

TOWN OF MAMOU, LOUISIANA

Financial Report

Year Ended December 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 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

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|--------------------|
| ASSETS | | | |
| 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> |
| LIABILITIES | | | |
| 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> |
| NET ASSETS | | | |
| 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 Changes in Net Assets | | Total |
|---|--------------------|---------------------------------------|------------------------------------|--|-------------------------|---------------------|
| | Expenses | Fees, Fines, and Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | |
| Governmental activities: | | | | | | |
| General government | \$ 865,449 | \$ 130,690 | \$ - | \$ - | \$ (734,759) | \$ (734,759) |
| Public safety - | | | | | | |
| Police | 1,179,887 | 477,927 | - | 17,710 | (684,250) | (684,250) |
| Streets | 536,806 | - | 5,000 | - | (531,806) | (531,806) |
| Culture and recreation | 207,172 | 11,585 | - | 252,953 | 57,366 | 57,366 |
| Judicial | 108,139 | - | - | - | (108,139) | (108,139) |
| Interest on long-term debt | 112 | - | - | - | (112) | (112) |
| Total governmental activities | <u>2,897,565</u> | <u>620,202</u> | <u>5,000</u> | <u>270,663</u> | <u>(2,001,700)</u> | <u>(2,001,700)</u> |
| Business-type activities: | | | | | | |
| Gas | 632,960 | 850,929 | - | 575,741 | - | 793,710 |
| Water | 336,608 | 495,925 | - | - | - | 159,317 |
| Sewer | 399,485 | 458,417 | - | - | - | 58,932 |
| Total business-type activities | <u>1,369,053</u> | <u>1,805,271</u> | <u>-</u> | <u>575,741</u> | <u>-</u> | <u>1,011,959</u> |
| Total | <u>\$4,266,618</u> | <u>\$2,425,473</u> | <u>\$ 5,000</u> | <u>\$ 846,404</u> | <u>\$ (2,001,700)</u> | <u>\$ (989,741)</u> |
| General revenues: | | | | | | |
| Taxes - | | | | | | |
| 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 | 7,537 |
| Hospital receivable revenue | | | | | 575 | 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 | | | | | <u>977,413</u> | <u>(17,659)</u> |
| Change in net assets | | | | | (1,024,287) | (29,987) |
| Net assets - January 1, 2010 | | | | | 4,975,581 | 3,309,988 |
| Net assets - December 31, 2010 | | | | | <u>\$ 3,951,294</u> | <u>\$ 4,304,288</u> |

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

General Fund

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

Special Revenue 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 | 1,502,203 | 838,880 | 2,341,083 |
| 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 | 2,629,275 | 440,125 | 3,069,400 |
| Excess (deficiency) of revenues over expenditures | (1,127,072) | 398,755 | (728,317) |
| 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) | (123,921) | (339,684) | (463,605) |
| Net changes in fund balances | (1,250,993) | 59,071 | (1,191,922) |
| Fund balances, beginning | 1,022,524 | 454,599 | 1,477,123 |
| Fund balances (deficit), ending | \$ (228,469) | \$ 513,670 | \$ 285,201 |

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)

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 | <u>(199,520)</u> | 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

| | Business-type Activities - Enterprise Fund | Governmental Activities - Internal Service Fund |
|---|---|--|
| ASSETS | | |
| 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 | <u>14,522</u> | <u>-</u> |
| 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 | <u>3,405,157</u> | <u>-</u> |
| Total noncurrent assets | <u>3,612,474</u> | <u>-</u> |
| Total assets | <u>5,088,130</u> | <u>131,970</u> |
| LIABILITIES | | |
| 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 | <u>176,864</u> | <u>-</u> |
| Total current liabilities | <u>249,805</u> | <u>191,426</u> |
| Noncurrent liabilities: | | |
| Customers' deposits | 207,317 | - |
| Revenue bonds payable, net | <u>326,720</u> | <u>-</u> |
| Total noncurrent liabilities | <u>534,037</u> | <u>-</u> |
| Total liabilities | <u>783,842</u> | <u>191,426</u> |
| NET ASSETS | | |
| Invested in capital assets, net of related debt | 3,228,293 | - |
| Unrestricted (deficit) | <u>1,075,995</u> | <u>(59,456)</u> |
| 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

| | <u>Business-type Activities - Enterprise Fund</u> | <u>Governmental Activities - Internal Service Fund</u> |
|---|---|--|
| 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 | <u>66,042</u> | <u>(19,084)</u> |
| Cash flows from noncapital financing activities: | | |
| Capital contributions | 575,741 | - |
| Transfers to other funds | (21,851) | - |
| Net cash provided by noncapital financing activities | <u>553,890</u> | <u>-</u> |
| 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 | <u>(667,904)</u> | <u>19,084</u> |
| 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 | <u>1,377</u> | <u>-</u> |
| Net decrease in cash and cash equivalents | (46,595) | - |
| Cash and cash equivalents, beginning of period | <u>251,676</u> | <u>-</u> |
| Cash and cash equivalents, end of period | <u>\$ 205,081</u> | <u>\$ -</u> |

(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 | - | 22,168 |
| 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 |
|--|---------------------|---------------------|-------------------|---------------------|
| Governmental activities: | | | | |
| 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> |
| Business-type activities: | | | | |
| 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:

