Operating revenues:	
Charges for services -	
Water charges	\$ 286,345
Sewer service charges	204,116
Sanitation charges	<u>126,964</u>
Total operating revenues	<u>617,425</u>
 Operating expenses:	
Salaries	173,249
Payroll taxes	14,503
Retirement	26,468
General insurance	39,205
Auto and truck expense	5,860
Utilities and telephone	44,108
Maintenance and repairs	99,529
Supplies and parts	36,910
Office expense	4,765
Garbage collection fees	94,685
Bad debt expense	4,097
Depreciation expense	280,150
Dues and fees	4,836
Professional fees	20,465
Contract services	31,429
Group health insurance	26,183
Miscellaneous	<u>16,087</u>
Total operating expenses	<u>922,529</u>
 Operating loss	 <u>(305,104)</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, 2020

	<u>Utility Enterprise Fund</u>
Nonoperating revenues (expenses):	
Interest income	678
Interest expense	(57,038)
Non-employer contributions	5,172
Loss on disposal of capital assets	<u>(20,329)</u>
Total nonoperating revenues (expenses)	<u>(71,517)</u>
Loss before contributions and transfers	(376,621)
Capital contributions	16,409
Transfers in	<u>208,311</u>
Change in net position	(151,901)
Net position, beginning	<u>3,573,554</u>
Net position, ending	<u>\$3,421,653</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, 2020

	<u>Utility Enterprise Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$ 604,653
Payments to suppliers	(448,415)
Payments to employees	<u>(187,752)</u>
Net cash used by operating activities	<u>(31,514)</u>
Cash flows from noncapital financing activities:	
Increase in customer deposits payable	6,708
Cash received from other funds	4,971
Transfers from other funds	<u>208,311</u>
Net cash provided by noncapital financing activities	<u>219,990</u>
Cash flows from capital and related financing activities:	
Principal paid on notes payable	(26,191)
Interest paid on notes payable	(49,536)
Principal paid on capital lease	(12,677)
Interest paid on capital lease	(7,562)
Acquisition of property, plant and equipment	<u>(9,875)</u>
Net cash used by capital and related financing activities	<u>(105,841)</u>
Cash flows from investing activities:	
Purchase of investments	(181)
Interest earned	<u>678</u>
Net cash provided by investing activities	<u>497</u>
Net increase in cash and cash equivalents	83,132
Cash and cash equivalents, beginning of period	<u>470,000</u>
Cash and cash equivalents, end of period	<u>\$ 553,132</u>

(continued)

TOWN OF DUSON, LOUISIANA

Statement of Cash Flows
 Proprietary Fund - (Continued)
 For the Year Ended December 31, 2020

	<u>Utility Enterprise Fund</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	<u>\$(305,104)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	280,150
Pension expense	4,759
Changes in current assets and liabilities:	
Increase in accounts receivable	(7,510)
Increase in unbilled utility receivable	(5,262)
Increase in prepaid items	(557)
Increase in accounts payable	2,092
Increase in compensated absences	<u>(82)</u>
Total adjustments	<u>273,590</u>
Net cash used by operating activities	<u>\$ (31,514)</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, beginning of period -	
Cash - unrestricted	\$ 179,274
Interest-bearing deposits - unrestricted	17,468
Cash - restricted	44,298
Interest-bearing deposits - restricted	<u>228,960</u>
Total cash and cash equivalents	<u>470,000</u>
Cash and cash equivalents, end of period -	
Cash - unrestricted	247,804
Interest-bearing deposits - unrestricted	17,495
Cash - restricted	50,999
Interest-bearing deposits - restricted	<u>236,834</u>
Total cash and cash equivalents	<u>553,132</u>
Net increase	<u>\$ 83,132</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 of Duson was incorporated under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Aldermen form of government.

This report includes all funds that are controlled by or dependent on the Town executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

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.

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.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

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.

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.

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.

Debt Service Fund -

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

Capital Projects Fund -

The Capital Projects Fund is used to account for the receipt and subsequent disbursement of bond proceeds, grants, and the Town's matching funds to be utilized for various projects.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

In addition, the Town reports the following nonmajor governmental fund:

Hotel/Motel Sales Tax Fund -

The Hotel/Motel Sales Tax Fund is used to account for the proceeds of a four percent hotel occupancy tax that is legally restricted to expenditures for specific purposes.

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.

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.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

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.

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, 2020, 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.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

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), no allowance for uncollectible receivables is recorded due to immateriality at December 31, 2020. Through the establishment of an allowance account, uncollectible amounts due from customers' utility receivables are recognized as bad debts at the time information becomes available, which would indicate the uncollectibility of the particular receivable. The allowance for uncollectible for customers utility receivables at December 31, 2020 was \$78,267. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month were \$33,904 at December 31, 2020.

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.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

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 utility meter deposits 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.

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, 2020, employees of the Town have accumulated and vested \$20,024 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, 2020, 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 revenues 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.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

- 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.
- 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 Mayor and 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.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

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.

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
Utility Fund revenues	See Note 12

G. Capitalization of Interest Expense

It is the policy of the Town of Duson to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. At December 31, 2020, there was no borrowing for assets under construction and no capitalized interest expense was recorded on the books.

H. Use of Estimates

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

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, 2020, taxes of 7.69 mills were levied on property with assessed valuations totaling \$8,476,051 and were dedicated for general corporate purposes.

Total taxes levied were \$65,181. Taxes receivable at December 31, 2020, consisted of the following:

Taxes receivable - current roll	\$ 35,094
Taxes receivable - prior roll	(21,134)
	<u>\$ 13,960</u>

(3) Sales and Use Tax

Proceeds of the 1969 1% sales and use tax levied by the Town of Duson were \$352,535 during the year ended December 31, 2020 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 of Duson were \$352,535 during the year ended December 31, 2020 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 shall the Town 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 of Duson were \$360,235 during the year ended December 31, 2020 and are dedicated to the following purposes:

Infrastructure and repairs of roads in the Town of Duson.

Proceeds of the 4% hotel/motel occupancy tax levied by the Town of Duson were \$27,904 during the year ended December 31, 2020 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, 2020, the Town had cash and interest-bearing deposits (book balances) as follows:

Demand deposits	\$ 1,472,844
Savings and money market accounts	<u>15,569</u>
Total	<u>\$ 1,488,413</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, 2020, are secured as follows:

Bank balances	<u>\$ 1,503,645</u>
Federal deposit insurance	\$ 265,524
Pledged securities	<u>1,238,121</u>
Total	<u>\$ 1,503,645</u>

Deposits in the amount of \$1,238,121 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Town's name. The Town does not have a policy for custodial credit risk.

(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, 2020, investments in LAMP amounted to \$229,850. The LAMP is not registered with the Securities and Exchange Commission (SEC) as an investment company. LAMP is intended to improve administrative efficiency and increase yield of participating public entities. The portfolio securities are valued at market value even though amortized cost method is permitted by Rule 2a-7 of the Investment Company Act of 1940, as amended, which governs registered money market funds. Because LAMP is not a money market fund, it has no obligation to conform to this rule.

The investment in LAMP is not exposed to custodial credit risk, and is not categorized in the three categories provided by GASB Codification Section I50.164 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).

