2285

TOWN OF MAMOU, LOUISIANA

Financial Report

Year Ended December 31, 2004

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1-2
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net assets	5
Statement of activities	6
FUND FINANCIAL STATEMENTS (FFS)	
Balance sheet - governmental funds	9
Reconciliation of the governmental funds balance sheet to the statement of net assets	10
Statement of revenues, expenditures, and changes in fund balances-governmental funds	11
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	12
Statement of net assets - proprietary funds	13
Statement of revenues, expenses, and changes in fund net assets - proprietary funds	14
Statement of cash flows - proprietary funds	15-16
Notes to basic financial statements	17-40
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedules:	
General Fund	42
Sales Tax Special Revenue Fund	43
OTHER SUPPLEMENTARY INFORMATION	
OTHER FINANCIAL INFORMATION	
Major Governmental Funds -	
General Fund - budgetary comparison schedule - revenues	46
General Fund - budgetary comparison schedule- expenditures	47-49
Sales Tax Fund - budgetary comparison schedule	50
Schedule of number of utility customers (unaudited)	51
Schedule of insurance in force (unaudited)	52
Combined schedule of interest-bearing deposits - all funds	53-54
Departmental analysis of revenues and expenses - utility fund	55
COMPLIANCE AND INTERNAL CONTROL	
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	57-58
Summary schedule of current and prior year audit findings and corrective action plan	59-61

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Conrad O. Chapman, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*

Robert S. Carter, CPA
Allen J. LaBry, CPA
Harry J. Clostio, CPA
Al Leger, CPA
Penny Angelle Scruggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Kelly M. Doucet, CPA
Kenneth J. Rachal, CPA
Cheryl L. Bartley, CPA, CVA
Mandy B. Self, CPA

* A Professional Accounting Corporation

WEB SITE:
WWW.KCSRCPAS.COM

MEMBER OF:

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

The Honorable Wilda Chamberlain, 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, 2004, 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 an opinion 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, and the provisions of Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organizations". 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 basic 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 opinion.

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 to be reported with the financial data of the Town's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the Town of Mamou, Louisiana as of December 31, 2004, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the primary government of the Town of Mamou, Louisiana, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

183 South Beadle	113 East Bridge Street	133 East Waddil	1234 David Drive, Suite 105	408 W. Cotton Street	332 W. Sixth Avenue	200 South Main Street
Lafayette, LA 70508	Breaux Bridge, LA 70517	Marksville, LA 71351	Morgan City, LA 70380	Ville Platte, LA 70586	Oberlin, LA 70655	Abbeville, LA 70510
Phone (337) 232-4141	Phone (337) 332-4020	Phone (318) 253-9252	Phone (985) 384-2020	Phone (337) 363-2792	Phone (337) 639-4737	Phone (337) 893-7944
Fax (337) 232-8660	Fax (337) 332-2867	Fax (318) 253-8681	Fax (985) 384-3020	Fax (337) 363-3049	Fax (337) 639-4568	Fax (337) 893-7946

In accordance with Government Auditing Standards, we have also issued a report dated June 3, 2005, on our consideration of the Town of Mamou's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The required supplementary information on pages 42 through 43 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

The Town of Mamou has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Mamou, Louisiana's basic financial statements. The other supplementary information on pages 44 through 61 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Ville Platte, Louisiana
June 3, 2005

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

TOWN OF MAMOU, LOUISIANA

Statement of Net Assets
December 31, 2004
With Comparative Totals for December 31, 2003

	2004			
	Governmental Activities	Business-Type Activities	Total	2003 Totals
ASSETS				
Current assets:				
Cash and interest-bearing deposits	$1,336,930	$ 29,791	$1,366,721	$1,444,464
Receivables, net	141,638	273,252	414,890	428,782
Internal balances	(6,771)	6,771	-	-
Due from other governmental units	2,476	-	2,476	2,969
Inventory	-	39,858	39,858	42,498
Prepaid items	1,267	5,492	6,759	6,914
Total current assets	1,475,540	355,164	1,830,704	1,925,627
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing deposits	1,425,000	413,021	1,838,021	1,830,767
Capital assets, net	2,996,672	2,795,350	5,792,022	5,957,979
Total noncurrent assets	4,421,672	3,208,371	7,630,043	7,788,746
Total assets	5,897,212	3,563,535	9,460,747	9,714,373
LIABILITIES				
Current liabilities:				
Accounts and other payables	98,760	135,534	234,294	237,288
Claims payable	47,379	-	47,379	160,173
Bonds payable	81,000	43,401	124,401	141,137
Accrued interest	2,550	3,195	5,745	7,697
Total current liabilities	229,689	182,130	411,819	546,295
Noncurrent liabilities:				
Customers deposits payable	-	219,219	219,219	219,514
Contingent liabilities	675,000	-	675,000	675,000
Bonds payable	89,000	141,810	230,810	355,211
Total noncurrent liabilities	764,000	361,029	1,125,029	1,249,725
Total liabilities	993,689	543,159	1,536,848	1,796,020
NET ASSETS				
Invested in capital assets, net of related debt	2,907,672	2,653,540	5,561,212	5,602,768
Restricted for debt service	59,521	-	59,521	63,032
Unrestricted	1,936,330	366,836	2,303,166	2,252,553
Total net assets	$4,903,523	$3,020,376	$7,923,899	$7,918,353

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, 2004

Activities	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Assets: Governmental Activities	Net (Expense) Revenues and Changes in Net Assets: Business-Type Activities	Total
Governmental activities:							
General government	$ 696,292	$ 115,850	$ 18,534	$ -	$ (561,908)	$ -	$ (561,908)
Public safety:							
Police	642,389	113,123	3,303	-	(525,963)	-	(525,963)
Streets	473,794	-	4,605	-	(469,189)	-	(469,189)
Culture and recreation	240,357	29,383	-	22,500	(188,474)	-	(188,474)
Judicial	66,273	-	-	-	(66,273)	-	(66,273)
Interest on long-term debt	11,295	-	-	-	(11,295)	-	(11,295)
Total governmental activities	2,130,400	258,356	26,442	22,500	(1,823,102)	-	(1,823,102)
Business-type activities:							
Gas	832,267	946,960	-	-	-	114,693	114,693
Water	304,574	426,743	-	-	-	122,169	122,169
Sewer	318,351	376,974	-	-	-	58,623	58,623
Total business-type activities	1,455,192	1,750,677	-	-	-	295,485	295,485
Total	$3,585,592	$2,009,033	$ 26,442	$ 22,500	$(1,823,102)	$ 295,485	$(1,527,617)

	Governmental Activities	Business-Type Activities	Total
General revenues:			
Taxes -			
Ad valorem taxes, levied for general purposes	182,710	-	182,710
Sales and use taxes, levied for general purposes	373,670	-	373,670
Sales and use taxes, levied for capital improvements	152,236	-	152,236
Sales and use taxes, levied for industry and tourism inducement	27,679	-	27,679
Franchise taxes	147,804	-	147,804
Grants and contributions not restricted to specific programs -			
State sources	8,882	-	8,882
Interest and investment earnings	38,810	5,176	43,986
Hospital lease revenue	900,000	-	900,000
Hospital receivable revenue	13,714	-	13,714
Miscellaneous	137,785	-	137,785
Transfers to component unit	(455,303)	-	(455,303)
Transfers	437,368	(437,368)	-
Total general revenues and transfers	1,965,355	(432,192)	1,533,163
Change in net assets	142,253	(136,707)	5,546
Net assets - January 1, 2004	4,761,270	3,157,083	7,918,353
Net assets - December 31, 2004	$ 4,903,523	$3,020,376	$ 7,923,899

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 there for; constructing, acquiring, improving and/or extending any work of capital improvement for the Town; and any lawful corporate

Debt Service Funds

Debt service funds are used to accumulate resources to be used to make debt service principal and interest payments on general obligation long-term debt.

