

**TOWN OF MAMOU, LOUISIANA****Financial Report****Year Ended December 31, 2010**

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Release Date 7/13/11

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## INDEPENDENT AUDITORS' REPORT

The Honorable Ricky Fontenot, Mayor  
 and Members of the Board of Aldermen  
 Town of Mamou, Louisiana

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 Mamou, Louisiana, as of and for the year ended December 31, 2010, which collectively comprise the basic financial statements of the Town's primary government as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements referred to above include only the primary government of the Town of Mamou, Louisiana, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the Town's legal entity. The financial statements do not include financial data for the Town's legally separate component units, which accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the Town's primary government unless the Town also issues financial statements for the financial reporting entity that include the financial data for its component units. The Town has not issued such reporting entity financial statements. The amount by which this departure from accounting principles generally accepted in the United States of America would affect the assets, liabilities, net assets, revenues and expenses of the aggregate discretely presented component units is not reasonably determinable. The amount by which this departure from accounting principles generally accepted in the United States of America would affect assets, liabilities, fund balances, revenues, and expenditures of the aggregate remaining fund information is not reasonably determinable.

In our opinion, because of the omission of the discretely presented component units, as discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of the Town of Mamou, Louisiana, as of December 31, 2010, or the changes in financial position thereof for the year then ended.

In addition, in our opinion, except for the effects of omitting blended component units as discussed above, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information of the Town of Mamou, Louisiana, as of December 31, 2010, and the changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Further, 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 and each major fund of the Town of Mamou, Louisiana, as of December 31, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2011, on our consideration of the Town of Mamou, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 41 through 42 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 of Mamou, Louisiana has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement to 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Mamou, Louisiana's financial statements as a whole. The other supplementary information on pages 45 through 58 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards (page 64) is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The other financial information, supplemental information, and

schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. All of the supplementary information, except for the schedule of number of utility customers and the schedule of insurance in force, has been subjected to the auditing procedures applied in the audit of the 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 financial statements as a whole. The schedule of number of utility customers and the 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. The prior year comparative information on the other supplementary information has been derived from the Town of Mamou, Louisiana's 2009 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements taken as a whole, except for the schedule of number of utility customers which was not subjected to the auditing procedures and on which we expressed no opinion.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
June 17, 2011

## **BASIC FINANCIAL STATEMENTS**

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



TOWN OF MAMOU, LOUISIANA

Statement of Net Assets  
December 31, 2010

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and interest-bearing deposits	\$ 939,299	\$ 226,340	\$1,165,639
Receivables, net	113,047	241,411	354,458
Due from other governmental units	1,822	331,662	333,484
Inventory	423	1,798	2,221
Prepaid items	42,928	14,522	57,450
Total current assets	<u>1,097,519</u>	<u>815,733</u>	<u>1,913,252</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	100,127	207,317	307,444
Capital assets, net	<u>3,750,549</u>	<u>3,405,157</u>	<u>7,155,706</u>
Total noncurrent assets	<u>3,850,676</u>	<u>3,612,474</u>	<u>7,463,150</u>
Total assets	<u>4,948,195</u>	<u>4,428,207</u>	<u>9,376,402</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts and other payables	120,552	72,941	193,493
Bank overdraft	46,544	-	46,544
Claims payable	144,882	-	144,882
Contracts and retainage payable	-	176,864	176,864
Internal balances	<u>659,923</u>	<u>(659,923)</u>	<u>-</u>
Total current liabilities	<u>971,901</u>	<u>(410,118)</u>	<u>561,783</u>
Noncurrent liabilities:			
Customers deposits payable	-	207,317	207,317
Revenue bonds payable, net	-	326,720	326,720
Contingent liabilities	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total noncurrent liabilities	<u>25,000</u>	<u>534,037</u>	<u>559,037</u>
Total liabilities	<u>996,901</u>	<u>123,919</u>	<u>1,120,820</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	3,750,549	3,228,293	6,978,842
Unrestricted	<u>200,745</u>	<u>1,075,995</u>	<u>1,276,740</u>
Total net assets	<u>\$3,951,294</u>	<u>\$4,304,288</u>	<u>\$8,255,582</u>

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

TOWN OF MAMOU, LOUISIANA

Statement of Activities  
For the Year Ended December 31, 2010

Activities	Program Revenues			Net (Expense) Revenues and	
	Expenditures	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities
<b>Governmental activities:</b>					
General government	\$ 865,449	\$ 130,690	\$ -	\$ (734,759)	\$ (734,759)
Public safety -					
Police	1,179,887	477,927	-	(684,250)	(684,250)
Streets	536,806	-	5,000	(531,806)	(531,806)
Culture and recreation	207,172	11,585	-	57,366	57,366
Judicial	108,139	-	-	(108,139)	(108,139)
Interest on long-term debt	112	-	-	(112)	(112)
Total governmental activities	2,897,565	620,202	5,000	(2,001,700)	(2,001,700)
<b>Business-type activities:</b>					
Gas	632,960	850,929	-	-	793,710
Water	336,608	495,925	-	-	159,317
Sewer	399,485	458,417	-	-	58,932
Total business-type activities	1,369,053	1,805,271	-	-	1,011,959
<b>Total</b>	<b>\$4,266,618</b>	<b>\$2,425,473</b>	<b>\$ 5,000</b>	<b>\$ (2,001,700)</b>	<b>\$ (989,741)</b>
<b>General revenues:</b>					
<b>Taxes -</b>					
Ad valorem taxes, levied for general purposes				73,757	73,757
Ad valorem taxes, levied for streets and recreation				120,341	120,341
Sales and use taxes, levied for general purposes				437,036	437,036
Sales and use taxes, levied for capital improvements				178,051	178,051
Sales and use taxes, levied for industry and tourism inducement				32,373	32,373
Franchise taxes				172,603	172,603
Grants and contributions not restricted to specific programs -					
State sources				8,038	8,038
Interest and investment earnings				7,537	11,729
Hospital receivable revenue				-	575
Nursing home lease revenue				238,973	238,973
Miscellaneous				175,934	175,934
Transfers to component unit				(489,656)	(489,656)
Transfers				21,851	(21,851)
Total general revenues and transfers				977,413	959,754
Change in net assets				(1,024,287)	(29,987)
Net assets - January 1, 2010				4,975,581	8,285,569
Net assets - December 31, 2010				\$ 3,951,294	\$ 8,255,582

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 Fund**

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

#### **Sales Tax Fund**

To account for the receipt and use of proceeds of the Town's two 1% sales and use taxes. These taxes are dedicated and used for the purpose of inducing and attracting commerce, industry and tourism in the Town, including the acquisition and improvement of land and buildings and for constructing, acquiring, improving and/or extending any work of capital improvement for the Town; and any lawful corporate purpose of the Town.

### **Enterprise Fund**

#### **Utility Fund -**

To account for the provision of gas, water, and sewerage 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 MAMOU, LOUISIANA

Balance Sheet  
Governmental Funds  
December 31, 2010

	General	Sales Tax Special Revenue	Total
ASSETS			
Cash	\$ 448,063	\$ -	\$ 448,063
Interest-bearing deposits	92,064	399,172	491,236
Receivables:			
Taxes	112,830	-	112,830
Accrued interest	43	-	43
Other	174	-	174
Due from other funds	-	130,211	130,211
Due from other governmental units	1,822	-	1,822
Prepaid expenses	42,928	-	42,928
Restricted cash:			
Interest-bearing deposits	100,127	-	100,127
Inventory	423	-	423
Total assets	<u>\$ 798,474</u>	<u>\$529,383</u>	<u>\$1,327,857</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts and other payables	\$ 82,672	\$ 15,713	\$ 98,385
Compensated absences payable	22,167	-	22,167
Due to other funds	922,104	-	922,104
Total liabilities	1,026,943	15,713	1,042,656
Fund balances (deficit):			
Unreserved, undesignated	(228,469)	513,670	285,201
Total liabilities and fund balances	<u>\$ 798,474</u>	<u>\$529,383</u>	<u>\$1,327,857</u>

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

TOWN OF MAMOU, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Assets  
December 31, 2010

Total fund balances for governmental funds at December 31, 2010		\$ 285,201
Total net assets reported for governmental activities in the statement of net assets 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	\$ 269,650	
Buildings and improvements, net of \$711,336 accumulated depreciation	2,342,560	
Infrastructure, net of \$918,128 accumulated depreciation	933,109	
Equipment, furniture, and fixtures, net of \$457,545 accumulated depreciation	111,014	
Vehicles, net of \$267,714 accumulated depreciation	<u>94,216</u>	3,750,549
Long-term liabilities at December 31, 2010:		
Contingent liability		(25,000)
Net assets of the group self-insurance internal service fund		<u>(59,456)</u>
Total net assets of governmental activities at December 31, 2010		<u>\$3,951,294</u>

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

TOWN OF MAMOU, LOUISIANA  
Statement of Revenues, Expenditures, and Changes in Fund Balances-  
Governmental Funds  
For the Year Ended December 31, 2010

	General	Sales Tax Special Revenue	Total
Revenues:			
Taxes	\$ 366,701	\$ 647,460	\$ 1,014,161
Licenses and permits	130,690	-	130,690
Intergovernmental	188,379	95,322	283,701
Fines and forfeits	477,927	-	477,927
Miscellaneous	338,506	96,098	434,604
Total revenues	<u>1,502,203</u>	<u>838,880</u>	<u>2,341,083</u>
Expenditures:			
Current -			
General government:			
Administrative	766,384	41,819	808,203
Public safety:			
Police	1,109,731	-	1,109,731
Highways and streets	474,494	-	474,494
Culture and recreation	148,008	-	148,008
Judicial	101,690	-	101,690
Capital outlay	21,545	398,306	419,851
Debt service -			
Principal retirement	7,311	-	7,311
Interest and fiscal charges	112	-	112
Total expenditures	<u>2,629,275</u>	<u>440,125</u>	<u>3,069,400</u>
Excess (deficiency) of revenues over expenditures	<u>(1,127,072)</u>	<u>398,755</u>	<u>(728,317)</u>
Other financing sources (uses):			
Transfers in	361,535	-	361,535
Transfers out	-	(339,684)	(339,684)
Transfers in (out) - component unit	(485,456)	-	(485,456)
Total other financing sources (uses)	<u>(123,921)</u>	<u>(339,684)</u>	<u>(463,605)</u>
Net changes in fund balances	(1,250,993)	59,071	(1,191,922)
Fund balances, beginning	<u>1,022,524</u>	<u>454,599</u>	<u>1,477,123</u>
Fund balances (deficit), ending	<u>\$ (228,469)</u>	<u>\$ 513,670</u>	<u>\$ 285,201</u>