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|------------------------------|------------------------------------|-------------------------------------|-----------------------|
| 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:

| | <u>Gas Department</u> | <u>Water Department</u> | <u>Sewer Department</u> | <u>Total Enterprise Fund</u> |
|--------------------------|---------------------------|-----------------------------|-----------------------------|--------------------------------------|
| 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 | | (Negative) |
| 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 | <u>1,032,850</u> | <u>298,000</u> | <u>338,506</u> | <u>40,506</u> |
| 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 | <u>10,000</u> | <u>8,000</u> | <u>7,423</u> | <u>577</u> |
| 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 | <u>83,000</u> | <u>95,000</u> | <u>95,000</u> | <u>-</u> |
| 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 Totals | |
|---|----------------------------|-----------------------------|--------------------|--------------------|
| | Governmental Activities | Business-Type Activities | | Total |
| ASSETS | | | | |
| 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> |
| LIABILITIES | | | | |
| 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> |
| NET ASSETS | | | | |
| 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 | | | 2009 |
|--------------------------------------|-------------------|---------------------------------|---------------------|---------------------|
| | General | Sales Tax Special Revenue | Total | |
| ASSETS | | | | |
| 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 | | | 2009 |
|--|---------------------|---------------------------------|-------------------|--------------------|
| | General | Sales Tax Special Revenue | Total | |
| 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 | (1,250,993) | 59,071 | (1,191,922) | (752,823) |
| 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 Positive (Negative) | 2009 Actual |
|--|--------------------|--------------------|--------------------|---|--------------------|
| | Budget | | Actual | | |
| | 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 | <u>335,000</u> | <u>302,000</u> | <u>366,701</u> | <u>64,701</u> | <u>382,858</u> |
| 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 | <u>130,000</u> | <u>130,000</u> | <u>130,690</u> | <u>690</u> | <u>138,082</u> |
| 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 | <u>23,500</u> | <u>181,000</u> | <u>188,379</u> | <u>7,379</u> | <u>361,991</u> |
| 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 | <u>1,032,850</u> | <u>298,000</u> | <u>338,506</u> | <u>40,506</u> | <u>1,159,437</u> |
| Total revenues | <u>\$2,021,350</u> | <u>\$1,411,000</u> | <u>\$1,502,203</u> | <u>\$ 91,203</u> | <u>\$2,465,567</u> |

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 Final Budget Positive (Negative) | 2009 Actual |
|-------------------------------|------------------|------------------|------------------|---|------------------|
| | Budget | | Actual | | |
| | Original | Final | | | |
| 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 | <u>895,000</u> | <u>849,000</u> | <u>766,384</u> | <u>82,616</u> | <u>1,288,431</u> |
| 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 | <u>1,043,000</u> | <u>1,117,000</u> | <u>1,109,731</u> | <u>7,269</u> | <u>1,094,028</u> |

(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 | | Actual | Variance with Final Budget Positive (Negative) | 2009 Actual |
|------------------------------|----------------|----------------|----------------|---|----------------|
| | Budget | | | | |
| | Original | Final | | | |
| 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 | <u>476,000</u> | <u>509,000</u> | <u>474,494</u> | <u>34,506</u> | <u>590,254</u> |
| 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 | <u>153,000</u> | <u>175,000</u> | <u>148,008</u> | <u>26,992</u> | <u>280,075</u> |

(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 | | Actual | Variance with Final Budget Positive (Negative) | 2009 Actual |
|-----------------------------|--------------------|--------------------|--------------------|---|--------------------|
| | Budget | | | | |
| | Original | Final | | | |
| 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 | <u>83,000</u> | <u>95,000</u> | <u>95,000</u> | - | <u>55,000</u> |
| 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 | <u>32,000</u> | <u>35,000</u> | <u>36,464</u> | <u>(1,464)</u> | <u>39,678</u> |
| 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 | <u>85,000</u> | <u>350,000</u> | <u>318,002</u> | <u>31,998</u> | <u>385,326</u> |
| 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 | <u>(183,000)</u> | <u>(350,000)</u> | <u>(339,684)</u> | <u>10,316</u> | <u>(287,940)</u> |
| 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>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> |
|--|-----|--------------------------|--------------------------|-----------------------------|
| Major Governmental Funds: | | | | |
| 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> |
| Proprietary Fund: | | | | |
| 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 - | | Governmental Activities - | |
|---|----------------------------|--------------------|---------------------------|----------------|
| | Enterprise Fund | | 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

| | Business-type Activities- | | Governmental Activities- | |
|--|---------------------------|--------------------|--------------------------|-----------------|
| | Enterprise Fund | | Internal Service Fund | |
| | 2010 | 2009 | 2010 | 2009 |
| 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 |
| Operating revenues: | | | | | | | | |
| 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> |
| Operating expenses: | | | | | | | | |
| 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

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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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

| Federal Grantor / Pass-Through Grantor / Program Name | Federal CFDA Number | Disbursements/ Expenditures | Revenue Recognized |
|---|---------------------------|--------------------------------|-----------------------|
| <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 |
|-----------------------------------|--|---|-------------------------|---|------------------------|-----------------------------|
| CURRENT YEAR (12/31/10) -- | | | | | | |
| <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

| <u>Ref. No.</u> | <u>Fiscal Year Finding Initially Occurred</u> | <u>Description of finding</u> | <u>Corrective Action Taken</u> | <u>Corrective Action Planned</u> | <u>Name of Contact Person</u> | <u>Anticipated Completion Date</u> |
|-----------------|---|--|--------------------------------|---|-------------------------------|------------------------------------|
| 10-4(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. | | 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 |
| 10-5(ML) | 2009 | 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 |
| 10-6(ML) | 2010 | 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

| <u>Ref. No.</u> | <u>Fiscal Year Finding Initially Occurred</u> | <u>Description of finding</u> | <u>Corrective Action Taken</u> | <u>Corrective Action Planned</u> | <u>Name of Contact Person</u> | <u>Anticipated Completion Date</u> |
|---------------------------------|---|--|--------------------------------|---|-------------------------------|------------------------------------|
| <u>PRIOR YEAR (12/31/09) --</u> | | | | | | |
| <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