P.I. Sales Tax Refunding Bonds Debt Service Fund

To accumulate monies for payment of the $693,000 Public Improvement Sales Tax Refunding Bonds, Series 1995. Debt service is financed by the collection of sales taxes.

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, 2004
With Comparative Totals for December 31, 2003

	General	Sales Tax Special Revenue	Debt Service Fund	Totals 2004	Totals 2003
ASSETS					
Cash	$ 122,647	$ -	$ -	$ 122,647	$ 106,010
Interest-bearing deposits	657,095	409,982	143,071	1,210,148	1,285,577
Receivables:					
Taxes	137,596	-	-	137,596	93,125
Accrued interest	3,913	-	-	3,913	4,205
Due from other governmental units	2,476	-	-	2,476	2,969
Other	129	-	-	129	5,416
Due from other funds	-	48,029	-	48,029	-
Prepaid expenses	1,267	-	-	1,267	1,289
Restricted cash:					
Interest-bearing deposits	1,425,000	-	-	1,425,000	1,425,000
Total assets	$2,350,123	$458,011	$ 143,071	$2,951,205	$2,923,591
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and other payables	$ 78,518	$ 3,418	$ -	$ 81,936	$ 94,269
Retainage payable	-	-	-	-	10,187
Compensated absences payable	15,791	-	-	15,791	14,484
Due to other funds	107,876	-	-	107,876	124,096
Other	1,033	-	-	1,033	3,037
Total liabilities	203,218	3,418	-	206,636	246,073
Fund balances -					
Reserved for debt service	-	-	143,071	143,071	139,677
Unreserved, undesignated	2,146,905	454,593	-	2,601,498	2,537,841
Total fund balances	2,146,905	454,593	143,071	2,744,569	2,677,518
Total liabilities and fund balances	$2,350,123	$458,011	$ 143,071	$2,951,205	$2,923,591

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, 2004

Total fund balances for governmental funds at December 31, 2004		$ 2,744,569
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 and construction in progress	$ 198,000	
Buildings and improvements, net of $363,189 accumulated depreciation	1,781,371	
Infrastructure, net of $665,948 accumulated depreciation	838,062	
Equipment, furniture, and fixtures net of $292,560 accumulated depreciation	103,360	
Vehicles, net of $160,150 of accumulated depreciation	75,879	2,996,672
Long-term liabilities at December 31, 2004:		
Bonds payable	(170,000)	
Contingent liability	(675,000)	
Accrued interest payable	(2,550)	(847,550)
Net assets of the group self-insurance internal service fund		9,832
Total net assets of governmental activities at December 31, 2004		$ 4,903,523

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, 2004
With Comparative Actual Amounts for the Year Ended December 31, 2003

	General	Sales Tax Special Revenue	Debt Service Fund	Totals 2004	Totals 2003
Revenues:					
Taxes	$ 330,514	$ 553,585	$ -	$ 884,099	$ 982,198
Licenses and permits	115,850	-	-	115,850	108,497
Intergovernmental	57,824	-	-	57,824	135,133
Fines and forfeits	113,123	-	-	113,123	68,456
Miscellaneous	1,103,342	5,794	724	1,109,860	1,178,134
Total revenues	1,720,653	559,379	724	2,280,756	2,472,418
Expenditures:					
Current -					
General government:					
Administrative	651,119	28,300	1,027	680,446	881,811
Public safety:					
Police	627,370	-	-	627,370	692,552
Highways and streets	431,144	-	-	431,144	503,768
Culture and recreation	175,461	-	-	175,461	253,500
Judicial	65,954	-	-	65,954	-
Capital outlay	10,176	119,829	-	130,005	247,871
Debt service -					
Principal retirement	-	-	73,000	73,000	70,000
Interest and fiscal charges	-	-	12,390	12,390	16,680
Total expenditures	1,961,224	148,129	86,417	2,195,770	2,666,182
Excess (deficiency) of revenues over expenditures	(240,571)	411,250	(85,693)	84,986	(193,764)
Other financing sources (uses):					
Transfers in	*716,719*	-	*89,087*	*805,806*	*1,781,681*
Transfers out	-	(368,438)	-	(368,438)	(971,171)
Transfers in (out) - component unit	(455,303)	-	-	(455,303)	(408,506)
Total other financing sources (uses)	261,416	(368,438)	89,087	(17,935)	402,004
Net changes in fund balances	20,845	42,812	3,394	67,051	208,240
Fund balances beginning	2,126,060	411,781	139,677	2,677,518	2,469,278
Fund balances, ending	$2,146,905	$ 454,593	$ 143,071	$2,744,569	$2,677,518

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, 2004

Total net changes in fund balances at December 31, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balances		$ 67,051
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	$ 130,005	
Depreciation expense for the year ended December 31, 2004	(138,730)	(8,725)
Governmental funds report bonded debt repayments as expenditures. However, this expenditure does not appear in the statement of activities since the payment is applied against the bond payable balance on the statement of net assets		73,000
Net income of group self-insurance internal service fund		9,832
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis		1,095
Total changes in net assets at December 31, 2004 per Statement of Activities		$ 142,253

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

TOWN OF MAMOU, LOUISIANA

Proprietary Funds
Statement of Net Assets
December 31, 2004 and 2003

	Business-type Activities - Enterprise Fund		Governmental Activities - Internal Service Fund	
	2004	2003	2004	2003
ASSETS				
Current assets:				
Cash	$ 11	$ 7	$ 4,135	$ 7,745
Interest-bearing deposits	29,780	45,125	-	-
Receivables:				
Accounts	149,240	196,099	-	-
Unbilled utility receivables	123,821	129,714	-	-
Accrued interest receivable	191	223	-	-
Due from other funds	6,771	-	53,076	152,428
Inventory - natural gas	39,858	42,498	-	-
Prepaid items	5,492	5,625	-	-
Total current assets	355,164	419,291	57,211	160,173
Noncurrent assets:				
Restricted assets -				
Interest-bearing deposits	413,021	405,767	-	-
Capital assets, net of accumulated depreciation	2,795,350	2,952,582	-	-
Total noncurrent assets	3,208,371	3,358,349	-	-
Total assets	3,563,535	3,777,640	57,211	160,173
LIABILITIES				
Current liabilities:				
Accounts and other payables	132,898	109,891	-	-
Compensated absences payable	2,636	5,420	-	-
Claims payable	-	-	47,379	160,173
Due to other funds	-	28,332	-	-
Payable from restricted assets -				
Certificates of indebtedness	-	26,000	-	-
Revenue bonds	43,401	42,137	-	-
Accrued interest payable	3,195	4,052	-	-
Total current liabilities	182,130	215,832	47,379	160,173
Noncurrent liabilities:				
Customers' deposits	219,219	219,514	-	-
Revenue bonds payable	141,810	185,211	-	-
Total noncurrent liabilities	361,029	404,725	-	-
Total liabilities	543,159	620,557	47,379	160,173
NET ASSETS				
Invested in capital assets, net of related debt	2,653,540	2,767,371	-	-
Restricted for debt service	-	-	-	-
Unrestricted	366,836	389,712	9,832	-
Total net assets	$3,020,376	$3,157,083	$ 9,832	$ -

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

TOWN OF MAMOU, LOUISIANA

Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Years Ended December 31, 2004 and 2003

	Business-type Activities- Enterprise Fund		Governmental Activities - Internal Service Fund	
	2004	2003	2004	2003
Operating revenues:				
Charges for services	$1,698,933	$1,870,861	$299,168	$263,391
Permits, reconnections and penalties	46,431	41,616	-	-
Miscellaneous	5,313	12,765	-	-
Total operating revenues	1,750,677	1,925,242	299,168	263,391
Operating expenses:				
Gas department expenses	818,204	787,345	-	-
Water department expenses	210,158	226,627	-	-
Sewerage department expenses	234,121	254,216	-	-
Depreciation expense	178,553	179,060	-	-
Self insurance expenses	-	-	289,336	263,391
Total operating expenses	1,441,036	1,447,248	289,336	263,391
Operating income	309,641	477,994	9,832	-
Nonoperating revenues (expenses):				
Interest income	5,176	9,728	-	-
Interest expense	(14,156)	(18,554)	-	-
Total nonoperating revenues (expenses)	(8,980)	(8,826)	-	-
Income before contributions and transfers	300,661	469,168	9,832	-
Capital contributions	-	-	-	-
Transfers in (out):				
Transfers in	-	-	-	-
Transfers out	(437,368)	(810,510)	-	-
Total transfers in (out)	(437,368)	(810,510)	-	-
Change in net assets	(136,707)	(341,342)	9,832	-
Net assets, beginning	3,157,083	3,498,425	-	-
Net assets, ending	$3,020,376	$3,157,083	$ 9,832	$ -

The accompanying notes are an integral part of this statement.