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

TOWN OF MAMOU, 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, 2010

Total net changes in fund balances at December 31, 2010 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$(1,191,922)
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The change in net assets 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 the Statement  
of Revenues, Expenditures and Changes in Fund Balances

\$ 419,851

Depreciation expense for the year ended December 31, 2010

(199,520)

220,331

Governmental funds report capital lease repayments as expenditures.  
However, this expenditure does not appear in the statement of activities  
since the payment is applied against the capital lease payable balance  
on the statement of net assets

7,311

Net loss of group self-insurance internal service fund

(60,007)

Total changes in net assets at December 31, 2010 per Statement of Activities

\$(1,024,287)

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



# TOWN OF MAMOU, LOUISIANA

## Statement of Net Assets Proprietary Funds December 31, 2010

	<u>Business-type Activities - Enterprise Fund</u>	<u>Governmental Activities - Internal Service Fund</u>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 1	\$ -
Interest-bearing deposits	226,339	-
Receivables -		
Accounts	149,644	-
Unbilled utility receivables	90,166	-
Accrued interest receivable	67	-
Other	1,534	
Due from other funds	659,923	131,970
Due from other governmental agencies	331,662	-
Inventory - natural gas	1,798	-
Prepaid items	14,522	-
Total current assets	<u>1,475,656</u>	<u>131,970</u>
Noncurrent assets:		
Restricted assets -		
Interest-bearing deposits	207,317	-
Capital assets, net of accumulated depreciation	3,405,157	-
Total noncurrent assets	<u>3,612,474</u>	<u>-</u>
Total assets	<u>5,088,130</u>	<u>131,970</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts and other payables	68,305	-
Bank overdraft	-	46,544
Compensated absences payable	4,636	-
Claims payable	-	144,882
Contracts and retainage payable	176,864	-
Total current liabilities	<u>249,805</u>	<u>191,426</u>
Noncurrent liabilities:		
Customers' deposits	207,317	-
Revenue bonds payable, net	326,720	-
Total noncurrent liabilities	<u>534,037</u>	<u>-</u>
Total liabilities	<u>783,842</u>	<u>191,426</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	3,228,293	-
Unrestricted (deficit)	1,075,995	(59,456)
Total net assets (deficit)	<u>\$ 4,304,288</u>	<u>\$ (59,456)</u>

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

TOWN OF MAMOU, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds  
Year Ended December 31, 2010

	<u>Business-type Activities-</u> <u>Enterprise Fund</u>	<u>Governmental Activities -</u> <u>Internal Service Fund</u>
Operating revenues:		
Charges for services	\$1,733,341	\$ 884,061
Permits, reconnections and penalties	59,942	-
Miscellaneous	11,988	-
Total operating revenues	<u>1,805,271</u>	<u>884,061</u>
Operating expenses:		
Gas department expenses	625,173	-
Water department expenses	260,348	-
Sewerage department expenses	281,704	-
Depreciation expense	193,250	-
Amortization expense	8,578	-
Self insurance expenses	-	944,068
Total operating expenses	<u>1,369,053</u>	<u>944,068</u>
Operating income	436,218	(60,007)
Nonoperating revenues (expenses):		
Interest income	4,192	-
Income (loss) before contributions and transfers	440,410	(60,007)
Capital contributions	575,741	-
Income (loss) before transfers	1,016,151	(60,007)
Transfers out	(21,851)	-
Change in net assets	994,300	(60,007)
Net assets, beginning	<u>3,309,988</u>	<u>551</u>
Net assets (deficit), ending	<u>\$4,304,288</u>	<u>\$ (59,456)</u>

The accompanying notes are an integral part of this statement.

TOWN OF MAMOU, LOUISIANA

Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2010

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
Cash flows from operating activities:		
Receipts from customers	\$ 1,793,862	\$ 886,104
Payments to suppliers	(1,464,192)	(905,188)
Payments to employees	(274,082)	-
Other receipts	10,454	-
Net cash provided (used) by operating activities	66,042	(19,084)
Cash flows from noncapital financing activities:		
Capital contributions	575,741	-
Transfers to other funds	(21,851)	-
Net cash provided by noncapital financing activities	553,890	-
Cash flows from capital and related financing activities:		
Proceeds from (repayment of) bank overdraft	-	19,084
Net increase in customer meter deposits	2,211	-
Net acquisition of property, plant and equipment	(670,115)	-
Net cash provided (used) by capital and related financing activities	(667,904)	19,084
Cash flows from investing activities:		
Net purchases of interest-bearing deposits with maturity in excess of ninety days	(2,815)	-
Interest earned	4,192	-
Net cash provided by investing activities	1,377	-
Net decrease in cash and cash equivalents	(46,595)	-
Cash and cash equivalents, beginning of period	251,676	-
Cash and cash equivalents, end of period	\$ 205,081	\$ -

(continued)

TOWN OF MAMOU, LOUISIANA

Statement of Cash Flows  
Proprietary Funds (Continued)  
For the Year Ended December 31, 2010

	<u>Business-type Activities - Enterprise Fund</u>	<u>Governmental Activities - Internal Service Fund</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 436,218	\$ (60,007)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	193,250	-
Amortization	8,578	-
Changes in current assets and liabilities:		
Decrease accounts receivable	19,998	-
Decrease in provision for uncollectible accounts	(33,785)	-
Decrease in unbilled utility receivables	14,366	-
Increase in other receivables	(1,534)	-
(Increase) decrease in due from other funds	(588,567)	2,043
Decrease in inventory	12,724	-
(Increase) decrease in prepaid items	(2,846)	16,712
Increase in accounts payable	7,640	-
Increase in claims payable	<u>-</u>	<u>22,168</u>
Net cash provided (used) by operating activities	<u>\$ 66,042</u>	<u>\$ (19,084)</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	\$ 3	\$ -
Interest-bearing deposits - unrestricted	272,328	-
Interest-bearing deposits - restricted	205,106	-
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(225,761)</u>	<u>-</u>
Total cash and cash equivalents	<u>251,676</u>	<u>-</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	1	-
Interest-bearing deposits - unrestricted	226,339	-
Interest-bearing deposits - restricted	207,317	-
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(228,576)</u>	<u>-</u>
Total cash and cash equivalents	<u>205,081</u>	<u>-</u>
Net decrease	<u>\$ (46,595)</u>	<u>\$ -</u>

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

## TOWN OF MAMOU, 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. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance. 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 Mamou was incorporated on January 4, 1911, under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Aldermen form of government.

As the municipal governing authority, for reporting purposes, the Town of Mamou is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete, and (d) organizations that are closely related to, or financially integrated with the primary government.

Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by Statement No. 39 established criteria for determining which component units should be considered part of the Town of Mamou for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the municipality to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.

## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements (Continued)

3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship if all of the following conditions exist:
  - a. The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
  - b. The primary government (or its component units) is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
  - c. The economic resources received or held by an individual organization that the specific primary government (or its component units) is entitled to, or has the ability to otherwise access, are significant to that primary government.
4. Organizations that are closely related to, or financially integrated with the primary government.

The following component units are not presented in the accompanying financial statements:

#### Savoy Cancer Center, Inc.

The Savoy Cancer Center, Inc. (a nonprofit organization), consisting of the Savoy Cancer Center Operations Fund and the Town of Mamou Cancer Center Building Fund was determined to be a component unit but is not presented in the accompanying financial statements. The Town of Mamou owns the cancer treatment health care facilities located in Mamou, Louisiana, which are operated by Savoy Cancer Center, Inc. (the Center). The Center is a nonprofit organization incorporated on June 29, 1998. The Center was formed for the purpose of operating and managing a facility for treating cancer patients and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The direction, administration and management of the Center is governed by a Board of Directors or Trustees of not less than six (6) nor more than ten (10) members. The members serve terms of one to three years.

On September 16, 1999, an agreement was entered into between the Town and the Center for a fifteen-year (15) term. The Town is the owner of the cancer treatment facility and retains the services of the Center to provide experience, skills, supervision and necessary personnel for the operation and management of the facility. Various reporting and accountability requirements must be performed and submitted to the Town by the Center on a periodic basis. The Center will provide all services specified in the agreement at no fee to the Town.

## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements (Continued)

The Town shall, on a monthly basis or *intermittently*, as determined by the Center, reimburse the Center for all operating expenses related to the operation and management of the facility. The Town is also required to maintain insurance coverage on behalf of the facility. This agreement may be terminated "for cause" by either party at any time during the term by giving written notice to the other. The Town has the right of termination without cause under specified circumstances in the agreement.

Effective December 31, 2010, the Town has terminated the Operating Agreement with the Center and has transferred operational control of the cancer treatment facility to Savoy Medical Center.

Complete financial statements for the component unit may be obtained at the entity's administrative office (Savoy Cancer Center, Inc., 803 Poinciana, Mamou, LA 70554).

#### Savoy Medical Center & Savoy Care Center Nursing Home

The Savoy Medical Center and the Savoy Care Center Nursing Home were determined to be component units but are not presented in the accompanying financial statements. The Town of Mamou owns the equipment and physical plant operated by Savoy Medical Center and Savoy Care Center Nursing Home. The Town appoints five of the thirteen members of the governing board of Savoy Medical Center. The Town leased the premises, which includes the land, buildings, fixtures, improvements and equipment for the hospital facility to Rapides Healthcare System, LLC d/b/a Savoy Medical Center for \$765,000 annually. Effective January 1, 2010, Savoy Medical Management Group, Inc. became the successor-in-interest to Rapides Healthcare System, LLC. The annual lease payment was fixed at a sum of \$765,000 due in monthly installments of \$63,750. However, the monthly lease payments for the initial six months did not become due in full until July 2010. Beginning in July 2010, monthly lease payments were scheduled to resume. No lease payments were received during the fiscal year ended December 31, 2010.

The Town also leases the premises, which includes the land, buildings, fixtures, improvements and equipment for the nursing home facility to MH3F Healthcare Management, LLC d/b/a Savoy Care Center Nursing Home for \$222,300. The lessees agree to pay all taxes, charges, costs and expenses including maintenance, repairs and utilities of the facilities.

Complete financial statements for the component unit may be obtained at the entity's administrative office (Savoy Medical Center, 801 Poinciana, Mamou, LA 70554).

These primary government financial statements of the Town of Mamou do not include the financial data of the component units described above. These component units' financial data is necessary for reporting in conformity with generally accepted accounting principles.

## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### B. Basis of Presentation

##### Government-Wide Financial Statements (GWFS)

The statement of net assets 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

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

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

- a. Total assets, liabilities, 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, liabilities, 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 major funds of the Town are described below:



## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Governmental Funds -

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.