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(6) Receivables

Receivables at December 31, 2020 consist of the following:

	<u>General</u>	<u>1969 Sales Tax</u>	<u>1983 Sales Tax</u>	<u>2018 Sales Tax</u>	<u>Hotel/Motel Sales Tax</u>	<u>Utility</u>	<u>Total</u>
Accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,314	\$ 38,314
Unbilled accounts	-	-	-	-	-	33,904	33,904
Taxes:							
Ad valorem	13,960	-	-	-	-	-	13,960
Sales tax	-	30,112	30,112	30,810	5,715	-	96,749
Franchise tax	6,021	-	-	-	-	-	6,021
Other	3,436	-	-	-	-	-	3,436
Totals	<u>\$ 23,417</u>	<u>\$ 30,112</u>	<u>\$ 30,112</u>	<u>\$ 30,810</u>	<u>\$ 5,715</u>	<u>\$ 72,218</u>	<u>\$ 192,384</u>

(7) Due from Other Governmental Units

Amounts due from other governmental units of at December 31, 2020 consisted of the following:

Governmental activities:

 General Fund -

Amount due from the State of Louisiana for video poker receipts for the month of December 31, 2020	\$ 115,433
Amount due from the State of Louisiana for beer tax revenues earned during fiscal year ending December 31, 2020	1,491
Amount due from the Lafayette Parish Sheriff for ad valorem taxes for the month of December 31, 2020	<u>18,774</u>
Total General Fund	<u>135,698</u>

Business-type activities:

 Utility Fund -

Amount due from the State of Louisiana for reimbursement of expenditures incurred and paid for a water main project at December 31, 2020	<u>16,409</u>
Total	<u>\$ 152,107</u>

(8) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at December 31, 2020:

Bond sinking fund	\$ 106,739
Bond reserve fund	51,398
Bond contingency fund	80,053
Customers' deposits	<u>77,470</u>
	<u>\$ 315,660</u>

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(9) Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

	Balance 01/01/20	Additions	Deletions	Balance 12/31/20
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 62,827	\$ -	\$ -	\$ 62,827
Construction in progress	2,480,241	28,973	2,481,240	27,974
Other capital assets:				
Buildings and improvements	1,383,340	-	-	1,383,340
Infrastructure	1,928,258	2,481,240	-	4,409,498
Equipment and vehicles	818,224	9,443	16,128	811,539
Totals	<u>6,672,890</u>	<u>2,519,656</u>	<u>2,497,368</u>	<u>6,695,178</u>
Less accumulated depreciation:				
Buildings and improvements	433,910	33,622	-	467,532
Infrastructure	845,796	108,096	-	953,892
Equipment and vehicles	575,185	73,280	15,410	633,055
Total accumulated depreciation	<u>1,854,891</u>	<u>214,998</u>	<u>15,410</u>	<u>2,054,479</u>
Governmental activities, capital assets, net	<u>\$ 4,817,999</u>	<u>\$2,304,658</u>	<u>\$2,481,958</u>	<u>\$ 4,640,699</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 63,130	\$ -	\$ -	\$ 63,130
Other capital assets:				
Plant and equipment - water system	3,679,607	3,290	250,621	3,432,276
Plant and equipment - sewer system	6,126,812	6,585	-	6,133,397
Office equipment	30,046	-	-	30,046
Totals	<u>9,899,595</u>	<u>9,875</u>	<u>250,621</u>	<u>9,658,849</u>
Less accumulated depreciation:				
Plant and equipment - water system	2,359,065	107,410	230,292	2,236,183
Plant and equipment - sewer system	3,024,823	172,740	-	3,197,563
Office equipment	30,046	-	-	30,046
Total accumulated depreciation	<u>5,413,934</u>	<u>280,150</u>	<u>230,292</u>	<u>5,463,792</u>
Business-type activities, capital assets, net	<u>\$ 4,485,661</u>	<u>\$ (270,275)</u>	<u>\$ 20,329</u>	<u>\$ 4,195,057</u>

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 13,427
Police	53,366
Fire	13,419
Streets	107,147
Community Center	26,644
Park and recreation	<u>995</u>
Total depreciation expense	<u>\$ 214,998</u>

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

Water	\$ 107,410
Sewerage	<u>172,740</u>
Total depreciation expense	<u>\$ 280,150</u>

(10) Accounts and Other Payables

The accounts and other payables of at December 31, 2020 consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Accounts	\$ 43,482	\$ 15,592	\$ 59,074
Payroll liabilities	<u>10,120</u>	<u>4,226</u>	<u>14,346</u>
Totals	<u>\$ 53,602</u>	<u>\$ 19,818</u>	<u>\$ 73,420</u>

(11) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the Town for the year ended December 31, 2020:

	Governmental Activities	Business-type Activities
Long-term debt payable, January 1, 2020	\$ 2,420,834	\$ 1,314,140
Retirements	<u>(160,466)</u>	<u>(38,868)</u>
Long-term debt payable, December 31, 2020	<u>\$ 2,260,368</u>	<u>\$ 1,275,272</u>

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

Long-term debt payable at December 31, 2020 is comprised of the following:

	<u>Total</u>	<u>Current Portion</u>
Governmental Activities:		
Capital Leases:		
\$53,562 equipment lease dated July 18, 2018, due in annual installments of \$13,038, including interest at 6.45%, through July 18, 2021, secured by General Fund revenues and assets with a carrying value of \$27,674 at December 31, 2020	\$ 12,248	\$ 12,248
\$28,010 equipment lease dated October 12, 2018, due in annual installments of \$7,723, including interest at 6.95%, through October 12, 2021, secured by General Fund revenues and assets with a carrying value of \$15,405 at December 31, 2020	7,221	7,221
\$31,863 equipment lease dated October 28, 2019, due in annual installments of \$8,757, including interest at 6.70%, through October 28, 2022, secured by General Fund revenues and assets with a carrying value of \$26,373 at December 31, 2020	<u>15,899</u>	<u>7,691</u>
	35,368	27,160
Sales Tax Bonds:		
\$2,500,000 Sales Tax Bonds dated July 23, 2018, due in annual installments ranging from \$135,000 to \$215,000 including interest ranging from 2.00% to 4.750% from August 1, 2019 through August 1, 2033; payable from 2018 Sales Tax Special Revenue Fund	<u>2,225,000</u>	<u>140,000</u>
	<u>\$ 2,260,368</u>	<u>\$ 167,160</u>
Business-Type Activities:		
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	\$1,086,524	\$27,394
Capital Lease:		
\$230,511 equipment lease dated July 6, 2017 due in monthly installments of \$1,687, including interest at 3.685% through July 15, 2032, secured by Utility Fund revenues and asset with a carrying value of \$208,220 at December 31, 2020	<u>188,748</u>	<u>13,176</u>
	<u>\$ 1,275,272</u>	<u>\$ 40,570</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
2021	\$ 167,160	\$ 87,557	\$ 40,570	\$ 55,398
2022	148,208	82,250	42,346	53,619
2023	145,000	77,500	44,201	51,765
2024	150,000	72,425	46,138	49,828
2025	155,000	66,425	48,161	47,807
2026-2030	880,000	238,000	274,392	205,441
2031-2035	615,000	57,376	266,318	144,366
2036-2040	-	-	294,521	84,115
2041-2044	-	-	218,625	16,002
Total	<u>\$2,260,368</u>	<u>\$ 681,533</u>	<u>\$ 1,275,272</u>	<u>\$ 708,341</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)

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, 2020.

(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 \$34,750 for the fiscal year ending December 31, 2020. Such payments are recorded as intergovernmental revenues and public safety expenditures in the government-wide and General Fund financial statements.

(14) Federal Social Security System

All employees of the Town of Duson are members of the Federal Social Security System. The Town and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the Town; 7.65% contributed by the employee). The Town's contribution during the year ended December 31, 2020, amounted to \$54,959.