TOWN OF MAMOU, LOUISIANA

Statement of Cash Flows
Proprietary Funds
For the Years Ended December 31, 2004 and 2003

	Business-type Activities - Enterprise Fund		Governmental Activities - Internal Service Fund	
	2004	2003	2004	2003
Cash flows from operating activities:				
Receipts from customers	$1,798,116	$1,762,601	$ 398,520	$ 110,963
Payments to suppliers	(1,017,120)	(631,202)	(402,130)	(103,218)
Payments to employees	(257,470)	(266,464)	-	-
Other receipts	5,313	12,765	-	-
Net cash provided (used) by operating activities	528,839	877,700	(3,610)	7,745
Cash flows from noncapital financing activities:				
Transfers to other funds	(437,368)	(810,510)	-	-
Cash flows from capital and related financing activities:				
Principal paid on revenue bonds payable	(42,137)	(40,961)	-	-
Principal paid on certificates of indebtedness	(26,000)	(24,000)	-	-
Interest and fiscal charges paid on revenue bonds and certificates	(15,013)	(19,380)	-	-
Net decrease in customer meter deposits	(295)	(39,818)	-	-
Acquisition of property, plant and equipment	(21,321)	(53,659)	-	-
Net cash used by capital and related financing activities	(104,766)	(177,818)	-	-
Cash flows from investing activities:				
Net maturities of interest-bearing deposits with maturity in excess of ninety days	67,443	52,241	-	-
Interest earned	5,208	10,880	-	-
Net cash provided by investing activities	72,651	63,121	-	-
Net increase (decrease) in cash and cash equivalents	59,356	(47,507)	(3,610)	7,745
Cash and cash equivalents, beginning of period	188,224	235,731	7,745	-
Cash and cash equivalents, end of period	$ 247,580	$ 188,224	$ 4,135	$ 7,745

(continued)

TOWN OF MAMOU, LOUISIANA

Statement of Cash Flows
Proprietary Funds (continued)
For the Years Ended December 31, 2004 and 2003

	Business-type Activities - Enterprise Fund		Governmental Activities - Internal Service Fund	
	2004	2003	2004	2003
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	$ 309,641	$ 477,994	$ 9,832	$ -
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	178,553	179,060	-	-
Changes in current assets and liabilities:				
Increase in accounts receivable	(24,651)	(72,981)	-	-
Increase in provision for uncollectible accounts	71,510	52,819	-	-
(Increase) decrease in unbilled utility receivables	5,893	(129,714)	-	-
(Increase) decrease in inventory	2,640	(42,498)	-	-
(Increase) decrease in prepaid items	133	(322)	-	-
(Increase) decrease in due from other funds	(6,771)	334,839	99,352	(152,428)
Decrease in due to other funds	(28,332)	(5,308)	-	-
Increase in accounts payable	23,007	78,391	-	-
Increase (decrease) in compensated absences payable	(2,784)	5,420	-	-
Increase (decrease) in claims payable	-	-	(112,794)	160,173
Net cash provided (used) by operating activities	$ 528,839	$ 877,700	$ (3,610)	$ 7,745
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:				
Cash and cash equivalents, beginning of period -				
Cash - unrestricted	$ 7	$ 17	$ 7,745	$ -
Interest-bearing deposits - unrestricted	45,125	92,639	-	-
Interest-bearing deposits - restricted	405,767	457,991	-	-
Less: Interest-bearing deposits with maturity in excess of 90 days	(262,675)	(314,916)	-	-
Total cash and cash equivalents	188,224	235,731	7,745	-
Cash and cash equivalents, end of period -				
Cash - unrestricted	11	7	4,135	7,745
Interest-bearing deposits - unrestricted	29,780	45,125	-	-
Interest-bearing deposits - restricted	413,021	405,767	-	-
Less: Interest-bearing deposits with maturity in excess of 90 days	(195,232)	(262,675)	-	-
Total cash and cash equivalents	247,580	188,224	4,135	7,745
Net increase (decrease)	$ 59,356	$ (47,507)	$ (3,610)	$ 7,745

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

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Mamou (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. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before December 31, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. 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 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 financial 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.

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.

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.

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, Inc.

The Savoy Medical Center was determined to be a component unit but is not presented in the accompanying financial statements. The Town of Mamou owns the equipment and physical plant operated by Savoy Medical Center, Inc. The Town appoints five of the thirteen members of the governing board. The Town leases the premises, which includes the land, buildings, fixtures, improvements and equipment for hospital and nursing, to Savoy Medical Center for $900,000 annually. The lessee agrees to pay all taxes, charges, costs and expenses including maintenance, repairs and utilities of the facility.

Complete financial statements for the component unit may be obtained at the entity's administrative office (Savoy Medical Center, Inc., 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.

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:

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.

The P.I. Sales Tax Refunding Bonds Debt Service Fund accounts for the accumulation of monies for payment of the $693,000 Public Improvement Sales Tax Refunding Bonds, Series 1995.

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.

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.

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, 2004 and 2003, an allowance for ad valorem taxes was considered unnecessary due to immateriality. The allowance for customers' utility receivables was $143,006 and $71,497 at December 31, 2004 and 2003, 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.*

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, 2004, 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 and malpractice claims in existence at the time the Town purchased the hospital and fund required to be on hand for repayment of the Cancer Treatment Center bonds.

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

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 and revenue bonds payable, utility meter deposits payable, and contingent liabilities arising out of workman's compensation and malpractice 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.

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.

F. Revenue Restrictions

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

Revenue Source	Legal Restrictions of Use
Sales tax	See Note 3
Gas, water and sewer revenue	Debt service and 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 through passage of a resolution 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.

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, 2004, there were no borrowings for assets under construction and no capitalized interest expense was 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.

J. Reclassifications

Certain reclassifications were made to the 2003 financial statements presentation in order to conform to the 2004 financial statements presentation.

(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, 2004, taxes of 19.23 mills were levied on property with assessed valuations totaling $9,102,950 and were dedicated as follows:

General corporate purposes	7.28	mills
Streets and recreation maintenance	11.95	mills
Total	19.23	mills

Total taxes levied were $175,050. Taxes receivable at December 31, 2004 were $87,554.

(3) Sales and Use Tax

A. Proceeds of the 1% sales and use tax levied by the Town of Mamou (2004 collections $276,793) 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 (2004 collections $276,792) 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, 2004, the Town had cash and interest-bearing deposits (book balances) totaling $3,204,742 as follows:

Demand deposits	$ 126,793
Money market accounts	950,651
Time deposits	2,127,298
Total	$ 3,204,742

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 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 in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2004 were secured as follows:

Bank balances	$ 3,252,884
Federal deposit insurance	$ 585,676
Pledged securities (Category 3)	2,667,208
Total FDIC insurance and pledged securities	$ 3,252,884

Pledged securities in Category 3 include uninsured or unregistered investments, for which securities are held by the broker or dealer, or by its trust department or agent, but not in the Town's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand.