The Sales Tax Special Revenue Fund is used to account for the proceeds of two separate one percent sales and use taxes that are legally restricted to expenditures for specific purposes.

Additionally, the Town reports the following fund types:

#### Proprietary Funds –

Proprietary funds are used to account for ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is based upon the determination of net income, financial position, and cash flows. The following are the Town's proprietary fund types:

#### Enterprise funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town applies all applicable FASB pronouncements issued after November 30, 1989 in accounting and reporting for its enterprise fund. The Town's enterprise fund is the Utility Fund.

#### Internal service funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency or other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. The Town's internal service is the Group Health Self Insurance Fund.

#### 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.

## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Measurement Focus

On the government-wide statement of net assets 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 assets (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 assets.

#### Basis of Accounting

In the government-wide statement of net assets 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, and liabilities 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) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements (Continued)

The proprietary funds utilize 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, Liabilities and Equity

##### Cash, interest-bearing deposits, and investments

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Town.

Under state law, the Town may invest in United States bonds, treasury notes, or certificates. Investments are stated at amortized cost.

For the purpose of the proprietary funds 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.

##### 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 and sales and use taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2010 and 2009, an allowance for ad valorem taxes was considered unnecessary due to immateriality. The allowance for customers' utility receivables was \$173,525 and \$207,310 at December 31, 2010 and 2009, respectively. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

##### 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 assets.

## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Inventory

Inventory of the Utility Fund consists of natural gas being held as storage on behalf of the Town by the Louisiana Municipal Gas Authority and is valued at a price per MCF determined by the Louisiana Municipal Gas Authority. Supplies and parts on hand are considered immaterial and have been accounted for using the purchase method.

#### Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2010, are recorded as prepaid items.

#### Restricted Assets

Restricted assets include cash and interest-bearing deposits of the general fund and proprietary fund that are legally restricted as to their use. The restricted assets in the utility fund are related to the utility meter deposits and revenue bond accounts. The restricted assets in the general fund are related to contingent liabilities arising out of workman's compensation claims in existence at the time the Town purchased the hospital.

#### 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 financial statements. Capital assets are capitalized at historical cost or estimated cost if historical 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 \$1,000 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. Prior to July 1, 2001, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

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 assets. 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	40 years
Equipment	5 years
Utility system and improvements	20-40 years
Infrastructure	20 years

## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements (Continued)

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.

#### 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 the public improvement, revenue bonds payable, utility meter deposits payable and contingent liabilities arising out of workman's compensation claims in existence at the time the Town purchased the hospital.

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 statements as it is in the government-wide statements.

#### Compensated Absences

Sick leave is earned at the rate of one day for each month worked, with a limit of twelve days per year. An employee may not carry over or accumulate more than forty-eight days of sick leave from one year to another. Sick leave is not payable at termination of employment. Vacation leave is earned over an anniversary year basis at the rate of one day for each month worked, with a limit of twelve days per year. An employee may not carry over or accumulate vacation leave from one employment anniversary date to another.

For fund financial statements, vested or accumulated leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a current fund liability of the governmental fund that will pay it. In the government-wide statements, amounts of vested or accumulated leave that are not expected to be liquidated with expendable available financial resources are recorded as long-term debt.

#### Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements (Continued)

- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

#### E. Revenues, Expenditures, and Expenses

##### Operating Revenues and Expenses

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

##### 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, expenditures are classified as follows:

Governmental Funds - By Character  
Proprietary Fund - 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.

## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### F. Revenue Restrictions

The Town has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 3
Gas, water and sewer revenue	Utility operations

The Town uses unrestricted resources only when restricted resources are fully depleted.

#### G. Budget and Budgetary Accounting

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

1. The Town Clerk prepares a proposed operating budget for the fiscal year and submits it to the Mayor and Board of Aldermen not later than fifteen days prior to the beginning of each fiscal year.
2. 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.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. 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.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. 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. Such amendments were not material in relation to the original appropriations.

## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### H. Capitalization of Interest Expense

It is the policy of the Town of Mamou to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the Proprietary Fund. At December 31, 2010, proceeds from the issuance of Sewer Revenue Bonds were being used for assets under construction included in construction in progress in these financial statements. These bonds are non-interest bearing. At December 31, 2010 there was no capitalized interest recorded on the books.

#### I. 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.

#### (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 December. Billed taxes become delinquent on January 1 of the following year. The Town bills and collects its own property taxes. Property tax revenues are recognized when levied to the extent that they result in current receivables.

For the year ended December 31, 2010, taxes of 19.64 mills were levied on property with assessed valuations totaling \$9,767,460 and were dedicated as follows:

General corporate purposes	7.31 mills
Streets and recreation maintenance	<u>12.33</u> mills
Total	<u>19.64</u> mills

Total taxes levied were \$191,833. Taxes receivable at December 31, 2010 were \$74,969.



# TOWN OF MAMOU, LOUISIANA

## Notes to Basic Financial Statements (Continued)

### (3) Sales and Use Tax

- A. Proceeds of the 1% sales and use tax levied by the Town of Mamou (2010 collections \$323,730) are dedicated for any lawful corporate purposes of the Town.
- B. Proceeds of the 1% sales and use tax levied by the Town of Mamou in 1991 (2010 collections \$323,730) are dedicated to the following purposes:

Thirty-five percent (35%) for any lawful corporate purposes of the Town; ten percent (10%) for inducing and attracting commerce, industry and tourism in the Town, including the acquisition and improvement of land and buildings there for; and fifty-five percent (55%) for constructing, acquiring, improving and /or extending any work of capital improvement for the Town.

### (4) Cash, 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, 2010, the Town had cash and interest-bearing deposits (book balances) totaling \$1,473,083 as follows:

Demand deposits	\$ 448,064
Money market accounts	696,316
Time deposits	<u>328,703</u>
Total	<u>\$ 1,473,083</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 the 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 pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) at December 31, 2010, and the related federal insurance and pledged securities:

Bank balances	<u>\$ 1,748,897</u>
Insured	\$ 1,126,783
Uninsured and collateral held by pledging bank not in Town's name	<u>622,114</u>
Total	<u>\$ 1,748,897</u>

# TOWN OF MAMOU, LOUISIANA

## Notes to Basic Financial Statements (Continued)

### (5) Receivables

Receivables at December 31, 2010 of \$352,924 consist of the following:

	<u>General</u>	<u>Utility</u>	<u>Total</u>
Accounts	\$ -	\$323,169	\$ 323,169
Unbilled utility	-	90,166	90,166
Allowance for uncollectible accounts	-	(173,525)	(173,525)
Ad valorem	74,969	-	74,969
Franchise tax	37,861	-	37,861
Interest	43	67	110
Other	174	1,534	1,708
Totals	<u>\$113,047</u>	<u>\$241,411</u>	<u>\$ 354,458</u>

### (6) Due from Other Governmental Units

Amounts due from other governmental units of \$333,484 at December 31, 2010 consisted of the following:

#### General Fund:

State of Louisiana - beer tax revenues receivable \$ 1,822

#### Utility Fund:

Louisiana Department of Environmental Quality -

amount due for purchase of Sewer Revenue Bonds (see Note 10) 331,662

Total \$ 333,484

### (7) Restricted Assets

A. Restricted assets in the General Fund pertain to prior year hospital revenue claims and consisted of the following at December 31, 2010:

Worker's compensation claims deposits \$ 100,127

B. Restricted assets in the Enterprise Utility Fund consisted of the following at December 31, 2010:

Customers' deposits \$ 207,317

# TOWN OF MAMOU, LOUISIANA

## Notes to Basic Financial Statements (Continued)

### (8) Capital Assets

Capital asset activity for the year ended December 31, 2010 was as follows:

	Balance 01/01/10	Additions	Deletions	Balance 12/31/10
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 269,650	\$ -	\$ -	\$ 269,650
Plaza mural	13,503	-	-	13,503
Construction in progress	387,826	-	387,826	-
Other capital assets:				
Buildings and improvements	2,307,565	732,828	-	3,040,393
Infrastructure	1,823,828	27,409	-	1,851,237
Equipment, furniture and fixtures	562,764	5,795	-	568,559
Vehicles	325,181	50,739	13,990	361,930
Totals	<u>5,690,317</u>	<u>816,771</u>	<u>401,816</u>	<u>6,105,272</u>
Less accumulated depreciation				
Buildings and improvements	641,584	69,752	-	711,336
Infrastructure	874,784	43,344	-	918,128
Equipment, furniture and fixtures	420,204	37,341	-	457,545
Vehicles	223,527	49,083	4,896	267,714
Total accumulated depreciation	<u>2,160,099</u>	<u>199,520</u>	<u>4,896</u>	<u>2,354,723</u>
Governmental activities, capital assets, net	<u>\$ 3,530,218</u>	<u>\$ 617,251</u>	<u>\$ 396,920</u>	<u>\$ 3,750,549</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land - sewer system	\$ 63,910	\$ -	\$ -	\$ 63,910
Construction in progress	679,674	757,957	607,330	830,301
Other capital assets:				
Gas system	400,731	10,350	-	411,081
Water system	2,371,572	-	-	2,371,572
Sewer system	2,425,422	607,330	-	3,032,752
Machinery and equipment	1,164,610	28,677	-	1,193,287
Totals	<u>7,105,919</u>	<u>1,404,314</u>	<u>607,330</u>	<u>7,902,903</u>
Less accumulated depreciation				
Gas system	437,019	7,787	-	444,806
Water system	1,625,498	76,260	-	1,701,758
Sewer system	1,672,198	106,077	-	1,778,275
Machinery and equipment	569,781	3,126	-	572,907
Total accumulated depreciation	<u>4,304,496</u>	<u>193,250</u>	<u>-</u>	<u>4,497,746</u>
Business-type activities, capital assets, net	<u>\$ 2,801,423</u>	<u>\$ 1,211,064</u>	<u>\$ 607,330</u>	<u>\$ 3,405,157</u>

# TOWN OF MAMOU, LOUISIANA

## Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 35,042
Police	49,154
Highways and streets	52,711
Culture and recreation	59,164
Judicial	<u>3,449</u>
Total depreciation expense	<u>\$ 199,520</u>

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

Gas	\$ 7,787
Water	76,260
Sewer	<u>109,203</u>
Total depreciation expense	<u>\$ 193,250</u>

### (9) Accounts and Other Payables

The accounts and other payables consisted of the following at December 31, 2010:

	Governmental Activities	Business-type Activities	Total
Accounts payable	\$ 83,119	\$ 64,185	\$ 147,304
Salaries payable	15,266	4,120	19,386
Compensated absences payable	<u>22,167</u>	<u>4,636</u>	<u>26,803</u>
Totals	<u>\$ 120,552</u>	<u>\$ 72,941</u>	<u>\$ 193,493</u>

### (10) Long-Term Debt

- A. Revenue bonds - In 1999, the Town issued \$5,000,000 of revenue bonds for the construction of the Savoy Cancer Center facility. On January 19, 2006, the Town issued \$3,289,000 of revenue bonds, Series 2006, to refund \$3,170,000 of revenue bonds, Series 1999. These bonds are reported on the financial statements of Savoy Cancer Center, Inc., a component unit of the Town (see Note 1). At December 31, 2010 there were \$1,527,000 of bonds outstanding.