(15) 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 of any age 10 years age 60	25 years of 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, 2020 for the defined benefit pension plans in which the Town is a participating employer were as follows:

<u>Plan</u>	<u>Active Member Contribution Percentage</u>	<u>Employer Contribution Percentage</u>	<u>Amount from Nonemployer Contributing Entities</u>	<u>Amount of Town Contributions</u>
MERS	5.00%	14.00%	\$ 16,163	\$ 67,921
MPERS	10.00%	33.75%	11,402	45,893

Net Pension Liability

The Town's net pension liability at December 31, 2020 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, 2020 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.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

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	\$ 526,708	0.581210%	0.002776%
MPERS	483,448	0.052308%	0.020368%
Total	<u>\$ 1,010,156</u>		

Since the measurement date of the net pension liability was June 30, 2019, the net pension liability is based upon fiduciary net position for each of the plans as of those dates. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the Town's net pension liability is available in the separately issued plan financial reports for those fiscal years. The financial report for each plan may be accessed on their website as follows:

- MERS - <http://www.mersla.com/>
- MPERS - <http://lampers.org/>

Actuarial Assumptions

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

	<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

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

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, MPERS, FRS) 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.

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	6.950%	6.950%
Change in discount rate from prior valuation	-0.050%	-0.175%
Plan cash flow assumptions	(1)	(1)
Rates incorporated in the Discount Rate:		
Long-term Rate of Return	6.950%	6.950%
Periods applied	All	All
Municipal Bond Rate	N/A	N/A

***Plan Cash Flow Assumptions:**

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

The discount rates used to measure the Town's total pension liability for each plan is equal to the long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits. For MERS, MPERS, and FRS, 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.

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

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%	2.33%	48.50%	3.08%
Fixed Income	38%	1.67%	33.50%	0.54%
Alternative Investments	9%	0.40%	18.00%	1.02%
Total	<u>100%</u>	<u>4.40%</u>	<u>100.00%</u>	<u>4.64%</u>
Inflation		<u>2.60%</u>		<u>2.55%</u>
Expected arithmetic nominal return		<u>7.00%</u>		<u>7.19%</u>

*Arithmetic real rates of return

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, 2020, the Town recognized \$95,944 and \$156,406 in pension expense related to MERS and MPERS, respectively.

At December 31, 2020, the Town reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	MERS	MPERS	Total
Differences between expected and actual experience	\$ -	\$ -	\$ -
Changes of assumptions	16,322	11,488	27,810
Net difference between projected and actual earnings on pension plan investments	57,183	57,999	115,182
Change in proportion and differences between employer contributions and proportionate share of contributions	1,421	189,667	191,088
Employer contributions subsequent to the measurement date	<u>35,541</u>	<u>22,968</u>	<u>58,509</u>
Total	<u>\$ 110,467</u>	<u>\$282,122</u>	<u>\$ 392,589</u>

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

At December 31, 2020, 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	\$ 8,862	\$ 19,043	\$ 27,905
Change in proportion and differences between employer contributions and proportionate share of contributions	7,859	-	7,859
Changes in assumptions	-	11,931	11,931
Total	\$ 16,721	\$ 30,974	\$ 47,695

Deferred outflows of resources of \$58,509 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, 2020. 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
2021	\$ 19,434	\$ 76,191	\$ 95,625
2022	17,369	88,158	105,527
2023	13,028	52,822	65,850
2024	8,374	11,009	19,383
	\$ 58,205	\$ 228,180	\$ 286,385

Payables to the Pension Plans

At December 31, 2020, the Town's payables were \$5,705 and \$3,638 to MERS and MPERS, respectively for the month of December 2020, which were the contractually required contributions.

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

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

Plan	Current Discount Rate	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
MERS	6.950%	\$ 701,146	\$ 526,708	\$ 379,109
MPERS	6.950%	679,193	483,448	319,813
Total		\$ 1,380,339	\$ 1,010,156	\$ 698,922

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(16) Risk Management

The Town is exposed to risks of loss in the areas of health care, 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.

(17) 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, 2020 was as follows:

	<u>Water Department</u>	<u>Sewerage Department</u>	<u>Sanitation Department</u>	<u>Total Enterprise Fund</u>
Operating revenues	\$ 286,345	\$ 204,116	\$ 126,964	\$ 617,425
Operating expenses:				
Depreciation	107,410	172,740	-	280,150
Other	290,521	237,819	114,039	642,379
Total operating expenses	<u>397,931</u>	<u>410,559</u>	<u>114,039</u>	<u>922,529</u>
Operating income (loss)	<u>\$(111,586)</u>	<u>\$(206,443)</u>	<u>\$ 12,925</u>	<u>\$(305,104)</u>

(18) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended December 31, 2020 follows:

Johnny Thibodeaux	\$ 49,150
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>\$ 89,761</u>

(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, 2020 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 49,150
Benefits - insurance	3,920
Benefits - retirement	6,935
Reimbursements	<u>122</u>
	<u>\$ 60,127</u>

TOWN OF DUSON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(20) Pending Litigation

At December 31, 2020, the Town is not involved in any litigation.

(21) Interfund Transactions

A. Interfund receivables and payables consisted of the following at December 31, 2020:

	Receivable	Payable
Major governmental funds:		
General Fund	\$ 51,492	\$ 98,014
1969 Sales Tax Special Revenue Fund	50,149	37,721
1983 Sales Tax Special Revenue Fund	74,073	95,980
2018 Sales Tax Special Revenue Fund	-	1,262
Capital Projects Fund	30,609	29,859
Enterprise fund - Utility Fund	100,629	44,116
Total	\$ 306,952	\$306,952

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 at December 31, 2020:

	Transfers In	Transfers Out
Major governmental funds:		
General Fund	\$ 461,435	\$ 2,493
1969 Sales Tax Special Revenue Fund	50,000	358,311
1983 Sales Tax Special Revenue Fund	-	350,000
2018 Sales Tax Special Revenue Fund	-	352,568
Debt Service Fund	344,588	-
Capital Projects Fund	2,493	-
Nonmajor governmental fund:		
Hotel/Motel Sales Tax Fund	-	3,455
Enterprise fund - Utility Fund	208,311	-
Total	\$ 1,066,827	\$ 1,066,827

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.

(22) Subsequent Event

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

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF DUSON, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 134,500	\$ 138,500	\$ 135,234	\$ (3,266)
Licenses and permits	165,000	165,000	136,092	(28,908)
Intergovernmental	648,500	720,500	842,424	121,924
Fines and forfeits	184,000	190,000	192,763	2,763
Miscellaneous	69,300	110,050	37,972	(72,078)
Total revenues	<u>1,201,300</u>	<u>1,324,050</u>	<u>1,344,485</u>	<u>20,435</u>
Expenditures:				
Current -				
General government	430,650	438,685	423,105	15,580
Public safety:				
Police	693,350	747,515	745,393	2,122
Fire	58,300	60,300	55,812	4,488
Streets	282,200	362,500	381,954	(19,454)
Parks and recreation	800	800	311	489
Community Center	19,500	23,325	28,329	(5,004)
Capital outlay	68,000	73,483	35,923	37,560
Debt service	-	29,517	29,517	-
Total expenditures	<u>1,552,800</u>	<u>1,736,125</u>	<u>1,700,344</u>	<u>35,781</u>
Deficiency of revenues over expenditures	<u>(351,500)</u>	<u>(412,075)</u>	<u>(355,859)</u>	<u>56,216</u>
Other financing sources (uses):				
Transfer from 1969 Sales Tax Fund	175,000	235,000	235,000	-
Transfer from 1983 Sales Tax Fund	200,000	215,000	215,000	-
Transfer from 2018 Sales Tax Fund	-	-	7,980	7,980
Transfer from Hotel/Motel Sales Tax	-	-	3,455	3,455
Transfer to Capital Projects Fund	-	-	(2,493)	(2,493)
Total other financing sources (uses)	<u>375,000</u>	<u>450,000</u>	<u>458,942</u>	<u>8,942</u>
Net change in fund balance	23,500	37,925	103,083	65,158
Fund balance, beginning	<u>367,481</u>	<u>367,481</u>	<u>367,481</u>	<u>-</u>
Fund balance, ending	<u>\$ 390,981</u>	<u>\$ 405,406</u>	<u>\$ 470,564</u>	<u>\$ 65,158</u>