(5) Receivables

Receivables at December 31, 2004 of $414,890 consist of the following:

	General	Sales Tax	Utility	Total
Accounts	$ -	$ -	$ 292,246	$ 292,246
Unbilled utility	-	-	123,821	123,821
Allowance for uncollectible accounts	-	-	(143,006)	(143,006)
Ad valorem	87,554	-	-	87,554
Franchise tax	50,042			50,042
Interest	3,913	-	191	4,104
Other	129	-	-	129
Totals	$ 141,638	$ -	$ 273,252	$ 414,890

(6) Due from Other Governmental Units

Amounts due from other governmental units of $2,476 at December 31, 2004 consisted of the following:

General Fund:	
Amount due from the State of Louisiana for beer tax revenues earned during fiscal year ending December 31, 2004	$ 2,476

(7) Restricted Assets

A. Restricted assets in the enterprise utility fund consisted of the following at December 31, 2004:

Customers' deposits	$ 319,330
Water sinking fund	38,495
Water depreciation and contingency	55,196
Total enterprise utility fund restricted assets	$ 413,021

B. Restricted assets in the general fund pertain to prior year hospital revenue claims and consisted of the following at December 31, 2004:

Worker's compensation claims deposits	$ 550,000
Malpractice claims deposits	125,000
Cancer treatment center bond restricted cash	750,000
Total general fund restricted assets	$ 1,425,000

(8) Capital Assets

Capital asset activity for the year ended December 31, 2004 was as follows:

	Balance 01/01/04	Additions	Deletions	Balance 12/31/04
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 198,000	$ -	$ -	$ 198,000
Other capital assets:				
Buildings	2,114,975	29,585	-	2,144,560
Infrastructure	1,465,148	38,862	-	1,504,010
Equipment, furniture and fixtures	375,812	19,258	-	395,070
Vehicles	181,631	42,300	-	223,931
Totals	4,335,566	130,005	-	4,465,571
Less accumulated depreciation				
Buildings	308,402	54,787	-	363,189
Infrastructure	624,599	41,349	-	665,948
Equipment, furniture and fixtures	269,740	22,330	-	292,070
Vehicles	127,428	20,264	-	147,692
Total accumulated depreciation	1,330,169	138,730	-	1,468,899
Governmental activities, capital assets, net	$3,005,397	$ (8,725)	$ -	$2,996,672
Business-type activities:				
Capital assets not being depreciated:				
Land - sewer system	$ 63,910	$ -	$ -	$ 63,910
Other capital assets:				
Gas system	400,731	-	-	400,731
Water system	2,371,572	-	-	2,371,572
Sewer system	2,385,092	-	-	2,385,092
Machinery and equipment	1,361,157	21,321	53,891	1,328,587
Totals	6,582,462	21,321	53,891	6,549,892
Less accumulated depreciation				
Gas system	388,867	14,063	-	402,930
Water system	1,174,649	81,676	-	1,256,325
Sewer system	1,182,467	82,814	-	1,265,281
Machinery and equipment	883,897	-	53,891	830,006
Total accumulated depreciation	3,629,880	178,553	53,891	3,754,542
Business-type activities, capital assets, net	$2,952,582	$ (157,232)	$ -	$2,795,350

Depreciation expense was charged to governmental activities as follows:

General government	$ 15,846
Police	15,019
Highways and streets	42,650
Culture and recreation	64,896
Judicial	319
Total depreciation expense	$ 138,730

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

Gas	$ 14,063
Water	81,676
Sewer	82,814
Total depreciation expense	$178,553

(9) Accounts and Other Payables

The accounts and other payables consisted of the following at December 31, 2004:

	Governmental Activities	Business-type Activities	Total
Accounts	$ 81,936	$131,296	$213,232
Compensated absences	15,791	2,636	18,427
Accrued liabilities	1,033	1,602	2,635
Totals	$ 98,760	$135,534	$234,294

(10) Changes in Long-Term Debt

A. The following is a summary of long-term debt transactions of the Town for the year ended December 31, 2004:

	Governmental Activities	Business-type Activities		
	Public Improvement	Revenue	Certificates of Indebtedness	Total
Long-term debt, January 1, 2004	$243,000	$227,348	$ 26,000	$496,348
Additions	-	-	-	-
Retirements	(73,000)	(42,137)	(26,000)	(141,137)
Long-term debt, December 31, 2004	$170,000	$185,211	$ -	$355,211

Long-term debt payable at December 31, 2004 is comprised of the following individual issues:

Long-term debt -

	Balance 12/31/04	Due Within One Year
$693,000 Public Improvement Sales Tax Bonds Series 1995, due in annual installments of $39,000 to $89,000 through April 1, 2006; interest at 6.00 percent; payable from sales tax revenues	$ 170,000	$ 81,000
$393,692 Water Revenue Refunding Bonds, Series 1998 due in annual installments of $24,485 - $51,557 through April 1, 2008; interest at 6.90 percent; secured by water fund revenues.	185,211	43,401
	$ 355,211	$ 124,401

The bonds are due as follows:

	Governmental Activities		Business-type Activities	
Year ending December 2004	Principal payments	Interest payments	Principal payments	Interest payments
2005	$ 81,000	$ 10,200	$ 43,401	$ 11,282
2006	89,000	5,340	50,058	8,057
2007	-	-	51,557	4,552
2008	-	-	40,195	1,387
Total	$ 170,000	$ 15,540	$ 185,211	$ 25,278

B. In 1999, the Town issued $5,000,000 of revenue bonds for the construction of the Savoy Cancer Center facility. 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, 2004 there were $3,850,000 of bonds outstanding.

(11) Flow of Funds; Restrictions on Use – Water Revenues

Under the terms of the $393,692 Water Revenue Refunding Bonds, Series 1998, all income and revenues of every nature derived from the operation of the system are pledged and dedicated to the retirement of said bonds.

Water Revenue Bond and Interest Sinking Fund

The Town is required to set aside into the Water Revenue Bond and Interest Sinking Fund monthly in advance on or before the 20th day of each month of each year a sum equal to 1/6th of the interest falling due on the next interest payment date and a sum equal to 1/12th of the principal falling due on the next principal payment date. Funds deposited in this account are available only for the retirement of maturing bonds and interest.

Water Depreciation and Contingency Fund

The Town is required to maintain the Water Depreciation and Contingency Fund to care for depreciation, extensions, additions, improvements, and replacements necessary to properly operate the System, by transferring monthly in advance on or before the 20th day of each month a sum at least equal to 5% of the amount to be paid into the Sinking Fund. Funds deposited into this account may also be used to pay the principal of and interest on bonds for the payment of which there is not sufficient money in the Sinking Fund, but if used, such money must be replaced as soon as possible out of the earnings of the system after making the required monthly payments into the respective funds and accounts.

Utility Rates

It is further understood that the Town shall adopt a rate ordinance which shall provide revenue in each year, after paying all reasonable and necessary expenses of operating and maintaining the water system in such year, at least equal to 130 percent of the largest amount of principal and interest maturing on the bonds in any future fiscal year. Said rate ordinance shall also provide for a 10 percent penalty charge for non-payment bills within fifteen days after the due date and discontinuance of service upon non-payment of bills within twenty-five days after the due date.

(12) 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, 2004 and 2003 amounted to $89,161 and $89,335, 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.

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 rate from January through June 2004 was 15.25% of annual covered payroll. The current rate, effective in July 2004, is 21.50% 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, 2004 and 2003 were $8,119 and $4,763, respectively, equal to the required contributions for each year.

(13) Litigation and Claims

At December 31, 2004, 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 expects to settle old worker's compensation and malpractice claims within the next two years at an amount less than what it currently set aside for such claims. See also Note 15.