# TOWN OF MAMOU, LOUISIANA

## Notes to Basic Financial Statements (Continued)

- B. In 2009, the Town issued \$1,000,000 of non-interest bearing sewer revenue bonds for the purpose of acquiring, constructing, and installing improvements, extensions and additions to the sewerage system of the Town. The bonds were sold to the Louisiana Department of Environmental Quality, Municipal Facilities Revolving Loan Fund (the "Department"). The Town's obligation to repay the principal of the bonds will be forgiven simultaneously with the payment by the Department of each installment of the purchase price of the bonds. At the time of the debt forgiveness, these amounts are recognized as grant revenue. The amount outstanding at December 31, 2010 is as follows:

\$1,000,000 Sewer Revenue Bonds, Series 2009, dated December 18, 2009, non-interest bearing, secured by sewer system revenues	\$ 331,662
Less: Unamortized issuance costs	<u>(4,942)</u>
Net amount outstanding	<u>\$ 326,720</u>

### (11) Employee Retirement

#### A. Social Security System

Employees of the Town of Mamou who are not eligible to participate in any other retirement system are members of the Social Security System. The Town and its employees contribute a percentage of each employee's salary to the System (7.65 percent contributed by the Town; 7.65 percent contributed by the employee). The Town's contributions during the years ending December 31, 2010 and 2009 amounted to \$103,227 and \$118,919, respectively.

#### B. Municipal Police Employees Retirement System of Louisiana (System)

Plan Description - All full-time police department employees engaged in law enforcement are eligible to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, (225) 929-7411.

## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements (Continued)

Funding Policy - Plan members are required by state statute to contribute 7.5% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 11.0% of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the System for the years ending December 31, 2010 and 2009 were \$702 and \$5,495, respectively, equal to the required contributions for each year.

#### (12) Litigation and Claims

At December 31, 2010, the Town is involved in several lawsuits claiming damages. In the opinion of the Town's legal counsel, the only exposure to the Town would be any costs in defense of the lawsuits with no liability to the Town in excess of insurance coverage. The Town also has worker's compensation claims that are unlikely to be settled due to the individuals having permanent disabilities and are currently receiving medical care. The only exposure to the Town would be administrative fees with no liability in excess of insurance coverage. See Note 14.

#### (13) Risk Management

##### A. Commercial Insurance Coverage

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.

##### B. Group Self-Insurance

Effective July 1, 1998, the Town established a self-insurance health plan to account for and finance its uninsured risk of loss for commercial group health insurance. The plan is administered by Southern Benefit Services, and the plan year ends on June 30 of each year. Under this plan, Perico Life Insurance Company agreed to reimburse the Town for specific incurred claims related to any one covered employee or dependent which exceeds the retention by the Town, which is \$30,000. For the plan year ending June 30, 2011, the Perico Life Insurance Company will reimburse the Town for aggregate incurred claims during the period of insurance less any amounts paid with respect to the specific incurred claims, which exceeds the greater of \$543,114 or the total of monthly payments by the Town. Monthly payments are calculated based on the number of employees with single coverage multiplied by a funding factor of \$471 and the number of employees with family coverage multiplied by a funding factor of \$1,327. The Town currently funds the plan based upon actual claims incurred instead of the funding factors discussed above.

## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements (Continued)

The General and Utility Funds of the Town participate in the program and make payments to the Self-Insurance Fund based upon amounts needed to pay prior and current year claims. The claims liability of \$144,882 reported in the fund at December 31, 2010 is based on the loss that is probable at the date of the financial statements and the amount of the loss that can be reasonably estimated. The Town currently does not discount its claims liabilities.

#### Reconciliation of Claims Liabilities

Claims payable, January 1, 2010	\$ 122,713
Insurance claims incurred for year ended December 31, 2010	726,792
Payments made for the year ended December 31, 2010	<u>(704,623)</u>
Claims payable, December 31, 2010	<u>\$ 144,882</u>

Claims payable of \$144,882 at December 31, 2010 was determined as follows:

A. Claims incurred prior to December 31, 2010 and paid in January 1, 2011 through March 31, 2011	\$ 131,453
B. Provision for claims incurred but not reported	<u>13,429</u>
Total claims payable	<u>\$ 144,882</u>

The provision for claims incurred but not reported of \$13,429 was calculated utilizing historical information adjusted for current trends.

#### (14) Contingent Liabilities

At December 31, 2010, the Town had contingent liabilities in the amount of \$25,000 consisting of workers' compensation claims which are the result of the prior operations of the hospital facility owned by the Town. The Town has certificates of deposit totaling \$100,127 held as security for these claims.

#### (15) Deficit Fund Balances/Net Assets

The following funds had deficit fund balances/net assets at December 31, 2010:

General Fund	\$ (228,469)
Group Self-Insurance Internal Service Fund	(59,456)

The deficit in the General Fund will be eliminated by increasing revenues and/or reducing expenditures. The deficit in the Group Self-Insurance Internal Service Fund will be eliminated during the next fiscal year by transfers from participating funds.

# TOWN OF MAMOU, LOUISIANA

## Notes to Basic Financial Statements (Continued)

### (16) Segment Information for the Enterprise Fund

The Town of Mamou maintains one enterprise fund with three departments, which provide gas, water, and sewerage services. Segment information for the year ended December 31, 2010, was as follows:

	Gas <u>Department</u>	Water <u>Department</u>	Sewer <u>Department</u>	Total Enterprise Fund
Operating revenues	<u>\$ 850,929</u>	<u>\$ 495,925</u>	<u>\$ 458,417</u>	<u>\$1,805,271</u>
Operating expenses:				
Depreciation	7,787	76,260	109,203	193,250
Other	<u>625,173</u>	<u>260,348</u>	<u>290,282</u>	<u>355,983</u>
Total operating expenses	<u>632,960</u>	<u>336,608</u>	<u>399,485</u>	<u>1,369,053</u>
Operating income	<u>\$ 217,969</u>	<u>\$ 159,317</u>	<u>\$ 58,932</u>	<u>\$ 436,218</u>

### (17) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended December 31, 2010 follows:

Wilda Chamberlain, Mayor	\$ 24,000
Aldermen:	
Ricky Fontenot	9,000
Jody Soileau	9,000
Robin Young	9,000
Richard Christ	9,000
Joe Deshotels	<u>9,000</u>
Total	<u>\$ 69,000</u>



# TOWN OF MAMOU, LOUISIANA

## Notes to Basic Financial Statements (Continued)

### (18) Interfund Receivables/Payables

A. A summary of interfund receivables and payables at December 31, 2010 follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major governmental funds:		
General Fund	\$ -	\$ 922,104
Sales Tax Fund	130,211	-
Proprietary funds:		
Enterprise Fund	659,923	-
Group Health Self-Insurance Internal Service Fund	<u>131,970</u>	<u>-</u>
Total	<u>\$ 922,104</u>	<u>\$ 922,104</u>

The receivable in the Group Health Self-Insurance Fund is for amounts owed from various other funds for their share of health insurance premiums. The amounts due from the General Fund to various other funds are for short-term loans.

B. Transfers consisted of the following at December 31, 2010:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 361,535	\$ -
Sales Tax Special Revenue Fund	<u>-</u>	<u>339,684</u>
Total governmental funds	361,535	339,684
Proprietary funds:		
Enterprise Fund	<u>-</u>	<u>21,851</u>
Total	<u>\$ 361,535</u>	<u>\$ 361,535</u>

Transfers are used to (a) 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 to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

### (19) Enterprise Fund Contracts

The Town of Mamou, under contract dated January 1, 1997, is required to purchase its natural gas from the Louisiana Municipal Gas Authority. The contract automatically renews annually unless notice is given in writing six months in advance. The Town purchased natural gas during the year ended December 31, 2010 in the amount of \$382,573 of which \$40,253 was owed for purchases for the month of December 2010.

## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### (20) Operating Lease Revenues

The Town has negotiated the lease of Savoy Medical Center and Savoy Care Center Nursing Home. Under the Savoy Medical Center lease agreement, the Town will receive \$63,750 per month for a primary term of five years commencing on February 1, 2005 and ending on January 31, 2010. This lease includes an option by lessee to renew for three additional periods of five years; however, the Town was notified that Rapides Healthcare System would not renew the lease in 2010. Effective January 1, 2010, the Town agreed to lease Savoy Medical Center to Savoy Medical Management Group, Inc. for an initial primary term of 5 years beginning January 1, 2010 with options for four additional terms of five years each. In the lease agreement addendum the Town agreed to defer the monthly lease payments of \$63,750 for a period of six months beginning January 1, 2010 to help the new operators (Savoy Medical Management Group, Inc.) build working capital. Under the Savoy Care Center Nursing Home agreement, the Town will receive \$18,525 per month thru March 2010 and \$20,378 beginning in April 2010 on a month-to-month basis commencing on February 1, 2005.

#### (21) Economic Dependency

The Town of Mamou owns a hospital facility and nursing home within the Town. The hospital is leased to Savoy Medical Management Group, Inc. operating as Savoy Medical Center for \$765,000 per year. (See Note 1.A.4) The nursing home is leased to MH3F Healthcare Management, LLC operating as Savoy Care Center Nursing Home for \$222,300 per year. These leases provide a significant portion of the Town's total revenues. If the Town were to cease receiving these lease revenues, the Town's ability to continue to provide services at present levels would be threatened.

#### (22) New Accounting Pronouncements

In February 2009, the Governmental Accounting Standards Board (GASB) issued Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions." The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The Town is required to implement this standard for the fiscal year ending December 31, 2011. The Town has not yet determined the full impact that adoption of GASB Statement 54 will have on the financial statements.

#### (23) Subsequent Events

Due to the termination of the Operating Agreement between the Town of Mamou and Savoy Cancer Center, Inc., the activities of the cancer treatment facility will no longer be reported within the organization. Savoy Cancer Center, Inc.'s primary function will be limited to fundraising activities to provide support for indigent cancer patients.