TOWN OF DUSON, LOUISIANA
1969 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales taxes	\$336,500	\$344,053	\$352,535	\$ 8,482
Interest	450	195	174	(21)
Total revenues	<u>336,950</u>	<u>344,248</u>	<u>352,709</u>	<u>8,461</u>
Expenditures:				
General government -				
Collection fees	3,600	2,643	2,634	9
Professional fees	8,000	7,980	7,980	-
Total general government	<u>11,600</u>	<u>10,623</u>	<u>10,614</u>	<u>9</u>
Excess of revenues over expenditures	<u>325,350</u>	<u>333,625</u>	<u>342,095</u>	<u>8,470</u>
Other financing sources (uses):				
Transfer from 1983 Sales Tax Fund	-	-	50,000	50,000
Transfer to General Fund	(175,000)	(235,000)	(235,000)	-
Transfer to Utility Fund	(150,000)	(124,426)	(123,311)	1,115
Total other financing sources (uses)	<u>(325,000)</u>	<u>(359,426)</u>	<u>(308,311)</u>	<u>51,115</u>
Net change in fund balance	350	(25,801)	33,784	59,585
Fund balance, beginning	<u>148,849</u>	<u>148,849</u>	<u>148,849</u>	<u>-</u>
Fund balance, ending	<u>\$149,199</u>	<u>\$123,048</u>	<u>\$182,633</u>	<u>\$ 59,585</u>

TOWN OF DUSON, LOUISIANA
1983 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales taxes	\$ 336,500	\$ 344,053	\$352,535	\$ 8,482
Interest	300	129	106	(23)
Total revenues	<u>336,800</u>	<u>344,182</u>	<u>352,641</u>	<u>8,459</u>
Expenditures:				
General government -				
Collection fees	3,600	2,643	2,635	8
Professional fees	8,000	7,980	7,980	-
Total general government	<u>11,600</u>	<u>10,623</u>	<u>10,615</u>	<u>8</u>
Excess of revenues over expenditures	<u>325,200</u>	<u>333,559</u>	<u>342,026</u>	<u>8,467</u>
Other financing uses:				
Transfer to General Fund	(200,000)	(215,000)	(215,000)	-
Transfer to 1969 Sales Tax Fund	-	-	(50,000)	(50,000)
Transfer to Utility Fund	(100,000)	(85,000)	(85,000)	-
Total other financing uses	<u>(300,000)</u>	<u>(300,000)</u>	<u>(350,000)</u>	<u>(50,000)</u>
Net change in fund balance	25,200	33,559	(7,974)	(41,533)
Fund balance, beginning	<u>239,707</u>	<u>239,707</u>	<u>239,707</u>	<u>-</u>
Fund balance, ending	<u>\$ 264,907</u>	<u>\$ 273,266</u>	<u>\$231,733</u>	<u>\$ (41,533)</u>

TOWN OF DUSON, LOUISIANA
2018 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales taxes	\$ 330,000	\$ 344,152	\$ 360,235	\$ 16,083
Interest	400	426	391	(35)
Total revenues	<u>330,400</u>	<u>344,578</u>	<u>360,626</u>	<u>16,048</u>
Expenditures:				
General government -				
Collection fees	3,600	2,544	2,491	53
Professional fees	8,000	16,918	345	16,573
Total general government	<u>11,600</u>	<u>19,462</u>	<u>2,836</u>	<u>16,626</u>
Excess of revenues over expenditures	<u>318,800</u>	<u>325,116</u>	<u>357,790</u>	<u>32,674</u>
Other financing uses:				
Transfer to General Fund	-	-	(7,980)	(7,980)
Transfer to Debt Service Fund	(318,800)	(345,270)	(344,588)	682
Total other financing uses	<u>(318,800)</u>	<u>(345,270)</u>	<u>(352,568)</u>	<u>(7,298)</u>
Net change in fund balance	-	(20,154)	5,222	25,376
Fund balance, beginning	<u>25,347</u>	<u>25,347</u>	<u>25,347</u>	<u>-</u>
Fund balance, ending	<u>\$ 25,347</u>	<u>\$ 5,193</u>	<u>\$ 30,569</u>	<u>\$ 25,376</u>

TOWN OF DUSON, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2020

<u>Plan</u>	<u>Plan Year Ended June 30,</u>	<u>Employer Proportion of the Net Pension Liability (Asset)</u>	<u>Employer Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
MERS	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	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%

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

TOWN OF DUSON, LOUISIANA

Schedule of Employer Contributions
For the Year Ended December 31, 2020

<u>Plan</u>	<u>Year Ended December 31,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
MERS	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	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.

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.

(3) Excess of Expenditures Over Appropriations

For the year ended December 31, 2020, the General Fund had actual expenditures over appropriations, at the functional level, as follows:

<u>Fund/ Function</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
General Fund:			
Streets	\$ 362,500	\$ 381,954	\$ (19,454)
Community Center	23,325	28,329	(5,004)

OTHER SUPPLEMENTARY INFORMATION

TOWN OF DUSON, LOUISIANA

Statement of Net Position
December 31, 2020
With Comparative Totals for December 31, 2019

	2020			2019 Total
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 935,281	\$ 265,299	\$ 1,200,580	\$ 1,031,365
Investments	200,884	1,139	202,023	200,720
Receivables, net	120,166	72,218	192,384	158,305
Internal balances	(56,513)	56,513	-	-
Due from other governmental units	135,698	16,409	152,107	86,169
Prepaid items	26,376	20,513	46,889	45,297
Total current assets	<u>1,361,892</u>	<u>432,091</u>	<u>1,793,983</u>	<u>1,521,856</u>
Noncurrent assets:				
Restricted assets -				
Cash and interest-bearing deposits	-	287,833	287,833	273,258
Investments	-	27,827	27,827	27,647
Capital assets -				
Land and construction in progress	90,801	63,130	153,931	2,606,198
Capital assets, net	<u>4,549,898</u>	<u>4,131,927</u>	<u>8,681,825</u>	<u>6,697,462</u>
Total noncurrent assets	<u>4,640,699</u>	<u>4,510,717</u>	<u>9,151,416</u>	<u>9,604,565</u>
Total assets	<u>6,002,591</u>	<u>4,942,808</u>	<u>10,945,399</u>	<u>11,126,421</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	<u>357,241</u>	<u>35,348</u>	<u>392,589</u>	<u>288,887</u>
LIABILITIES				
Current liabilities:				
Accounts payable	53,602	19,818	73,420	54,635
Contracts payable	-	-	-	16,573
Retainage payable	-	-	-	108,402
Unearned revenue	11,140	-	11,140	3,830
Capital lease payable	27,160	13,176	40,336	38,144
Payable from restricted assets:				
Customer deposits payable	-	77,470	77,470	70,762
Revenue bonds payable	140,000	27,394	167,394	161,191
Accrued interest	35,500	2,497	37,997	37,852
Total current liabilities	<u>267,402</u>	<u>140,355</u>	<u>407,757</u>	<u>491,389</u>
Noncurrent liabilities:				
Compensated absences payable	12,476	7,548	20,024	18,945
Net pension liability	841,609	168,547	1,010,156	796,091
Capital lease payable	8,208	175,572	183,780	224,115
Revenue bonds payable	<u>2,085,000</u>	<u>1,059,130</u>	<u>3,144,130</u>	<u>3,311,524</u>
Total noncurrent liabilities	<u>2,947,293</u>	<u>1,410,797</u>	<u>4,358,090</u>	<u>4,350,675</u>
Total liabilities	<u>3,214,695</u>	<u>1,551,152</u>	<u>4,765,847</u>	<u>4,842,064</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	<u>42,344</u>	<u>5,351</u>	<u>47,695</u>	<u>47,086</u>
NET POSITION				
Net investment in capital assets	2,380,331	2,947,179	5,327,510	5,469,902
Restricted for debt service	236,716	208,299	445,015	316,966
Restricted for sales tax dedication	553,510	-	553,510	498,169
Restricted for capital projects	860	-	860	860
Unrestricted (deficit)	(67,764)	266,175	198,411	240,261
Total net position	<u>\$ 3,102,793</u>	<u>\$ 3,421,653</u>	<u>\$ 6,524,446</u>	<u>\$ 6,526,158</u>