(14) 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 Total Benefit Services, Inc., and the plan year ends on June 30 of each year. Under this plan, the International Insurance Agency Services, Inc. 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 $25,000. For the plan year ending June 30, 2005, the International Insurance Agency Services, Inc. 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 $336,549 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 $362 and the number of employees with family coverage multiplied by a funding factor of $807. The Town currently fund the plan based upon actual claims incurred instead of the funding factors discussed above.

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 $47,379 reported in the fund at December 31, 2004 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, 2004	$160,173
Insurance claims incurred for year ended December 31, 2004	129,163
Payments made for the year ended December 31, 2004	(241,957)
Claims payable, December 31, 2004	$ 47,379

Claims payable of $47,379 at December 31, 2004 was determined as follows:

A.	Claims incurred prior to December 31, 2004 and paid in January 1, 2005 through March 31, 2005	$ 41,779
B.	Provision for claims incurred but not reported	5,600
	Total claims payable	$ 47,379

The provision for claims incurred but not reported of $5,600 was calculated utilizing historical information adjusted for current trends.

(15) Contingent Liabilities

At December 31, 2004, the Town had contingent liabilities in the amount of $675,000 consisting of $550,000 in workers' compensation claims and $125,000 in malpractice claims, both of which are the result of the prior operations of the hospital facility owned by the Town. The Town has certificates of deposit totaling $675,000 held as security for these claims.

(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, 2004, was as follows:

	Gas Department	Water Department	Sewer Department	Total Enterprise Fund
Operating revenues	$ 946,960	$ 426,743	$ 376,974	$1,750,677
Operating expenses:				
Depreciation	14,063	81,676	82,814	178,553
Other	818,204	210,158	234,121	1,262,483
Total operating expenses	832,267	291,834	316,935	1,441,036
Operating income	$ 114,693	$ 134,909	$ 60,039	$ 309,641

(17) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended December 31, 2004 follows:

James Fontenot, Mayor	$ 6,000
Wilda Chamberlain, Mayor	18,000
Aldermen:	
Wilda Chamberlain	2,250
Ricky Fontenot	9,000
J.L. Saucier	9,000
Jody Soileau	9,000
Essie Holland	9,000
Randall Young	6,750
Total	$ 69,000

(18) Interfund Receivables/Payables

A. A summary of interfund receivables and payables at December 31, 2004 follows:

	Interfund Receivables	Interfund Payables
Major governmental funds:		
General Fund	$ -	$ 107,876
Sales Tax Fund	48,029	
Proprietary funds:		
Enterprise Fund	6,771	-
Group Health Self-Insurance Internal Service Fund	53,076	-
Total	$ 107,876	$ 107,876

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, 2004:

	Transfers In	Transfers Out
Major governmental funds:		
General Fund	$ 716,719	$ -
Sales Tax Special Revenue Fund	-	368,438
P. I. Sales Tax Refunding Bonds Debt Service Fund	89,087	-
Total governmental funds	805,806	368,438
Proprietary funds:		
Enterprise Fund	-	437,368
Total	$ 805,806	$ 805,806

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) Economic Dependency

The Town of Mamou owns a hospital facility within the Town. The hospital is leased to Columbia Health Care operating as Savoy Medical Center for $900,000 per year. The lease revenue provides a significant portion of the Town's total revenues. If the Town were to cease receiving this lease revenue, the Town's ability to continue to provide services at present levels would be threatened.

(20) Subsequent Event

In 2005, the Town renegotiated the lease of Savoy Medical Center and Savoy Care Center. Under the new lease agreements, the Town will receive $63,750 per month beginning in February 2005 for the lease of Savoy Medical Center and $18,525 per month beginning in April 2005 for the lease of Savoy Care Center.

(21) 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, 2004 in the amount of $546,227 of which $108,625 was owed for purchases for the month of December 2004.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF MAMOU, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2004
With Comparative Actual Amounts for the Year Ended December 31, 2003

	2004				
	Budget			Variance with Final Budget Positive	2003
	Original	Final	Actual	(Negative)	Actual
Revenues:					
Taxes	$ 243,800	$ 253,500	$ 330,514	$ 77,014	$ 411,079
Licenses and permits	106,000	115,000	115,850	850	108,497
Intergovernmental	60,000	56,000	57,824	1,824	135,133
Fines and forfeits	65,000	65,000	113,123	48,123	68,456
Miscellaneous	993,400	967,200	1,103,342	136,142	1,099,499
Total revenues	1,468,200	1,456,700	1,720,653	263,953	1,822,664
Expenditures:					
Current:					
General government:					
Administrative	518,900	589,530	651,119	(61,589)	848,949
Public safety:					
Police	554,850	594,300	627,370	(33,070)	692,552
Highways and streets	460,200	413,000	431,144	(18,144)	503,768
Culture and recreation	200,275	185,600	175,461	10,139	253,500
Judicial	48,600	89,500	65,954	23,546	-
Capital outlay	-	-	10,176	(10,176)	45,112
Total expenditures	1,782,825	1,871,930	1,961,224	(89,294)	2,343,881
Deficiency of revenues over expenditures	(314,625)	(415,230)	(240,571)	174,659	(521,217)
Other financing sources (uses):					
Transfers from -					
Utility Fund	225,000	72,000	437,368	365,368	810,510
Sales Tax Fund	400,000	48,000	279,351	231,351	808,236
Transfer to component unit	(300,000)	(420,000)	(455,303)	(35,303)	(408,506)
Total other financing sources (uses)	325,000	(300,000)	261,416	561,416	1,210,240
Excess (deficiency) of revenues and other sources over expenditures and other uses	10,375	(715,230)	20,845	736,075	689,023
Fund balance, beginning	2,126,060	2,126,060	2,126,060	-	1,437,037
Fund balance, ending	$2,136,435	$1,410,830	$2,146,905	$ 736,075	$2,126,060

TOWN OF MAMOU, LOUISIANA
Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2004
With Comparative Actual Amounts for the Year Ended December 31, 2003

	2004				
	Budget			Variance with Final Budget Positive	2003
	Original	Final	Actual	(Negative)	Actual
Revenues:					
Taxes	$ 600,000	$ 560,000	$ 553,585	$ (6,415)	$ 571,119
Miscellaneous -					
Interest	2,000	3,000	2,246	(754)	4,267
Other	-	-	3,548	3,548	-
Appropriations:					
Mamou Health Resources	-	-	-	-	57,077
Mamou Gravity Drainage District #5	-	-	-	-	16,000
Total revenues	602,000	563,000	559,379	(3,621)	648,463
Expenditures:					
Current:					
General government	29,100	33,000	28,300	4,700	32,862
Capital outlay	111,800	149,000	119,829	29,171	202,759
Total expenditures	140,900	182,000	148,129	33,871	235,621
Excess of revenues over expenditures	461,100	381,000	411,250	30,250	412,842
Other financing uses:					
Transfers out	(528,000)	(388,000)	(368,438)	19,562	(971,171)
Excess (deficiency) of revenues over expenditures and other uses	(66,900)	(7,000)	42,812	49,812	(558,329)
Fund balances, beginning	411,781	411,781	411,781	-	970,110
Fund balances, ending	$ 344,881	$ 404,781	$ 454,593	$ 49,812	$ 411,781

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

TOWN OF MAMOU, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended December 31, 2004
With Comparative Actual Amounts for the Year Ended December 31, 2003