#### (24) Subsequent Event Review

The Town has evaluated subsequent events through June 17, 2011, the date which the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

TOWN OF MAMOU, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 335,000	\$ 302,000	\$ 366,701	\$ 64,701
Licenses and permits	130,000	130,000	130,690	690
Intergovernmental	23,500	181,000	188,379	7,379
Fines and forfeits	500,000	500,000	477,927	(22,073)
Miscellaneous	1,032,850	298,000	338,506	40,506
Total revenues	<u>2,021,350</u>	<u>1,411,000</u>	<u>1,502,203</u>	<u>91,203</u>
Expenditures:				
Current -				
General government:				
Administrative	895,000	849,000	766,384	82,616
Public safety:				
Police	1,043,000	1,117,000	1,109,731	7,269
Highways and streets	476,000	509,000	474,494	34,506
Culture and recreation	153,000	175,000	148,008	26,992
Judicial	92,100	108,000	101,690	6,310
Central garage	-	-	-	-
Capital outlay	30,000	43,000	21,545	21,455
Debt service	10,000	8,000	7,423	577
Total expenditures	<u>2,699,100</u>	<u>2,809,000</u>	<u>2,629,275</u>	<u>179,725</u>
Deficiency of revenues over expenditures	<u>(677,750)</u>	<u>(1,398,000)</u>	<u>(1,127,072)</u>	<u>270,928</u>
Other financing sources (uses):				
Transfers from -				
Utility Fund	-	-	21,851	21,851
Sales Tax Fund	183,000	350,000	339,684	(10,316)
Transfer to component unit	<u>(225,000)</u>	<u>(445,000)</u>	<u>(485,456)</u>	<u>(40,456)</u>
Total other financing sources (uses)	<u>(42,000)</u>	<u>(95,000)</u>	<u>(123,921)</u>	<u>(28,921)</u>
Deficiency of revenues and other sources over expenditures and other uses	<u>(719,750)</u>	<u>(1,493,000)</u>	<u>(1,250,993)</u>	<u>242,007</u>
Fund balance, beginning	<u>1,022,524</u>	<u>1,022,524</u>	<u>1,022,524</u>	<u>-</u>
Fund balance (deficit), ending	<u>\$ 302,774</u>	<u>\$ (470,476)</u>	<u>\$ (228,469)</u>	<u>\$ 242,007</u>

TOWN OF MAMOU, LOUISIANA  
Sales Tax Special Revenue Fund

Budgetary Comparison Schedule  
For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 680,000	\$ 657,000	\$ 647,460	\$ (9,540)
Intergovernmental	-	95,000	95,322	322
Miscellaneous -				
Interest	2,000	1,000	1,098	98
Appropriations:				
Mamou Health Resources	83,000	95,000	95,000	-
Total revenues	<u>765,000</u>	<u>848,000</u>	<u>838,880</u>	<u>(9,120)</u>
Expenditures:				
Current -				
General government	37,000	40,000	41,819	(1,819)
Capital outlay	<u>110,000</u>	<u>427,000</u>	<u>398,306</u>	<u>28,694</u>
Total expenditures	<u>147,000</u>	<u>467,000</u>	<u>440,125</u>	<u>26,875</u>
Excess of revenues over expenditures	618,000	381,000	398,755	17,755
Other financing uses:				
Transfers out	<u>(281,000)</u>	<u>(350,000)</u>	<u>(339,684)</u>	<u>10,316</u>
Excess of revenues and other sources over expenditures and other uses	337,000	31,000	59,071	28,071
Fund balances, beginning	<u>454,599</u>	<u>454,599</u>	<u>454,599</u>	<u>-</u>
Fund balances, ending	<u>\$ 791,599</u>	<u>\$ 485,599</u>	<u>\$ 513,670</u>	<u>\$ 28,071</u>

## **OTHER SUPPLEMENTARY INFORMATION**

## **OTHER FINANCIAL INFORMATION**

# TOWN OF MAMOU, LOUISIANA

## Statement of Net Assets December 31, 2010 With Comparative Totals for December 31, 2009

	2010			2009
	Governmental Activities	Business-Type Activities	Total	Totals
<b>ASSETS</b>				
Current assets:				
Cash and interest-bearing deposits	\$ 939,299	\$ 226,340	\$1,165,639	\$1,835,797
Receivables, net	113,047	241,411	354,458	365,623
Due from other governmental units	1,822	331,662	333,484	909,112
Inventory	423	1,798	2,221	14,945
Prepaid items	42,928	14,522	57,450	65,028
Total current assets	<u>1,097,519</u>	<u>815,733</u>	<u>1,913,252</u>	<u>3,190,505</u>
Noncurrent assets:				
Restricted assets -				
Cash and interest-bearing deposits	100,127	207,317	307,444	305,106
Capital assets, net	<u>3,750,549</u>	<u>3,405,157</u>	<u>7,155,706</u>	<u>6,331,641</u>
Total noncurrent assets	<u>3,850,676</u>	<u>3,612,474</u>	<u>7,463,150</u>	<u>6,636,747</u>
Total assets	<u>4,948,195</u>	<u>4,428,207</u>	<u>9,376,402</u>	<u>9,827,252</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts and other payables	120,552	72,941	193,493	174,800
Bank overdraft	46,544	-	46,544	27,460
Claims payable	144,882	-	144,882	122,714
Contracts and retainage payable	-	176,864	176,864	67,745
Deferred revenue	-	-	-	17,710
Internal balances	659,923	(659,923)	-	-
Capital lease payable	-	-	-	7,311
Total current liabilities	<u>971,901</u>	<u>(410,118)</u>	<u>561,783</u>	<u>417,740</u>
Noncurrent liabilities:				
Customers deposits payable	-	207,317	207,317	205,106
Revenue bonds payable, net	-	326,720	326,720	893,837
Contingent liabilities	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>
Total noncurrent liabilities	<u>25,000</u>	<u>534,037</u>	<u>559,037</u>	<u>1,123,943</u>
Total liabilities	<u>996,901</u>	<u>123,919</u>	<u>1,120,820</u>	<u>1,541,683</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	3,750,549	3,228,293	6,978,842	6,304,873
Unrestricted	<u>200,745</u>	<u>1,075,995</u>	<u>1,276,740</u>	<u>1,980,696</u>
Total net assets	<u>\$3,951,294</u>	<u>\$4,304,288</u>	<u>\$8,255,582</u>	<u>\$8,285,569</u>



# TOWN OF MAMOU, LOUISIANA

## Balance Sheet Governmental Funds December 31, 2010 With Comparative Amounts as of December 31, 2009

	2010			
		Sales Tax Special Revenue	Total	2009
ASSETS	General			
Cash	\$ 448,063	\$ -	\$ 448,063	\$ 308,147
Interest-bearing deposits	92,064	399,172	491,236	1,255,319
Receivables:				
Taxes	112,830	-	112,830	121,766
Accrued interest	43	-	43	1,679
Other	174	-	174	1,722
Due from other funds	-	130,211	130,211	100,211
Due from other governmental units	1,822	-	1,822	1,755
Prepaid expenses	42,928	-	42,928	36,640
Restricted cash:				
Interest-bearing deposits	100,127	-	100,127	100,000
Inventory	423	-	423	423
Total assets	<u>\$ 798,474</u>	<u>\$ 529,383</u>	<u>\$ 1,327,857</u>	<u>\$ 1,927,662</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and other payables	\$ 82,672	\$ 15,713	\$ 98,385	\$ 87,332
Retainage payable	-	-	-	17,750
Compensated absences payable	22,167	-	22,167	22,167
Deferred revenue	-	-	-	17,710
Due to other funds	922,104	-	922,104	305,580
Total liabilities	1,026,943	15,713	1,042,656	450,539
Fund balances (deficit) -				
Unreserved, undesignated	(228,469)	513,670	285,201	1,477,123
Total liabilities and fund balances	<u>\$ 798,474</u>	<u>\$ 529,383</u>	<u>\$ 1,327,857</u>	<u>\$ 1,927,662</u>

# TOWN OF MAMOU, LOUISIANA

## Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds For the Year Ended December 31, 2010 With Comparative Actual Amounts for the Year Ended December 31, 2009

	2010			
	General	Sales Tax Special Revenue	Total	2009
Revenues:				
Taxes	\$ 366,701	\$ 647,460	\$1,014,161	\$1,058,292
Licenses and permits	130,690	-	130,690	138,082
Intergovernmental	188,379	95,322	283,701	361,991
Fines and forfeits	477,927	-	477,927	423,199
Miscellaneous	338,506	96,098	434,604	1,216,818
Total revenues	<u>1,502,203</u>	<u>838,880</u>	<u>2,341,083</u>	<u>3,198,382</u>
Expenditures:				
Current -				
General government:				
Administrative	766,384	41,819	808,203	1,334,674
Public safety:				
Police	1,109,731	-	1,109,731	1,094,028
Highways and streets	474,494	-	474,494	590,254
Culture and recreation	148,008	-	148,008	280,075
Judicial	101,690	-	101,690	95,812
Central garage	-	-	-	35,802
Capital outlay	21,545	398,306	419,851	556,884
Debt service -				
Principal retirement	7,311	-	7,311	14,060
Interest and fiscal charges	112	-	112	787
Total expenditures	<u>2,629,275</u>	<u>440,125</u>	<u>3,069,400</u>	<u>4,002,376</u>
Excess (deficiency) of revenues over expenditures	<u>(1,127,072)</u>	<u>398,755</u>	<u>(728,317)</u>	<u>(803,994)</u>
Other financing sources (uses):				
Transfers in	361,535	-	361,535	535,567
Transfers out	-	(339,684)	(339,684)	(223,832)
Transfers in (out) - component unit	(485,456)	-	(485,456)	(260,564)
Total other financing sources (uses)	<u>(123,921)</u>	<u>(339,684)</u>	<u>(463,605)</u>	<u>51,171</u>
Net changes in fund balances	<u>(1,250,993)</u>	<u>59,071</u>	<u>(1,191,922)</u>	<u>(752,823)</u>
Fund balances, beginning	<u>1,022,524</u>	<u>454,599</u>	<u>1,477,123</u>	<u>2,229,946</u>
Fund balances (deficit), ending	<u>\$ (228,469)</u>	<u>\$ 513,670</u>	<u>\$ 285,201</u>	<u>\$1,477,123</u>

TOWN OF MAMOU, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Revenues  
For the Year Ended December 31, 2010  
With Comparative Actual Amounts for the Year Ended December 31, 2009