TOWN OF DUSON

Comparative Balance Sheet
General and Major Special Revenue Funds
December 31, 2020 and 2019

	General		1969 Sales Tax Special Revenue		1983 Sales Tax Special Revenue		2018 Sales Tax Special Revenue	
	2020	2019	2020	2019	2020	2019	2020	2019
ASSETS								
Cash and interest-bearing deposits	\$ 206,009	\$ 164,265	\$ 129,537	\$ 100,922	\$ 223,528	\$ 236,602	\$ 1,021	\$ 98,408
Investments	190,328	189,094	10,556	10,488	-	-	-	-
Receivables:								
Taxes	19,981	22,335	30,112	25,012	30,112	25,012	30,810	25,274
Other	3,436	410	-	-	-	-	-	-
Due from other governmental units	135,698	86,169	-	-	-	-	-	-
Due from other funds	51,492	23,591	50,149	42,168	74,073	66,093	-	-
Prepaid items	26,376	25,341	-	-	-	-	-	-
Total assets	<u>\$ 633,320</u>	<u>\$ 511,205</u>	<u>\$ 220,354</u>	<u>\$ 178,590</u>	<u>\$ 327,713</u>	<u>\$ 327,707</u>	<u>\$ 31,831</u>	<u>\$ 123,682</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 43,482	\$ 25,568	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	10,120	11,341	-	-	-	-	-	-
Unearned revenue	11,140	3,830	-	-	-	-	-	-
Due to other funds	98,014	102,985	37,721	29,741	95,980	88,000	1,262	98,335
Total liabilities	<u>162,756</u>	<u>143,724</u>	<u>37,721</u>	<u>29,741</u>	<u>95,980</u>	<u>88,000</u>	<u>1,262</u>	<u>98,335</u>
Fund balances:								
Nonspendable - prepaid items	26,376	25,341	-	-	-	-	-	-
Restricted - sales tax dedications	-	-	182,633	148,849	231,733	239,707	30,569	25,347
Unassigned	444,188	342,140	-	-	-	-	-	-
Total fund balances	<u>470,564</u>	<u>367,481</u>	<u>182,633</u>	<u>148,849</u>	<u>231,733</u>	<u>239,707</u>	<u>30,569</u>	<u>25,347</u>
Total liabilities and fund balances	<u>\$ 633,320</u>	<u>\$ 511,205</u>	<u>\$ 220,354</u>	<u>\$ 178,590</u>	<u>\$ 327,713</u>	<u>\$ 327,707</u>	<u>\$ 31,831</u>	<u>\$ 123,682</u>

TOWN OF DUSON, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended December 31, 2020
With Actual Amounts for the Year Ended 2019

	2020			Variance with Final Budget Positive (Negative)	2019
	Budget		Actual		
	Original	Final			
Taxes:					
Ad valorem	\$ 45,000	\$ 49,000	\$ 61,863	\$ 12,863	\$ 62,271
Franchise - electric	75,000	75,000	61,125	(13,875)	62,551
Franchise - gas	5,500	5,500	3,938	(1,562)	4,394
Franchise - cable TV	9,000	9,000	8,308	(692)	8,762
Total taxes	<u>134,500</u>	<u>138,500</u>	<u>135,234</u>	<u>(3,266)</u>	<u>137,978</u>
Occupational licenses	<u>165,000</u>	<u>165,000</u>	<u>136,092</u>	<u>(28,908)</u>	<u>137,120</u>
Intergovernmental:					
Federal grants	-	-	63,118	63,118	-
State of Louisiana - Facility Planning	-	24,000	29,183	5,183	-
Municipal police supplemental pay	36,000	36,000	34,750	(1,250)	37,649
Beer taxes	5,000	5,000	5,161	161	3,810
Grass cutting	5,500	5,500	8,100	2,600	5,400
Video poker revenue	602,000	650,000	702,112	52,112	641,191
Total intergovernmental	<u>648,500</u>	<u>720,500</u>	<u>842,424</u>	<u>121,924</u>	<u>688,050</u>
Fines and forfeits	<u>184,000</u>	<u>190,000</u>	<u>192,763</u>	<u>2,763</u>	<u>235,688</u>
Miscellaneous:					
Interest income	3,800	3,800	1,317	(2,483)	4,399
Rent income	10,000	6,500	5,940	(560)	11,600
Sale of capital assets	2,500	250	-	(250)	3,100
Other sources	53,000	99,500	30,715	(68,785)	64,191
Total miscellaneous	<u>69,300</u>	<u>110,050</u>	<u>37,972</u>	<u>(72,078)</u>	<u>83,290</u>
Total revenues	<u>\$ 1,201,300</u>	<u>\$ 1,324,050</u>	<u>\$ 1,344,485</u>	<u>\$ 20,435</u>	<u>\$ 1,282,126</u>

TOWN OF DUSON, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2020
With Actual Amounts for the Year Ended 2019