	2004				
	Budget			Variance with Final Budget Positive	2003
	Original	Final	Actual	(Negative)	Actual
Taxes:					
Ad valorem	$ 125,000	$ 125,000	$ 182,710	$ 57,710	$ 236,921
Franchise -					
Electric	99,000	113,000	117,497	4,497	132,628
Telephone	15,500	15,500	8,165	(7,335)	13,586
Cable TV	4,300	-	22,142	22,142	27,944
Total taxes	243,800	253,500	330,514	77,014	411,079
Licenses and permits:					
Occupational licenses	106,000	115,000	114,312	(688)	106,845
Permits	-	-	1,538	1,538	1,652
Total licenses and permits	106,000	115,000	115,850	850	108,497
Intergovernmental:					
Federal grants -					
Federal Emergency Mgmt. Assistance	-	-	-	-	63,313
COPS Fast grant	-	-	-	-	29,001
Dept. of Justice police equipment grant	-	-	-	-	3,175
Summer feeding grant	25,000	25,000	18,534	(6,466)	-
State of Louisiana -					
Beer taxes	10,000	6,000	8,882	2,882	9,676
Highway maintenance	-	-	4,605	4,605	4,605
Rural Development grant	25,000	25,000	22,500	(2,500)	23,666
DARE grant	-	-	3,303	3,303	1,697
Total intergovernmental	60,000	56,000	57,824	1,824	135,133
Fines and forfeits:					
Fines and court costs	65,000	65,000	113,123	48,123	68,456
Miscellaneous:					
Interest	10,000	20,000	35,840	15,840	55,107
Hospital lease revenue	900,000	900,000	900,000	-	900,000
Hospital receivable revenue	25,000	14,000	13,714	(286)	64,722
Insurance refund	-	-	-	-	7,277
Hospital workers comp recoveries	-	-	107,818	107,818	-
Rentals	8,000	5,000	4,718	(282)	9,230
Recreation complex	40,000	23,000	24,665	1,665	34,615
Other sources	10,400	5,200	16,587	11,387	28,548
Total miscellaneous	993,400	967,200	1,103,342	136,142	1,099,499
Total revenues	$1,468,200	$1,456,700	$1,720,653	$263,953	$1,822,664

TOWN OF MAMOU, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2004
With Comparative Actual Amounts for the Year Ended December 31, 2003

	2004				
	Budget			Variance with Final Budget Positive	2003
	Original	Final	Actual	(Negative)	Actual
Current:					
General government:					
Administrative -					
Mayor and council salaries	$ 8,000	$ 69,000	$ 69,000	$ -	$ 68,250
Other salaries and wages	220,600	202,700	202,604	96	228,778
Group insurance	73,500	56,000	55,325	675	95,045
Insurance	24,500	29,100	28,747	353	32,834
Payroll taxes	25,000	23,500	22,739	761	23,570
Materials and supplies	17,800	34,375	35,768	(1,393)	25,887
Advertisements and recordings	10,000	7,500	7,318	182	6,465
Legal fees	25,000	31,000	30,933	67	26,760
Accounting and auditing	67,500	59,500	66,818	(7,318)	68,710
Professional fees	3,500	3,500	2,908	592	7,891
Miscellaneous	21,900	35,355	46,782	(11,427)	39,972
Utilities and telephone	14,800	15,900	15,406	494	16,452
Repairs and maintenance	4,800	18,200	17,460	740	6,070
Equipment rental	-	-	420	(420)	442
Training	2,000	3,900	2,924	976	1,881
Legal settlement	-	-	-	-	56,700
Hospital workers' comp claims	-	-	45,967	(45,967)	143,242
Total administrative	518,900	589,530	651,119	(61,589)	848,949
Public safety:					
Police -					
Salaries	325,150	353,000	349,951	3,049	351,227
Payroll taxes	30,000	32,000	32,100	(100)	29,511
Retirement contribution	6,000	7,700	8,119	(419)	4,763
Group insurance	66,500	53,900	49,091	4,809	127,133
Utilities and telephone	23,900	25,000	28,264	(3,264)	29,544
Insurance	28,500	23,100	53,829	(30,729)	54,006
Auto	16,600	23,000	23,986	(986)	16,883
Gas and repairs	12,600	20,100	16,796	3,304	15,139
Professional fees	1,500	5,500	8,617	(3,117)	1,302
Miscellaneous	15,200	25,500	25,710	(210)	17,586
Supplies	25,000	22,000	27,707	(5,707)	38,296
Equipment rental	2,400	1,000	1,100	(100)	2,649
Training	1,500	2,500	2,100	400	4,513
Total police department	554,850	594,300	627,370	(33,070)	692,552

(continued)

TOWN OF MAMOU, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (continued)
For the Year Ended December 31, 2004
With Comparative Actual Amounts for the Year Ended December 31, 2003

	2004				
	Budget			Variance with Final Budget Positive	2003
	Original	Final	Actual	(Negative)	Actual
Highways and streets:					
Salaries	164,100	140,000	145,478	(5,478)	214,909
Payroll taxes	7,500	15,000	19,783	(4,783)	17,964
Maintenance and supplies	78,700	83,000	91,793	(8,793)	73,219
Lighting	51,100	46,000	46,873	(873)	48,738
Group insurance	65,000	44,000	41,340	2,660	59,781
Telephone	2,650	2,500	2,360	140	2,567
Insurance	44,000	30,000	35,377	(5,377)	41,258
Inmate labor	10,000	7,000	6,797	203	3,738
Miscellaneous	15,500	18,000	17,061	939	20,463
Auto	20,650	21,000	19,684	1,316	17,571
Equipment rental	-	2,500	2,723	(223)	1,311
Professional fees	-	3,000	914	2,086	1,527
Training	1,000	1,000	961	39	722
Total highways and streets	460,200	413,000	431,144	(18,144)	503,768
Culture and recreation -					
Salaries	57,950	65,200	58,437	6,763	84,754
Payroll taxes	6,000	5,500	5,460	40	6,646
Repairs and maintenance	12,100	13,000	15,446	(2,446)	20,250
Materials and supplies	29,700	25,800	22,943	2,857	38,498
Auto	6,300	3,000	2,792	208	2,889
Utilities and telephone	39,600	36,700	34,892	1,808	40,098
Insurance	31,500	27,000	25,650	1,350	35,487
Equipment rental	200	200	104	96	691
Group insurance	6,500	6,500	7,751	(1,251)	14,925
Miscellaneous	6,425	1,300	200	1,100	2,030
Professional fees	-	-	100	(100)	2,952
Concession purchases	3,000	1,200	1,492	(292)	2,483
Advertising	1,000	200	194	6	966
Cleaning and janitorial	-	-	-	-	831
Total culture and recreation	200,275	185,600	175,461	10,139	253,500

(continued)

TOWN OF MAMOU, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (continued)
For the Year Ended December 31, 2004
With Comparative Actual Amounts for the Year Ended December 31, 2003

	2004				
	Budget			Variance with Final Budget Positive	2003
	Original	Final	Actual	(Negative)	Actual
Judicial:					
Salaries	40,000	41,200	42,462	(1,262)	-
Payroll taxes	-	4,000	3,489	511	-
Office rental	2,100	2,100	2,100	-	-
Insurance	-	11,500	100	11,400	-
Group insurance	-	25,500	12,919	12,581	-
Materials and supplies	2,200	1,700	1,445	255	-
Repairs and maintenance	1,200	1,000	930	70	-
Telephone	2,100	1,900	2,169	(269)	-
Professional fees	-	500	340	160	-
Miscellaneous	1,000	100	-	100	-
Total judicial	48,600	89,500	65,954	23,546	-
Capital outlay:					
General government:					
Equipment	-	-	-	-	2,100
Total general government	-	-	-	-	2,100
Public Safety:					
Police -					
Autos	-	-	-	-	21,795
Equipment	-	-	-	-	2,428
Total police	-	-	-	-	24,223
Culture and recreation:					
Equipment	-	-	-	-	5,774
Building improvements	-	-	-	-	2,375
Irrigation system			-		10,640
Fence for baseball field	-	-	10,176	(10,176)	-
Total culture and recreation	-	-	10,176	(10,176)	18,789
Total capital outlay	-	-	10,176	(10,176)	45,112
Total expenditures	$1,782,825	$1,871,930	$1,961,224	$ (89,294)	$2,343,881