	2010			Variance with Final Budget	2009 Actual
	Budget		Actual	Positive (Negative)	
	Original	Final			
Taxes:					
Ad valorem	\$ 130,000	\$ 130,000	\$ 194,098	\$ 64,098	\$ 197,811
Franchise -					
Electric	160,000	134,000	134,104	104	136,056
Telephone	18,000	16,000	16,337	337	16,391
Cable TV	27,000	22,000	22,162	162	32,600
Total taxes	335,000	302,000	366,701	64,701	382,858
Licenses and permits:					
Occupational licenses	129,000	129,000	129,165	165	136,997
Permits	1,000	1,000	1,525	525	1,085
Total licenses and permits	130,000	130,000	130,690	690	138,082
Intergovernmental:					
Federal grants -					
Federal Emergency Mgmt. Assistance	-	-	-	-	37,640
Dept. of Interior	-	-	-	-	2,000
Dept. of Justice ARRA police equipment grant	17,000	17,000	17,710	710	2,290
State of Louisiana -					
Beer taxes	6,500	7,000	8,038	1,038	8,162
Highway maintenance	-	-	5,000	5,000	5,000
DARE	-	-	-	-	19,886
State grants	-	157,000	157,631	631	287,013
Total intergovernmental	23,500	181,000	188,379	7,379	361,991
Fines and forfeits:					
Fines and court costs	500,000	500,000	477,927	(22,073)	423,199
Miscellaneous:					
Interest	20,000	8,000	6,439	(1,561)	29,414
Hospital lease revenue	765,000	-	-	-	765,000
Hospital receivable revenue	-	-	575	575	928
Nursing home lease revenue	222,300	239,000	238,973	(27)	222,300
Sale of assets	-	-	-	-	249
Hospital workers compensation recoveries	-	-	37,044	37,044	72,160
Recreation complex	15,000	15,000	11,585	(3,415)	46,488
Other sources	10,550	36,000	43,890	7,890	22,898
Total miscellaneous	1,032,850	298,000	338,506	40,506	1,159,437
Total revenues	\$2,021,350	\$1,411,000	\$1,502,203	\$ 91,203	\$2,465,567

TOWN OF MAMOU, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended December 31, 2010  
With Comparative Actual Amounts for the Year Ended December 31, 2009

	2010			Variance with	
	Budget			Final Budget	2009
	Original	Final	Actual	Positive (Negative)	Actual
Current:					
General government -					
Administrative:					
Mayor and council salaries	\$ 69,000	\$ 69,000	\$ 69,000	\$ -	\$ 69,000
Other salaries and wages	249,000	244,000	231,877	12,123	254,251
Group insurance	100,000	120,000	93,214	26,786	107,067
Insurance	56,000	45,000	41,054	3,946	26,281
Payroll taxes	25,000	25,000	24,971	29	26,343
Materials and supplies	33,000	25,000	29,750	(4,750)	41,469
Advertisements and recordings	10,000	10,000	7,242	2,758	8,782
Legal fees	10,000	8,000	1,900	6,100	2,620
Accounting and auditing	46,000	46,000	13,600	32,400	12,380
Professional fees	260,000	210,000	151,014	58,986	593,275
Miscellaneous	-	-	31,978	(31,978)	26,620
Utilities and telephone	19,000	19,000	17,860	1,140	16,524
Repairs and maintenance	10,000	16,000	8,567	7,433	12,758
Training	2,000	1,000	1,061	(61)	2,284
Hospital workers' comp claims	6,000	11,000	43,296	(32,296)	60,874
Hurricane expenditures	-	-	-	-	27,903
Total administrative	895,000	849,000	766,384	82,616	1,288,431
Public safety -					
Police:					
Salaries	544,000	557,000	509,636	47,364	533,294
Payroll taxes	25,000	25,000	46,107	(21,107)	46,953
Retirement contribution	1,000	1,000	702	298	10,924
Group insurance	154,000	158,000	177,109	(19,109)	164,811
Utilities and telephone	37,000	47,000	43,325	3,675	37,223
Insurance	75,000	110,000	115,902	(5,902)	71,680
Auto	53,000	65,000	54,233	10,767	52,188
Gas and repairs	19,000	17,000	22,694	(5,694)	31,513
Professional fees	-	-	2,179	(2,179)	5,828
Court and lab fees	50,000	52,000	49,888	2,112	52,038
Miscellaneous	37,000	38,000	42,585	(4,585)	24,026
Supplies	48,000	47,000	40,668	6,332	56,784
Training	-	-	4,703	(4,703)	6,766
Total police department	1,043,000	1,117,000	1,109,731	7,269	1,094,028

(continued)

TOWN OF MAMOU, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended December 31, 2010  
With Comparative Actual Amounts for the Year Ended December 31, 2009

	2010			Variance with Final Budget	2009
	Budget		Actual	Positive	Actual
	Original	Final		(Negative)	
Highways and streets -					
Salaries	146,000	155,000	151,113	3,887	187,153
Payroll taxes	10,000	15,000	12,316	2,684	15,239
Maintenance and supplies	51,000	55,000	62,189	(7,189)	113,574
Lighting	65,000	55,000	54,382	618	57,493
Group insurance	100,000	85,000	83,891	1,109	98,646
Telephone	4,000	4,000	3,950	50	3,732
Insurance	49,000	85,000	59,420	25,580	40,736
Inmate labor	-	-	-	-	16,781
Miscellaneous	15,000	16,000	17,067	(1,067)	23,394
Auto	34,000	37,000	28,148	8,852	31,580
Equipment rental	-	-	392	(392)	469
Professional fees	2,000	2,000	1,626	374	1,457
Total highways and streets	476,000	509,000	474,494	34,506	590,254
Culture and recreation -					
Salaries	23,000	12,000	10,481	1,519	82,221
Payroll taxes	4,000	2,000	1,592	408	6,943
Repairs and maintenance	4,000	5,000	12,569	(7,569)	34,035
Materials and supplies	10,000	17,000	15,400	1,600	28,501
Hurricane expenditures	-	-	-	-	21,090
Auto	2,000	1,000	280	720	691
Utilities and telephone	41,000	56,000	53,329	2,671	49,833
Insurance	67,000	80,000	54,337	25,663	42,261
Group insurance	-	-	-	-	8,421
Miscellaneous	2,000	2,000	20	1,980	702
Concession purchases	-	-	-	-	5,377
Total culture and recreation	153,000	175,000	148,008	26,992	280,075

(continued)

TOWN OF MAMOU, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended December 31, 2010  
With Comparative Actual Amounts for the Year Ended December 31, 2009

	2010				
	Budget			Variance with Final Budget	2009
	Original	Final	Actual	Positive (Negative)	Actual
Judicial -					
Salaries	47,000	56,000	55,892	108	54,970
Payroll taxes	3,000	4,000	4,612	(612)	4,438
Office rental	2,100	3,000	2,100	900	2,100
Insurance	2,000	1,500	1,123	377	837
Group insurance	30,000	31,500	27,963	3,537	24,662
Materials and supplies	3,000	3,000	2,621	379	4,588
Repairs and maintenance	1,000	1,000	285	715	329
Telephone	3,000	3,000	3,044	(44)	3,506
Miscellaneous	1,000	5,000	4,050	950	382
Total judicial	<u>92,100</u>	<u>108,000</u>	<u>101,690</u>	<u>6,310</u>	<u>95,812</u>
Central garage -					
Salaries	-	-	-	-	24,116
Payroll taxes	-	-	-	-	1,940
Insurance	-	-	-	-	1,325
Group insurance	-	-	-	-	8,421
Total central garage	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,802</u>
Capital outlay:					
Public safety -					
Police:					
Vehicles and equipment	30,000	43,000	21,545	21,455	33,810
Highways and streets -					
Equipment	-	-	-	-	16,465
Total capital outlay	<u>30,000</u>	<u>43,000</u>	<u>21,545</u>	<u>21,455</u>	<u>50,275</u>
Debt service:					
Retirement of principal	9,500	7,500	7,311	189	14,060
Interest and fiscal charges	500	500	112	388	787
Total debt service	<u>10,000</u>	<u>8,000</u>	<u>7,423</u>	<u>577</u>	<u>14,847</u>
Total expenditures	<u>\$2,699,100</u>	<u>\$2,809,000</u>	<u>\$2,629,275</u>	<u>\$179,725</u>	<u>\$3,449,524</u>

TOWN OF MAMOU, LOUISIANA  
Special Revenue Fund  
Sales Tax Fund

Budgetary Comparison Schedule  
For the Year Ended December 31, 2010  
With Comparative Actual Amounts for the Year Ended December 31, 2009

	2010			Variance with Final Budget Positive (Negative)	2009 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 680,000	\$ 657,000	\$ 647,460	\$ (9,540)	\$ 675,434
Intergovernmental	-	95,000	95,322	322	-
Miscellaneous:					
Interest	2,000	1,000	1,098	98	2,381
Appropriation from - Mamou Health Resources	83,000	95,000	95,000	-	55,000
Total revenues	<u>765,000</u>	<u>848,000</u>	<u>838,880</u>	<u>(9,120)</u>	<u>732,815</u>
Expenditures:					
Current -					
General government:					
Audit and accounting	5,000	5,000	5,355	(355)	6,565
Industry and tourism inducement	32,000	35,000	36,464	(1,464)	39,678
Total general government	<u>37,000</u>	<u>40,000</u>	<u>41,819</u>	<u>(1,819)</u>	<u>46,243</u>
Capital outlay -					
General government:					
Equipment	-	-	4,445	(4,445)	2,400
Public safety:					
Vehicles	25,000	22,000	21,450	550	-
Highways and streets:					
Street improvements	-	8,000	7,609	391	-
Equipment	-	-	-	-	14,410
Culture and recreation:					
Equipment	-	-	-	-	10,560
Plaza pavillion restrooms and storage area	-	47,000	46,800	200	93,913
Ballpark improvements and walking trail	85,000	350,000	318,002	31,998	385,326
Total capital outlay	<u>110,000</u>	<u>427,000</u>	<u>398,306</u>	<u>28,694</u>	<u>506,609</u>
Total expenditures	<u>147,000</u>	<u>467,000</u>	<u>440,125</u>	<u>26,875</u>	<u>552,852</u>
Excess of revenues over expenditures	<u>618,000</u>	<u>381,000</u>	<u>398,755</u>	<u>17,755</u>	<u>179,963</u>
Other financing sources (uses):					
Transfers from (to) -					
Utility Fund	(98,000)	-	-	-	64,108
General Fund	(183,000)	(350,000)	(339,684)	10,316	(287,940)
Total other financing sources (uses)	<u>(281,000)</u>	<u>(350,000)</u>	<u>(339,684)</u>	<u>10,316</u>	<u>(223,832)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	337,000	31,000	59,071	28,071	(43,869)
Fund balance, beginning	<u>454,599</u>	<u>454,599</u>	<u>454,599</u>	<u>-</u>	<u>498,468</u>
Fund balance, ending	<u>\$ 791,599</u>	<u>\$ 485,599</u>	<u>\$ 513,670</u>	<u>\$ 28,071</u>	<u>\$ 454,599</u>