	2020		Actual	Variance with Final Budget Positive (Negative)	2019
	Budget				
	Original	Final			
Current:					
General government -					
Salaries	\$ 208,000	\$ 203,000	\$ 201,395	\$ 1,605	\$ 195,378
Payroll taxes	17,000	17,000	16,164	836	15,587
Retirement	21,000	24,000	23,597	403	21,555
General insurance	25,000	28,000	27,666	334	19,256
Group health insurance	13,500	14,000	13,845	155	14,154
Utilities	13,450	13,450	10,164	3,286	23,077
Telephone	10,000	9,000	5,429	3,571	3,654
Meetings and conventions	900	900	1,026	(126)	936
Meals, lodging and travel	200	-	-	-	528
Advertising	9,000	5,000	5,275	(275)	6,229
Building permits	10,000	10,000	6,089	3,911	8,634
Computer services	3,500	6,000	5,864	136	5,675
Repairs and maintenance	5,000	5,000	4,535	465	4,912
Auto expenditures	1,500	4,300	6,546	(2,246)	4,943
Professional fees	75,000	70,635	63,810	6,825	67,552
Office expenditures	7,000	8,500	11,034	(2,534)	11,270
Uniforms	750	-	-	-	1,122
Miscellaneous	9,850	19,900	20,666	(766)	10,315
Total general government	<u>430,650</u>	<u>438,685</u>	<u>423,105</u>	<u>15,580</u>	<u>414,777</u>
Public safety -					
Police:					
Salaries	373,000	406,000	409,603	(3,603)	435,884
Payroll taxes	35,000	35,000	33,414	1,586	35,758
Retirement	58,000	58,000	57,416	584	57,922
General insurance	40,000	51,000	52,340	(1,340)	52,905
Group health insurance	45,000	40,000	35,473	4,527	30,368
Computer services	5,000	20,500	24,183	(3,683)	12,785
Repairs and maintenance	2,500	6,000	9,478	(3,478)	21,452
Professional fees	15,000	12,000	11,944	56	23,850
Supplies	13,500	11,000	8,116	2,884	16,293
Utilities	8,500	8,500	7,172	1,328	11,842
Telephone	16,000	24,000	26,235	(2,235)	19,254
Auto expenditures	45,000	40,000	39,368	632	42,029
Office supplies	4,500	4,359	2,057	2,302	5,429
Uniforms	6,500	8,500	6,538	1,962	12,129
Training and education	2,000	500	-	500	3,514
Miscellaneous	23,850	22,156	22,056	100	37,278
Total police	<u>693,350</u>	<u>747,515</u>	<u>745,393</u>	<u>2,122</u>	<u>818,692</u>

(continued)

TOWN OF DUSON, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended December 31, 2020
With Actual Amounts for the Year Ended 2019

	2020			Variance with Final Budget Positive (Negative)	2019
	Budget		Actual		
	Original	Final			
Fire -					
General insurance	15,000	16,500	16,645	(145)	16,664
Utilities	8,800	8,800	7,484	1,316	8,816
Telephone	6,000	7,000	6,843	157	6,798
Supplies and materials	500	-	-	-	-
Volunteer fire department	28,000	28,000	24,840	3,160	26,622
Total fire	<u>58,300</u>	<u>60,300</u>	<u>55,812</u>	<u>4,488</u>	<u>58,900</u>
Total public safety	<u>751,650</u>	<u>807,815</u>	<u>801,205</u>	<u>6,610</u>	<u>877,592</u>
Streets -					
Salaries	88,000	80,500	79,468	1,032	81,459
Payroll taxes	7,500	7,500	6,777	723	6,756
Retirement	11,000	11,500	11,089	411	10,629
General insurance	24,000	25,000	25,850	(850)	28,802
Group health insurance	10,000	16,800	16,386	414	9,679
Professional services	5,000	36,000	34,110	1,890	1,899
Supplies, materials and repairs	13,000	23,000	28,114	(5,114)	31,732
Auto and truck expenditures	30,000	15,300	15,094	206	13,618
Utilities	33,000	31,000	29,418	1,582	32,577
Telephone	2,200	5,000	5,094	(94)	1,711
Office expenditures	1,000	1,000	823	177	1,118
Rentals	4,000	36,500	42,875	(6,375)	45,836
Miscellaneous	1,500	1,700	1,896	(196)	987
Contract labor	52,000	71,700	84,960	(13,260)	67,355
Total streets	<u>282,200</u>	<u>362,500</u>	<u>381,954</u>	<u>(19,454)</u>	<u>334,158</u>
Parks and recreation -					
General insurance	350	350	241	109	379
Utilities	250	250	70	180	256
Repairs and maintenance	200	200	-	200	-
Total parks and recreation	<u>800</u>	<u>800</u>	<u>311</u>	<u>489</u>	<u>635</u>

(continued)

TOWN OF DUSON, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended December 31, 2020
With Actual Amounts for the Year Ended 2019

	2020			Variance with Final Budget Positive (Negative)	2019
	Original Budget	Final Budget	Actual		
Community Center -					
General insurance	9,000	9,000	9,055	(55)	8,585
Supplies and materials	1,000	5,125	11,269	(6,144)	4,372
Contract labor	500	200	180	20	483
Utilities	9,000	9,000	7,825	1,175	10,288
Total Community Center	<u>19,500</u>	<u>23,325</u>	<u>28,329</u>	<u>(5,004)</u>	<u>23,728</u>
Capital outlay:					
Public safety -					
Police	23,000	20,000	9,442	10,558	65,005
Streets	45,000	53,483	26,481	27,002	-
Park and recreation	-	-	-	-	4,452
Total capital outlay	<u>68,000</u>	<u>73,483</u>	<u>35,923</u>	<u>37,560</u>	<u>69,457</u>
Debt service:					
Principal retirement	-	25,466	25,466	-	45,640
Interest	-	4,051	4,051	-	4,815
Total debt service	<u>-</u>	<u>29,517</u>	<u>29,517</u>	<u>-</u>	<u>50,455</u>
 Total expenditures	 <u>\$1,552,800</u>	 <u>\$1,736,125</u>	 <u>\$1,700,344</u>	 <u>\$35,781</u>	 <u>\$1,770,802</u>

TOWN OF DUSON, LOUISIANA
1969 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2020
With Actual Amounts for the Year Ended 2019

	2020			Variance with Final Budget Positive (Negative)	2019
	Budget		Actual		
	Original	Final			
Revenues:					
Sales taxes	\$336,500	\$ 344,053	\$ 352,535	\$ 8,482	\$349,962
Interest	450	195	174	(21)	609
Total revenues	<u>336,950</u>	<u>344,248</u>	<u>352,709</u>	<u>8,461</u>	<u>350,571</u>
Expenditures:					
General government -					
Collection fees	3,600	2,643	2,634	9	2,670
Professional fees	8,000	7,980	7,980	-	10,430
Total general government	<u>11,600</u>	<u>10,623</u>	<u>10,614</u>	<u>9</u>	<u>13,100</u>
Excess of revenues over expenditures	<u>325,350</u>	<u>333,625</u>	<u>342,095</u>	<u>8,470</u>	<u>337,471</u>
Other financing sources (uses):					
Transfer from 1983 Sales Tax Fund	-	-	50,000	50,000	-
Transfer to General Fund	(175,000)	(235,000)	(235,000)	-	(200,000)
Transfer to Utility Fund	(150,000)	(124,426)	(123,311)	1,115	(123,311)
Total other financing sources (uses)	<u>(325,000)</u>	<u>(359,426)</u>	<u>(308,311)</u>	<u>51,115</u>	<u>(323,311)</u>
Net change in fund balance	350	(25,801)	33,784	59,585	14,160
Fund balance, beginning	<u>148,849</u>	<u>148,849</u>	<u>148,849</u>	<u>-</u>	<u>134,689</u>
Fund balance, ending	<u>\$149,199</u>	<u>\$ 123,048</u>	<u>\$ 182,633</u>	<u>\$ 59,585</u>	<u>\$148,849</u>

TOWN OF DUSON, LOUISIANA
1983 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2020
With Actual Amounts for the Year Ended 2019