TOWN OF MAMOU, LOUISIANA
Special Revenue Fund
Sales Tax Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2004
With Comparative Actual Amounts for the Year Ended December 31, 2003

	2004				
	Budget			Variance with Final Budget Positive	2003
	Original	Final	Actual	(Negative)	Actual
Revenues:					
Taxes	$ 600,000	$ 560,000	$ 553,585	$ (6,415)	$ 571,119
Miscellaneous:					
Interest	2,000	3,000	2,246	(754)	4,267
Other	-	-	3,548	3,548	-
Appropriation from -					
Mamou Health Reserouces	-	-	-	-	57,077
Mamou Gravity Drainage District #5	-	-	-	-	16,000
Total revenues	602,000	563,000	559,379	(3,621)	648,463
Expenditures:					
Current -					
General government -					
Audit and accounting	-	4,000	3,495	505	5,646
Miscellaneous	100	1,000	725	275	1,699
Industry and tourism inducement	29,000	28,000	24,080	3,920	25,517
Total general government	29,100	33,000	28,300	4,700	32,862
Capital outlay -					
General government:					
Roof for town hall	15,000	11,000	10,855	145	-
Equipment	17,800	7,500	6,000	1,500	17,108
Public safety:					
Police station improvements	10,000	9,000	8,555	445	-
Vehicles	9,000	40,000	38,800	1,200	-
A/C unit	2,500	1,500	1,433	67	-
Highways and streets:					
Street improvements	4,000	42,500	38,861	3,639	166,651
Vehicles	5,000	4,000	3,500	500	11,000
Equipment	36,000	25,500	4,360	21,140	-
Culture and recreation:					
Vehicles	-	-	-	-	8,000
Equipment	7,500	5,500	5,032	468	-
Judicial:					
Equipment	5,000	2,500	2,433	67	-
Total capital outlay	111,800	149,000	119,829	29,171	202,759
Total expenditures	140,900	182,000	148,129	33,871	235,621
Excess of revenues over expenditures	461,100	381,000	411,250	30,250	412,842
Other financing uses:					
Transfers to -					
Debt Service Fund	(88,000)	(88,000)	(89,087)	(1,087)	(162,935)
Utility Fund	(40,000)	-	-	-	-
General Fund	(400,000)	(300,000)	(279,351)	20,649	(808,236)
Total other financing uses	(528,000)	(388,000)	(368,438)	19,562	(971,171)
Excess (deficiency) of revenues over expenditures and other uses	(66,900)	(7,000)	42,812	49,812	(558,329)
Fund balance, beginning	411,781	411,781	411,781	-	970,110
Fund balance, ending	$ 344,881	$ 404,781	$ 454,593	$ 49,812	$ 411,781

TOWN OF MAMOU, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
December 31, 2004

Records maintained by the Town indicated the following number of customers were being serviced during the month of December 2004 and 2003:

Department	2004	2003
Gas (metered)	1181	1209
Water	1,650	1,660
Sewerage	1,249	1260

TOWN OF MAMOU, LOUISIANA

Schedule of Insurance In Force
(Unaudited)
December 31, 2004

Description of Coverage	Coverage Amounts
Workmen's compensation -	Statutory
Employer's liability	$ 500,000
Surety bonds -	
Fidelity bond	30,000
Notary public bond	5,000
Commercial general liability -	
Premises/operations	500,000
Products/completed operations	500,000
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	4,647,800
Contents	2,751,200
Physical damage to equipment	139,000
Physical damage to vehicles	181,000

TOWN OF MAMOU, LOUISIANA

Combined Schedule of Interest-Bearing Deposits and Investments - All Funds
December 31, 2004

		Interest Rate	Maturity Date	Total Book Value
Major Governmental Funds:				
General Fund -				
Certificate of Deposit - Worker's Comp Security	(C)	2.15%	05/11/05	$ 550,000
Certificate of Deposit - Malpractice Claims	(B)	1.00%	05/06/05	125,000
Certificate of Deposit - Hospital Revenue Fund	(C)	1.05%	01/16/05	507,066
Certificate of Deposit - CTC Bond Security	(C)	2.05%	05/08/05	750,000
Savings Account - Hospital Revenue	(G)	1.00%	N/A	31,451
Interest-bearing checking - General	(G)	0.75%	N/A	67,911
Interest-bearing checking - Payroll	(G)	0.75%	N/A	49,834
Interest-bearing checking-Law Enforcement Grants	(S)	0.50%	N/A	55
Interest-bearing checking - Insurance Contengency	(S)	0.50%	N/A	778
Total General Fund				2,082,095
Special Revenue Funds -				
Sales Tax Fund				
Interest-bearing checking - Sales Tax Fund	(S)	0.50%	N/A	395,972
Interest-bearing checking - Construction Account	(S)	0.50%	N/A	14,010
Total Sales Tax Fund				409,982
Nonmajor Governmental Funds:				
Debt Service Fund -				
Sales Tax Bond Reserve Fund:				
Interest-bearing checking	(S)	0.50%	N/A	78,623
Sales Tax Bond Sinking Fund:				
Interest-bearing checking	(S)	0.50%	N/A	64,448
Total Debt Service Fund				143,071
Total Governmental Funds				$2,635,148

(continued)

TOWN OF MAMOU, LOUISIANA

Combined Schedule of Interest-Bearing Deposits and Investments - All Funds (Continued)
December 31, 2004

		Interest Rate	Maturity Date	Total Book Value
Proprietary Fund:				
Utility Fund:				
Operating Account -				
Interest-bearing checking	(C)	0.85%	N/A	18,740
Water Revenue Fund -				
Interest-bearing checking	(S)	0.50%	N/A	10,840
Meter Deposit Fund -				
Certificate of Deposit	(S)	1.00%	07/28/05	154,507
Certificate of Deposit	(G)	1.75%	03/25/05	40,725
Interest-bearing checking	(G)	0.75%	N/A	124,298
Water Revenue & Interest Sinking Fund -				
Interest-bearing checking	(S)	0.50%	N/A	38,495
Water Depreciation & Contengency Fund -				
Interest-bearing checking	(S)	0.50%	N/A	55,196
Total Proprietary Fund				442,801
Total Interest-bearing Deposits and Investments - All Funds				$ 3,077,949

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

(B) Bank One, Baton Rouge, Louisiana
(C) Citizens Bank, Ville Platte, Louisiana
(G) Guaranty Bank, Mamou, Louisiana
(H) Hancock Bank, Gulfport, Mississippi
(S) Sabine State Bank, Many, Louisiana

TOWN OF MAMOU, LOUISIANA
Enterprise Fund
Utility Fund

Departmental Analysis of Revenues and Expenses
Years Ended December 31, 2004 and 2003

	Totals		Gas		Water		Sewer	
	2004	2003	2004	2003	2004	2003	2004	2003
Operating revenues:								
Customers service charges	$1,698,933	$1,870,861	$ 921,738	$ 966,673	$ 409,713	$ 472,159	$ 367,482	$ 432,029
Permits, reconnections and penalties	46,431	41,616	22,723	20,035	16,066	14,953	7,642	6,628
Miscellaneous	5,313	12,765	2,499	6,277	964	1,933	1,850	4,555
Total operating revenues	1,750,677	1,925,242	946,960	992,985	426,743	489,045	376,974	443,212
Operating expenses:								
Salaries	227,890	257,877	96,267	107,219	43,155	53,372	88,468	97,286
Payroll taxes	20,667	20,136	9,293	8,230	3,671	4,276	7,703	7,630
Group Insurance	54,258	83,539	20,670	37,312	7,751	15,604	25,837	30,623
Gas purchased	546,227	511,977	546,227	511,977	-	-	-	-
Maintenance and supplies	137,309	130,397	39,301	49,147	57,662	38,426	40,346	42,824
Safe water drinking fee	4,850	8,237	-	-	4,850	8,237	-	-
Lab fees	5,695	5,550	-	-	-	-	5,695	5,550
Depreciation expense	178,553	179,060	14,063	14,631	81,676	81,176	82,814	83,253
Utilities	92,760	83,178	5,627	5,259	52,652	46,785	34,481	31,134
Telephone	3,397	3,655	2,126	24	-	-	1,271	1,244
Truck operation	15,193	12,281	6,755	4,708	2,727	3,050	5,711	4,523
Bad debts	71,509	52,818	55,062	25,881	16,447	26,937	-	-
Insurance	33,961	57,136	10,211	16,393	9,387	19,255	14,363	21,488
Miscellaneous	13,126	6,509	8,686	3,399	1,717	252	2,723	2,858
Professional fees	31,490	32,814	15,317	15,409	9,143	9,234	7,030	8,171
Training	4,151	2,084	2,662	-	996	1,199	493	885
Total operating expenses	1,441,036	1,447,248	832,267	799,589	291,834	307,803	316,935	337,469
Net operating income	$ 309,641	$ 477,994	$ 114,693	$ 193,396	$ 134,909	$ 181,242	$ 60,039	$ 105,743