TOWN OF MAMOU, LOUISIANA  
Enterprise Fund  
Utility Fund

Schedule of Number of Utility Customers  
(Unaudited)  
December 31, 2010

Records maintained by the Town indicated the following number of customers were being serviced during the month of December 2010 and 2009:

<u>Department</u>	<u>2010</u>	<u>2009</u>
Gas (metered)	1,063	1,055
Water	1,688	1,672
Sewerage	1,249	1,243



TOWN OF MAMOU, LOUISIANA

Schedule of Insurance In Force  
(Unaudited)  
December 31, 2010

Description of Coverage	Coverage Amounts
Workmen's compensation -	Statutory
Employer's liability- policy limit	500,000
Bodily injury by accident	100,000
Bodily injury by disease	100,000
Surety bonds -	
Fidelity bond	135,000
Commercial general liability -	
Premises/operations	500,000
Products/completed operations	500,000
Boiler and Machinery - equipment	525,000
Medical payments per person	1,000
Medical payments per accident	10,000
Fire legal liability	50,000
Law enforcement officers' comprehensive liability	500,000
Automobile liability	500,000
Public officials' errors and omissions liability	500,000
Commercial fire and extended coverage -	
Buildings	6,090,473
Contents	3,271,600
Boiler and machinery - equipment	2,570,000
Inland marine - tractors and equipment	204,500
Vehicle physical damage	54,675

# TOWN OF MAMOU, LOUISIANA

## Combined Schedule of Interest-Bearing Deposits - All Funds December 31, 2010

		<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Total Book Value</u>
<b>Major Governmental Funds:</b>				
General Fund -				
Certificate of Deposit - Worker's Comp Security	(C)	1.55%	11/21/11	\$ 100,127
Savings Account - Hospital Revenue	(G)	0.75%	N/A	37,022
Interest-bearing checking - General	(G)	0.50%	N/A	33,886
Interest-bearing checking - Payroll	(G)	0.50%	N/A	20,276
Interest-bearing checking - Law Enforcement Grants	(S)	0.30%	N/A	59
Interest-bearing checking - Insurance Contingency	(S)	0.30%	N/A	821
Total General Fund				<u>192,191</u>
Special Revenue Funds -				
Sales Tax Fund				
Interest-bearing checking - Sales Tax Fund	(S)	0.25%	N/A	384,383
Interest-bearing checking - Construction Account	(S)	0.30%	N/A	14,789
Total Sales Tax Fund				<u>399,172</u>
Total Governmental Funds				<u>591,363</u>
<b>Proprietary Fund:</b>				
Utility Fund:				
Operating Account -				
Interest-bearing checking	(C)	0.25%	N/A	28,852
Certificate of Deposit	(G)	1.25%	03/23/11	47,970
Water Revenue Fund -				
Interest-bearing checking	(S)	0.25%	N/A	17,951
Interest-bearing checking	(S)	0.35%	N/A	31,757
Meter Deposit Fund -				
Certificate of Deposit	(S)	1.00%	07/28/11	180,606
Interest-bearing checking	(G)	0.50%	N/A	126,520
Total Proprietary Fund				<u>433,656</u>
Total Interest-bearing Deposits and Investments - All Funds				<u>\$1,025,019</u>

Certificates of deposit, savings account and interest-bearing checking accounts with ---

(C) Citizens Bank, Ville Platte, Louisiana

(G) Guaranty Bank, Mamou, Louisiana

(S) Sabine State Bank, Many, Louisiana

# TOWN OF MAMOU, LOUISIANA

## Comparative Statement of Net Assets Proprietary Funds December 31, 2010 and 2009

ASSETS	Business-type Activities - Enterprise Fund		Governmental Activities - Internal Service Fund	
	2010	2009	2010	2009
Current assets:				
Cash	\$ 1	\$ 3	\$ -	\$ -
Interest-bearing deposits	226,339	272,328	-	-
Receivables -				
Accounts, net	149,644	135,857	-	-
Unbilled utility receivables	90,166	104,532	-	-
Accrued interest receivable	67	67	-	-
Other	1,534	-	-	-
Due from other funds	659,923	71,356	131,970	134,013
Due from other governmental agencies	331,662	907,357	-	-
Inventory - natural gas	1,798	14,522	-	-
Prepaid items	14,522	11,676	-	16,712
Total current assets	<u>1,475,656</u>	<u>1,517,698</u>	<u>131,970</u>	<u>150,725</u>
Noncurrent assets:				
Restricted assets -				
Interest-bearing deposits	207,317	205,106	-	-
Capital assets, net of accumulated depreciation	3,405,157	2,801,423	-	-
Total noncurrent assets	<u>3,612,474</u>	<u>3,006,529</u>	<u>-</u>	<u>-</u>
Total assets	<u>5,088,130</u>	<u>4,524,227</u>	<u>131,970</u>	<u>150,725</u>
LIABILITIES				
Current liabilities:				
Accounts and other payables	68,305	60,665	-	-
Bank overdraft	-	-	46,544	27,460
Compensated absences payable	4,636	4,636	-	-
Claims payable	-	-	144,882	122,714
Contracts and retainage payable	176,864	49,995	-	-
Total current liabilities	<u>249,805</u>	<u>115,296</u>	<u>191,426</u>	<u>150,174</u>
Noncurrent liabilities:				
Customers' deposits	207,317	205,106	-	-
Revenue bonds payable, net	326,720	893,837	-	-
Total noncurrent liabilities	<u>534,037</u>	<u>1,098,943</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>783,842</u>	<u>1,214,239</u>	<u>191,426</u>	<u>150,174</u>
NET ASSETS				
Invested in capital assets, net of related debt	3,228,293	2,801,423	-	-
Unrestricted (deficit)	1,075,995	508,565	(59,456)	551
Total net assets (deficit)	<u>\$4,304,288</u>	<u>\$3,309,988</u>	<u>\$ (59,456)</u>	<u>\$ 551</u>

TOWN OF MAMOU, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets  
 Proprietary Funds  
 Years Ended December 31, 2010 and 2009

	<u>Business-type Activities-</u> <u>Enterprise Fund</u>		<u>Governmental Activities-</u> <u>Internal Service Fund</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Operating revenues:				
Charges for services	\$1,733,341	\$1,677,026	\$884,061	\$948,127
Permits, reconnections and penalties	59,942	47,387	-	-
Miscellaneous	11,988	8,658	-	-
Total operating revenues	<u>1,805,271</u>	<u>1,733,071</u>	<u>884,061</u>	<u>948,127</u>
Operating expenses:				
Gas department expenses	625,173	705,399	-	-
Water department expenses	260,348	274,062	-	-
Sewerage department expenses	281,704	354,603	-	-
Depreciation expense	193,250	183,452	-	-
Amortization expense	8,578	1,380	-	-
Self insurance expenses	-	-	944,068	859,125
Total operating expenses	<u>1,369,053</u>	<u>1,518,896</u>	<u>944,068</u>	<u>859,125</u>
Operating income (loss)	<u>436,218</u>	<u>214,175</u>	<u>(60,007)</u>	<u>89,002</u>
Nonoperating revenues (expenses):				
Interest income	4,192	6,874	-	-
Gain on disposal of assets	-	80	-	-
Total nonoperating revenues	<u>4,192</u>	<u>6,954</u>	<u>-</u>	<u>-</u>
Income (loss) before contributions and transfers	440,410	221,129	(60,007)	89,002
Capital contributions	<u>575,741</u>	<u>542,597</u>	<u>-</u>	<u>-</u>
Income (loss) before transfers	1,016,151	763,726	(60,007)	89,002
Transfers out	<u>(21,851)</u>	<u>(311,735)</u>	<u>-</u>	<u>-</u>
Change in net assets	994,300	451,991	(60,007)	89,002
Net assets (deficit), beginning	<u>3,309,988</u>	<u>2,857,997</u>	<u>551</u>	<u>(88,451)</u>
Net assets (deficit), ending	<u>\$4,304,288</u>	<u>\$3,309,988</u>	<u>\$ (59,456)</u>	<u>\$ 551</u>

TOWN OF MAMOU, LOUISIANA  
Enterprise Fund  
Utility Fund

Departmental Analysis of Revenues and Expenses  
Years Ended December 31, 2010 and 2009

	Totals		Gas		Water		Sewer	
	2010	2009	2010	2009	2010	2009	2010	2009
<b>Operating revenues:</b>								
Customers service charges	\$1,733,341	\$1,677,026	\$ 807,625	\$ 880,477	\$ 487,183	\$ 414,174	\$ 438,533	\$ 382,375
Permits, reconnections and penalties	59,942	47,387	34,766	27,283	7,792	6,150	17,384	13,954
Miscellaneous	11,988	8,658	8,538	5,150	950	1,175	2,500	2,333
Total operating revenues	<u>1,805,271</u>	<u>1,733,071</u>	<u>850,929</u>	<u>912,910</u>	<u>495,925</u>	<u>421,499</u>	<u>458,417</u>	<u>398,662</u>
<b>Operating expenses:</b>								
Salaries	273,136	289,944	105,984	86,236	63,423	78,448	103,729	125,260
Payroll taxes	22,574	23,676	8,787	7,167	5,196	6,401	8,591	10,108
Group Insurance	102,537	131,729	27,964	49,323	27,964	24,662	46,609	57,744
Gas purchased	395,297	421,402	395,297	421,402	-	-	-	-
Maintenance and supplies	109,955	190,382	35,826	78,348	50,231	54,574	23,898	57,460
Safe water drinking fee	4,752	4,752	-	-	4,752	4,752	-	-
Lab fees	6,140	5,375	-	-	-	-	6,140	5,375
Depreciation expense	193,250	183,452	7,787	10,003	76,260	79,847	109,203	93,602
Amortization expense	8,578	1,380	-	-	-	-	8,578	1,380
Utilities	129,350	122,004	7,410	8,198	73,952	65,292	47,988	48,514
Telephone	6,344	5,990	2,930	2,342	-	-	3,414	3,648
Truck operation	30,065	27,336	11,741	10,037	9,668	5,544	8,656	11,755
Bad debt expense (recovery)	(33,713)	12,463	(14,865)	6,356	(11,415)	3,739	(7,433)	2,368
Insurance	80,458	52,294	25,241	14,401	23,179	16,109	32,038	21,784
Miscellaneous	3,137	11,870	517	4,477	1,273	3,001	1,347	4,392
Professional fees	34,481	33,130	18,341	17,045	10,365	9,890	5,775	6,195
Training	2,712	1,717	-	67	1,760	1,650	952	-
Total operating expenses	<u>1,369,053</u>	<u>1,518,896</u>	<u>632,960</u>	<u>715,402</u>	<u>336,608</u>	<u>353,909</u>	<u>399,485</u>	<u>449,585</u>
Net operating income (loss)	<u>\$ 436,218</u>	<u>\$ 214,175</u>	<u>\$ 217,969</u>	<u>\$ 197,508</u>	<u>\$ 159,317</u>	<u>\$ 67,590</u>	<u>\$ 58,932</u>	<u>\$ (50,923)</u>

**COMPLIANCE, INTERNAL CONTROL  
AND  
OTHER GRANT INFORMATION**

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## 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 Ricky Fontenot, Mayor  
 and Members of the Board of Aldermen  
 Town of Mamou, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Mamou, Louisiana, as of and for the year ended December 31, 2010, which collectively comprise the Town of Mamou, Louisiana's basic financial statements and have issued our report thereon dated June 17, 2011. The report on the Town of Mamou, Louisiana of was adverse because the financial statements do not include financial data of all component units of the Town of Mamou, Louisiana. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Mamou, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures 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 of Mamou, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Town of Mamou, Louisiana's internal control over financial reporting.