	2020			Variance with Final Budget Positive (Negative)	2019
	Budget		Actual		
	Original	Final			
Revenues:					
Sales taxes	\$ 336,500	\$ 344,053	\$ 352,535	\$ 8,482	\$349,962
Interest	300	129	106	(23)	375
Total revenues	<u>336,800</u>	<u>344,182</u>	<u>352,641</u>	<u>8,459</u>	<u>350,337</u>
Expenditures:					
General government -					
Collection fees	3,600	2,643	2,635	8	2,670
Professional fees	8,000	7,980	7,980	-	10,430
Total general government	<u>11,600</u>	<u>10,623</u>	<u>10,615</u>	<u>8</u>	<u>13,100</u>
Excess of revenues over expenditures	<u>325,200</u>	<u>333,559</u>	<u>342,026</u>	<u>8,467</u>	<u>337,237</u>
Other financing uses:					
Transfer to General Fund	(200,000)	(215,000)	(215,000)	-	(250,000)
Transfer to 1969 Sales Tax Fund	-	-	(50,000)	(50,000)	-
Transfer to Utility Fund	(100,000)	(85,000)	(85,000)	-	(80,000)
Transfer to Capital Projects Fund	-	-	-	-	(27,500)
Total other financing uses	<u>(300,000)</u>	<u>(300,000)</u>	<u>(350,000)</u>	<u>(50,000)</u>	<u>(357,500)</u>
Net change in fund balance	25,200	33,559	(7,974)	(41,533)	(20,263)
Fund balance, beginning	<u>239,707</u>	<u>239,707</u>	<u>239,707</u>	-	<u>259,970</u>
Fund balance, ending	<u>\$ 264,907</u>	<u>\$ 273,266</u>	<u>\$ 231,733</u>	<u>\$ (41,533)</u>	<u>\$239,707</u>

TOWN OF DUSON, LOUISIANA
2018 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2020
With Actual Amounts for the Year Ended 2019

	2020			Variance with Final Budget Positive (Negative)	2019
	Budget		Actual		
	Original	Final			
Revenues:					
Sales taxes	\$ 330,000	\$ 344,152	\$ 360,235	\$ 16,083	\$ 352,726
Interest	400	426	391	(35)	519
Total revenues	<u>330,400</u>	<u>344,578</u>	<u>360,626</u>	<u>16,048</u>	<u>353,245</u>
Expenditures:					
General government -					
Collection fees	3,600	2,544	2,491	53	3,470
Professional fees	8,000	16,918	345	16,573	765
Total general government	<u>11,600</u>	<u>19,462</u>	<u>2,836</u>	<u>16,626</u>	<u>4,235</u>
Excess of revenues over expenditures	<u>318,800</u>	<u>325,116</u>	<u>357,790</u>	<u>32,674</u>	<u>349,010</u>
Other financing uses:					
Transfer to General Fund	-	-	(7,980)	(7,980)	(1,990)
Transfer to Debt Service Fund	(318,800)	(345,270)	(344,588)	682	(374,823)
Total other financing uses	<u>(318,800)</u>	<u>(345,270)</u>	<u>(352,568)</u>	<u>(7,298)</u>	<u>(376,813)</u>
Net change in fund balance	-	(20,154)	5,222	25,376	(27,803)
Fund balance, beginning	<u>25,347</u>	<u>25,347</u>	<u>25,347</u>	-	<u>53,150</u>
Fund balance, ending	<u>\$ 25,347</u>	<u>\$ 5,193</u>	<u>\$ 30,569</u>	<u>\$ 25,376</u>	<u>\$ 25,347</u>

TOWN OF DUSON, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Net Position
December 31, 2020 and 2019

	2020	2019
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 265,299	\$ 196,742
Investments	1,139	1,138
Receivables:		
Accounts receivable, net	38,314	30,804
Unbilled utility receivables	33,904	28,642
Due from other funds	100,629	105,499
Due from other governmental units	16,409	-
Prepaid items	20,513	19,956
Total current assets	476,207	382,781
Noncurrent assets:		
Restricted assets -		
Cash and interest-bearing deposits	287,833	273,258
Investments	27,827	27,647
Capital assets:		
Land	63,130	63,130
Other capital assets, net of accumulated depreciation	4,131,927	4,422,531
Total noncurrent assets	4,510,717	4,786,566
Total assets	4,986,924	5,169,347
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	35,348	40,617
LIABILITIES		
Current liabilities:		
Accounts and other payables	19,818	17,726
Capital lease payable	13,176	12,677
Due to other funds	44,116	44,015
Payable from restricted assets -		
Customers' deposits	77,470	70,762
Revenue bonds payable	27,394	26,191
Interest payable	2,497	2,557
Total current liabilities	184,471	173,928
Compensated absences payable	7,548	7,630
Net pension liability	168,547	166,987
Capital lease payable	175,572	188,748
Revenue bonds payable	1,059,130	1,086,524
Total noncurrent liabilities	1,410,797	1,449,889
Total liabilities	1,595,268	1,623,817
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	5,351	12,593
NET POSITION		
Net investment in capital assets	2,963,588	3,197,712
Restricted for debt service	208,299	201,395
Unrestricted	249,766	174,447
Total net position	\$3,421,653	\$3,573,554

TOWN OF DUSON, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Revenues, Expenses, and Changes in Net Position -
Years Ended December 31, 2020 and 2019

	Total	
	<u>2020</u>	<u>2019</u>
Operating revenues:		
Customer service charges	\$ 617,425	\$ 548,176
Operating expenses:		
Salaries	173,249	172,160
Payroll taxes	14,503	14,150
Retirement	26,468	12,330
Maintenance and repairs	99,529	39,179
Professional fees	20,465	24,295
Utilities and telephone	44,108	43,478
General insurance	39,205	40,847
Group health insurance	26,183	40,837
Office expense	4,765	5,741
Supplies and parts	36,910	44,175
Garbage collection fees	94,685	90,957
Auto and truck expense	5,860	4,549
Bad debts expense	4,097	1,950
Depreciation expense	280,150	278,327
Dues and fees	4,836	1,335
Contract services	31,429	30,294
Meals, lodging and travel	757	504
Miscellaneous	15,330	21,399
Allocation of general and administrative expenses	-	-
Total operating expenses	<u>922,529</u>	<u>866,507</u>
Operating income (loss)	<u>(305,104)</u>	<u>(318,331)</u>
Nonoperating revenues (expenses):		
Interest income	678	1,545
Interest expense	(57,038)	(58,671)
Non-employer contributions	5,172	5,033
Loss on disposal of capital assets	<u>(20,329)</u>	-
Total nonoperating revenues (expenses)	<u>(71,517)</u>	<u>(52,093)</u>
Loss before contributions and transfers	<u>(376,621)</u>	<u>(370,424)</u>
Capital contributions	<u>16,409</u>	<u>17,558</u>
Transfers in	208,311	203,311
Change in net position	(151,901)	(149,555)
Net position, beginning	<u>3,573,554</u>	<u>3,723,109</u>
Net position, ending	<u>\$3,421,653</u>	<u>\$ 3,573,554</u>