COMPLIANCE

AND

INTERNAL CONTROL

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Conrad O. Chapman, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*

Robert S. Carter, CPA
Allen J. LaBry, CPA
Harry J. Clostio, CPA
Al Leger, CPA
Penny Angelle Scruggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Kelly M. Doucet, CPA
Kenneth J. Rachal, CPA
Cheryl L. Bartley, CPA, CVA
Mandy B. Self, CPA

* A Professional Accounting Corporation

WEB SITE:
WWW.KCSRCPAS.COM

MEMBER OF:

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Wilda Chamberlain, Mayor
and Members of the Board of Aldermen
Town of Mamou, Louisiana

We have audited the basic financial statements of the Town of Mamou, Louisiana's (the Town) primary government as of and for the year ended December 31, 2004, and have issued our report thereon dated June 3, 2005. 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.

Compliance

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying summary schedule of current and prior year audit findings as item 04-2 (C).

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Town's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying summary schedule of current and prior year audit findings as item 04-1 (IC).

183 South Beadle
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

113 East Bridge Street
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

133 East Waddil
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

1234 David Drive, Suite 105
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

408 W. Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

332 W. Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is a material weakness.

We also noted other matters involving the internal control over financial reporting that we have reported to management of the Town in a separate letter dated June 3, 2005.

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 maybe 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

Ville Platte, Louisiana
June 3, 2005

TOWN OF MAMOU, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended December 31, 2003

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 (12/31/04) --						
Internal Control						
04-1(IC)	Unknown	Due to the small number of employees, the Town did not have adequate segregation of duties within the accounting system.	N/A	No response is considered necessary.	Guy Pucheu, Town Clerk	N/A
Compliance						
04-2 (C)	2004	The Town failed to include a budget message as part of the budget document as required by LSA-RS 39:1305.		Town officials will prepare the required budget message for future budgets.	Guy Pucheu, Town Clerk	Dec-05
Management Letter:						
04-3 (ML)	2003	Consideration should be given to purchasing a software package that would make it easier for the Town employees to produce accurate financial information in a timely manner so that it could be utilized by management in financial decision-making.		Town officials are currently reviewing several software packages and should be implementing one of these packages in the future, probably on or before January 1, 2006.	Guy Pucheu, Town Clerk	Dec-05
04-4 (ML)	2003	The Town does not have complete and accurate records for customer deposits. A system of controls should be developed to ensure that an accurate listing is maintained.		Efforts will be made to maintain a complete and accurate listing.	Guy Pucheu, Town Clerk	Dec-05
04-5 (ML)	2003	The utility receivable subsidiary listing should be reconciled to the general ledger control account on a monthly basis.		The utility receivable account will be reconciled monthly.	Guy Pucheu, Town Clerk	Dec-05

(continued)

TOWN OF MAMOU, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan (Continued)
Year Ended December 31, 2003

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
04-6 (ML)	2003	Minutes of the town meetings need to be signed and filed in a record book in a timely manner.		The Town Clerk will ensure that all minutes are signed and filed in a timely manner.	Guy Pucheu, *Town Clerk*	Dec-05
PRIOR YEAR (12/31/03) --						
Internal Control:						
03-1(IC)	Unknown	Due to the small number of employees, the Town did not have adequate segregation of duties within the accounting system.	N/A			
Compliance:						
03-2 (C)	2003	The required monthly transfer to the water depreciation and contingency fund was not made.	Yes			
03-3 (C)	2003	The Town has been disconnecting service to water customers when they became 60 days delinquent. The water bond covenant requires customers to be disconnected after becoming 25 days delinquent.	Yes			
Management Letter:						
03-4 (ML)	2003	Consideration should be given to purchasing a software package that would make it easier for the Town employees to produce accurate financial information in a timely manner so that it could be utilized by management in financial decision-making.	No	See current year finding 04-3 (ML)		
03-5 (ML)	2003	The Town does not have complete and accurate records for customer deposits. A system of controls should be developed to ensure that an accurate listing is maintained.	No	See current year finding 04-4 (ML)		

(continued)

TOWN OF MAMOU, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan (Continued)
Year Ended December 31, 2003

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
03-6 (ML)	2003	The utility receivable subsidiary listing should be reconciled to the general ledger control account on a monthly basis.	No	See current year finding 04-5 (ML)		
03-7 (ML)	2003	Minutes of the town meetings need to be signed and filed in a record book in a timely manner.	No	See current year finding 04-6 (ML)		
03-8 (ML)	2003	Supporting documentation was not maintained for some credit card charges. A credit card policy should be implemented to ensure that all supporting documentation is submitted in a timely manner. It was also noted that controls over the credit card were not completely effective. The Town should consider designating one employee to be responsible for maintaining control over the credit card.	Yes			

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
*Conrad O. Chapman, CPA**
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*

Robert S. Carter, CPA
Allen J. LaBry, CPA
Harry J. Clostio, CPA
Al Leger, CPA
Penny Angelle Scruggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Kelly M. Doucet, CPA
Kenneth J. Rachal, CPA
Cheryl L. Bartley, CPA, CVA
Mandy B. Self, CPA

* A Professional Accounting Corporation

WEB SITE:
WWW.KCSRCPAS.COM

MEMBER OF:

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

MANAGEMENT LETTER

The Honorable Wilda Chamberlain, 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, 2004, and submit the following recommendations for your consideration. The following recommendations were included in our summary of recommendations for the prior year but are mentioned again for reemphasis:

(1) Consideration should be given to purchasing a software package that would make it easier for the Town employees to produce accurate financial information in a timely manner so that it could be utilized by management in financial decision-making.

(2) The Town does not have complete and accurate records for customer deposits. A system of controls should be developed to ensure that an accurate listing is maintained.

(3) The utility receivable subsidiary listing should be reconciled to the general ledger control account on a monthly basis.

(4) Minutes of the town meetings need to be signed and filed in a record book in a timely manner.

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

Ville Platte, Louisiana
June 3, 2005

183 South Beadle, Lafayette, LA 70508, Phone (337) 232-4141, Fax (337) 232-8660
113 East Bridge Street, Breaux Bridge, LA 70517, Phone (337) 332-4020, Fax (337) 332-2867
133 East Waddil, Marksville, LA 71351, Phone (318) 253-9252, Fax (318) 253-8681
1234 David Drive, Suite 105, Morgan City, LA 70380, Phone (985) 384-2020, Fax (985) 384-3020
408 W. Cotton Street, Ville Platte, LA 70586, Phone (337) 363-2792, Fax (337) 363-3049
332 W. Sixth Avenue, Oberlin, LA 70655, Phone (337) 639-4737, Fax (337) 639-4568
200 South Main Street, Abbeville, LA 70510, Phone (337) 893-7944, Fax (337) 893-7946