*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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described in the accompanying summary of current and prior year audit findings and corrective action plan that we consider to be a significant deficiency in internal control over financial reporting as Item 10-1(IC). 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.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Mamou, Louisiana'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 statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as items 10-2(C) and 10-3(C).

We noted certain other matters that we have reported to management of the Town of Mamou, Louisiana in a separate letter dated June 17, 2011. The Town of Mamou, Louisiana's responses to the findings identified in our audit are described in the accompanying summary schedule of current and prior year audit findings and corrective action plan. We did not audit the Town of Mamou, Louisiana's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information of the Town's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. 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, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
June 17, 2011



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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Ricky Fontenot, Mayor  
and Members of the Board of Aldermen  
Town of Mamou, Louisiana

### Compliance

We have audited the Town of Mamou, Louisiana's compliance with the types of compliance requirements described in the *OMB A-133 Compliance Supplement* that could have a direct and material effect on the Town of Mamou, Louisiana's major federal program for the year ended December 31, 2010. The Town of Mamou, Louisiana's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Town of Mamou, Louisiana's management. Our responsibility is to express an opinion on the Town of Mamou, Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Mamou, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Town of Mamou, Louisiana's compliance with those requirements.

In our opinion, the Town of Mamou, Louisiana, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2010.

## Internal Control over Compliance

Management of the Town of Mamou, Louisiana, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town of Mamou, Louisiana's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on *internal control over compliance in accordance with OMB Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Mamou, Louisiana's internal control over compliance.

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

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

This report is intended solely for the information of the Town's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. 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, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
June 17, 2011

TOWN OF MAMOU, LOUISIANA

Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2010

<u>Federal Grantor / Pass-Through Grantor / Program Name</u>	<u>Federal CFDA Number</u>	<u>Disbursements/ Expenditures</u>	<u>Revenue Recognized</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed-through State of Louisiana Division of Administration:			
Community Development Block Grant/State's Program *	14.228	\$ 46	\$ 46
<u>U.S. Environmental Protection Agency</u>			
Passed-through State of Louisiana Department of Environmental Quality:			
ARRA - Capitalization Grants for Clean Water *	66.458	752,559	575,695
<u>U.S. Department of Justice</u>			
ARRA - Edward Byrne Memorial Justice Assistance Grant	16.803	<u>17,710</u>	<u>17,710</u>
 TOTAL FEDERAL EXPENDITURES		 <u>\$ 770,315</u>	 <u>\$ 593,451</u>

\* Indicates Major Program

TOWN OF MAMOU, LOUISIANA

Schedule of Findings and Questioned Costs  
Year Ended December 31, 2010

Part I. Summary of Auditor's Results:

1. The auditor's report expresses an adverse opinion on the financial statements of the Town of Mamou's reporting entity because they do not include financial data of all component units. An unqualified opinion was issued on the basic financial statements of the Town of Mamou, Louisiana's primary government.
2. There was one significant deficiency in internal control disclosed by the audit of the financial statements.
3. There were two instances of noncompliance disclosed by the audit of the financial statements.
4. There were no significant deficiencies in internal control over the major program disclosed by the audit of the financial statements.
5. An unqualified opinion was issued on compliance for the major programs.
6. The audit disclosed no findings required to be reported under Section 510(a) of Circular A-133.
7. The major program was:  
  
U.S. Environmental Protection Agency: Passed through State of Louisiana Department of Environmental Quality – Capitalization Grants for Clean Water CFDA No. 66.458.
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$300,000.
9. The auditee did not qualify as a low-risk auditee under Section 530 of Circular A-133.

Part II. Findings that are required to be reported in accordance with generally accepted Governmental Auditing Standards:

There were two instances of noncompliance noted during the audit. See Findings 10-2(C) and 10-3(C) in the Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan.

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There were no significant deficiencies or instances of material noncompliance noted during the audit.

TOWN OF MAMOU, LOUISIANA

Schedule of Prior Audit Findings and Questioned Costs  
Year Ended December 31, 2010

Part I. Findings that are required to be reported in accordance with generally accepted Governmental Auditing Standards:

There were no significant deficiencies or instances of material noncompliance noted during the audit.

Part II. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There were no significant deficiencies or instances of material noncompliance noted during the audit.

# TOWN OF MAMOU, LOUISIANA

## Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan Year Ended December 31, 2010

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<b>CURRENT YEAR (12/31/10) --</b>						
<u>Internal Control:</u>						
10-1(IC)	2010	The Town did not have adequate controls in place to ensure compliance with the Public Bid Law, as specified in 10-3(C) below.		See details of corrective action for 10-3(C) below.	Guy Pucheu, Town Clerk	12/31/11
<u>Compliance:</u>						
10-2(C)	2010	The Town of Mamou did not maintain a minimum balance of \$200,000 in the Depreciation and Contingency Fund as required by the Series 2006 Cancer Center Revenue Refunding Bond covenants. This fund is reported in the financial statements of Savoy Cancer Center, Inc. As of December 31, 2010, the balance in the Depreciation and Contingency Fund was \$192,743.		Management will replenish any monies used during the fiscal year from the Depreciation and Contingency Fund as soon as possible out of the earnings of the Center after making the required payments into the respective funds set forth in the bond covenants.	Guy Pucheu, Town Clerk	12/31/11
10-3(C)	2010	The Town did not properly follow the Public Bid Law when purchasing a police vehicle. The Town should establish procedures for making purchases or entering into a contract for the completion of any public work in accordance with the Public Bid Law, R.S. 38:2211-2233.2.		The Town's purchases shall be advertised and awarded to the lowest responsible bidder. In instances in which the Public Bid Law does not require advertisement for bids, quotes will be obtained as required. All records shall be retained for a minimum of six years as required by the Public Bid Law.	Guy Pucheu, Town Clerk	12/31/11

(continued)

TOWN OF MAMOU, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan (Continued)  
Year Ended December 31, 2010

Fiscal Year Finding Initially Occurred	Ref. No.	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>Management Letter:</u>						
2006	10-4(ML)	A continuing significant gas loss occurred. Despite efforts to locate and repair gas leaks, this loss has not significantly decreased from prior years. The Town should investigate possible reasons for the significant gas loss and continue efforts to reduce the loss.		The Town will continue to investigate possible reasons for the increasing gas loss and continue efforts to reduce the loss.	Guy Pucheu, Town Clerk	12/31/11
2009	10-5(ML)	The Town's governmental funds experienced a deficiency during the current year of \$1,191,922. The Town should evaluate operations to determine methods to increase revenues and/or reduce expenditures in order to operate at a surplus.		The Town will evaluate operations to determine methods to increase revenues and/or reduce expenditures.	Guy Pucheu, Town Clerk	12/31/11
2010	10-6(ML)	During the fiscal year ended December 31, 2010, the Group Self-Insurance Fund experienced an operating loss of \$60,007. Consideration should be given to exploring plan adjustments in order for the fund to be self-sufficient.		The Town will consider either evaluating plan benefits, and consider increasing deductibles in order to reduce plan expenses, increasing plan premiums charged to participants, or a combination of both.	Guy Pucheu, Town Clerk	12/31/11

(continued)

# TOWN OF MAMOU, LOUISIANA

## Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan (Continued) Year Ended December 31, 2010

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
PRIOR YEAR (12/31/09) --						
<u>Management Letter:</u>						
09-1(ML)	2006	A continuing significant gas loss occurred. Despite efforts to locate and repair gas leaks, this loss has not significantly decreased from prior years. The Town should investigate possible reasons for the significant gas loss and continue efforts to reduce the loss.	No	The Town will continue to investigate possible reasons for the increasing gas loss and continue efforts to reduce the loss.	Guy Pucheu, Town Clerk	12/31/10
09-2(ML)	2009	The Town's governmental funds experienced a deficiency during the current year of \$752,823. The Town should evaluate operations to determine methods to increase revenues and/or reduce expenditures in order to operate at a surplus.	No	The Town will evaluate operations to determine methods to increase revenues and/or reduce expenditures.	Guy Pucheu, Town Clerk	12/31/10



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## MANAGEMENT LETTER

The Honorable Ricky Fontenot, Mayor  
and Members of the Board of Aldermen  
Town of Mamou, Louisiana

We have completed our audit of the basic financial statements of the Town of Mamou, Louisiana for the year ended December 31, 2010, and submit the following recommendations for your consideration:

- (1) A continuing significant gas loss occurred. Despite efforts to locate and repair gas leaks, this loss has not significantly decreased from prior years. The Town should investigate possible reasons for the excess gas loss and continue efforts to reduce the loss.
- (2) The Town's governmental funds experienced a deficiency during the current year of \$1,191,922. The Town should evaluate operations to determine methods to increase revenues and/or reduce expenditures in order to operate at a surplus.
- (3) During the fiscal year ended December 31, 2010, the Group Self-Insurance Fund experienced an operating loss of \$60,007. Consideration should be given to exploring plan adjustments in order for the fund to be self-sufficient.

In conclusion, we express our appreciation to you and your staff, particularly to your office staff, for the courtesies and assistance rendered to us during the performance of our audit. Should you have any questions or need assistance in implementing our recommendations, please feel free to contact us.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
June 17, 2011