Water		Sewerage		Sanitation		General Administration	
2020	2019	2020	2019	2020	2019	2020	2019
<u>\$ 286,345</u>	<u>\$ 253,531</u>	<u>\$ 204,116</u>	<u>\$ 168,625</u>	<u>\$ 126,964</u>	<u>\$ 126,020</u>	<u>\$ -</u>	<u>\$ -</u>
55,884	58,246	60,806	59,375	-	-	56,559	54,539
4,901	5,023	4,967	4,627	-	-	4,635	4,500
9,790	6,304	10,052	3,158	-	-	6,626	2,868
51,876	18,431	47,653	20,748	-	-	-	-
3,660	4,120	3,825	3,195	-	-	12,980	16,980
13,523	11,858	30,585	31,620	-	-	-	-
26,621	30,877	12,584	8,719	-	-	-	1,251
7,520	18,841	9,877	11,220	-	-	8,786	10,776
4,290	4,066	475	1,675	-	-	-	-
28,748	33,129	8,162	11,046	-	-	-	-
-	-	-	-	94,685	90,957	-	-
1,652	2,378	4,208	2,171	-	-	-	-
3,165	797	-	668	932	485	-	-
107,410	106,014	172,740	172,313	-	-	-	-
4,836	1,335	-	-	-	-	-	-
18,717	16,526	12,712	13,768	-	-	-	-
757	504	-	-	-	-	-	-
13,033	14,174	2,297	7,225	-	-	-	-
<u>41,548</u>	<u>42,048</u>	<u>29,616</u>	<u>27,966</u>	<u>18,422</u>	<u>20,900</u>	<u>(89,586)</u>	<u>(90,914)</u>
<u>397,931</u>	<u>374,671</u>	<u>410,559</u>	<u>379,494</u>	<u>114,039</u>	<u>112,342</u>	<u>-</u>	<u>-</u>
<u>\$ (111,586)</u>	<u>\$ (121,140)</u>	<u>\$ (206,443)</u>	<u>\$ (210,869)</u>	<u>\$ 12,925</u>	<u>\$ 13,678</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF DUSON, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Cash Flows
Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Receipts from customers	\$ 604,653	\$ 558,702
Payments to suppliers	(448,415)	(412,229)
Payments to employees	<u>(187,752)</u>	<u>(186,310)</u>
Net cash used by operating activities	<u>(31,514)</u>	<u>(39,837)</u>
Cash flows from noncapital financing activities:		
Increase in customer deposits payable	6,708	6,692
Cash received from (paid to) other funds	4,971	(23,778)
Transfers from other funds	<u>208,311</u>	<u>203,311</u>
Net cash provided by noncapital financing activities	<u>219,990</u>	<u>186,225</u>
Cash flows from capital and related financing activities:		
Principal paid on notes payable	(26,191)	(25,040)
Interest paid on notes payable	(49,536)	(50,687)
Principal paid on capital lease	(12,677)	(12,197)
Interest paid on capital lease	(7,562)	(8,042)
Acquisition of property, plant and equipment	(9,875)	(52,106)
Proceeds from grants	<u>-</u>	<u>59,269</u>
Net cash used by capital and related financing activities	<u>(105,841)</u>	<u>(88,803)</u>
Cash flows from investing activities:		
Purchase of investments	(181)	(616)
Interest earned	<u>678</u>	<u>1,545</u>
Net cash provided by investing activities	<u>497</u>	<u>929</u>
Net increase in cash and cash equivalents	83,132	58,514
Cash and cash equivalents, beginning of period	<u>470,000</u>	<u>411,486</u>
Cash and cash equivalents, end of period	<u>\$ 553,132</u>	<u>\$ 470,000</u>

(continued)

TOWN OF DUSON, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Cash Flows (Continued)
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$(305,104)	\$(318,331)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	280,150	278,327
Pension expense	4,759	(8,075)
Changes in current assets and liabilities:		
Increase (decrease) in accounts receivable	(7,510)	1,275
Increase (decrease) in unbilled utility receivable	(5,262)	9,251
(Increase) decrease in prepaid items	(557)	2,018
(Increase) decrease in accounts payable	2,092	(2,582)
Increase in compensated absences	(82)	(1,720)
Total adjustments	<u>273,590</u>	<u>278,494</u>
Net cash used by operating activities	<u>\$ (31,514)</u>	<u>\$ (39,837)</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the statement of net position:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 179,274	\$ 134,556
Interest-bearing deposits - unrestricted	17,468	17,428
Cash - restricted	44,298	37,806
Interest-bearing deposits - restricted	<u>228,960</u>	<u>221,696</u>
Total cash and cash equivalents	<u>470,000</u>	<u>411,486</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	247,804	179,274
Interest-bearing deposits - unrestricted	17,495	17,468
Cash - restricted	50,999	44,298
Interest-bearing deposits - restricted	<u>236,834</u>	<u>228,960</u>
Total cash and cash equivalents	<u>553,132</u>	<u>470,000</u>
Net increase	<u>\$ 83,132</u>	<u>\$ 58,514</u>

TOWN OF DUSON, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
December 31, 2020 and 2019

Records maintained by the Town indicated the following number of customers were being serviced during the months of December 31, 2020 and 2019:

<u>Department</u>	<u>2020</u>	<u>2019</u>
Water (metered)	638	637
Sewer	567	570
Sanitation	517	512

TOWN OF DUSON, LOUISIANA

Schedule of Insurance in Force
(Unaudited)
December 31, 2020

<u>Description of Coverage</u>	<u>Coverage Amounts</u>
Workmen's Compensation - Employer's liability	\$ 100,000
Buildings and contents - Basic property coverage:	
Buildings	3,214,163
Equipment	338,313
Automobile coverage -	
General liability, aggregate	500,000
Auto liability, aggregate	500,000
Physical damage coverage	326,846
Property coverage -	
Fire and light, extended coverage, vandalism and malicious mischief	50,000
Law enforcement and public officials liability (all coverage)	1,000,000
Surety bonds -	
Town Clerk	80,000
Public employees' dishonesty bonds	200,000
Police notary bonds - \$10,000 per officer	10,000

TOWN OF DUSON, LOUISIANA
Justice System Funding Schedule - Collecting/Disbursing Entity
Year Ended December 31, 2020

	First Six Month Period Ended <u>6/30/2020</u>	Second Six Month Period Ended <u>12/31/2020</u>
Beginning Balance of Amounts Collected	\$ 928	\$3,621
Add: Collections -		
Civil Fees	-	-
Bond Fees	6,250	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	-	-
Criminal Fines - Contempt	-	-
Criminal Fines - Other	26,014	12,464
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees	-	-
Interest Earnings on Collected Balances	-	-
Other	-	-
Subtotal Collections	<u>32,264</u>	<u>12,464</u>
Less: Disbursements to Governments and Nonprofits -		
Acadiana Criminalistics Lab - Criminal Fines	18,880	12,730
Department of Public Safety - Criminal Fines	-	-
Louisiana Commission on Law Enforcement - Criminal Fines	3,679	2,209
Louisiana State Treasurer CMIS - Criminal Fines	508	432
LA Dept of Health & Hospitals THI/SCI - Criminal Fines	-	-
16th Judicial District Attorney Early Intervention Fund - Criminal Fines	-	-
Louisiana Supreme Court - Criminal Fines	254	217
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency - Criminal Fines Other	4,216	-
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies -		
Bond Fee Refunds	<u>2,034</u>	<u>-</u>
Subtotal Disbursements/Retainage	<u>29,571</u>	<u>15,588</u>
Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ 3,621</u>	<u>\$ 497</u>

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.
Ville Platte, LA 70586 Oberlin, LA 70855
Phone (337) 363-2792 Phone (337) 639-4737

Victor R. Slaven, CPA* - retired 2020

* A Professional Accounting Corporation

WWW.KSRCPAS.COM

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, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated May 31, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan, we identified item 2019-001 (IC) as a deficiency in internal control that we consider to be a material weakness.

Compliance and Other Matters

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

Town of Duson, Louisiana's Response to Findings

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

Purpose of this Report

This report is intended solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
May 31, 2021

TOWN OF DUSON, LOUISIANA

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

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

A. Internal Control Findings -

2020-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: 2007

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

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.

B. Compliance Findings –

There are no findings to report under this section.

Part II. Prior Year Findings

A. Internal Control Findings -

2019-001 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 2020-001.

B. Compliance Findings -

There are no findings to report under this section.