

**TOWN OF MAMOU, LOUISIANA**

Financial Report

Year Ended December 31, 2022

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## INDEPENDENT AUDITOR'S REPORT

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The Honorable Leisa Deshotel, Mayor  
and Members of the Board of Aldermen  
Town of Mamou, Louisiana

### Adverse and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund (except as described below), and the aggregate remaining fund information of the Town of Mamou, Louisiana (the Town), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-Type Activities	Qualified
General Fund	Unmodified
Sales Tax Special Revenue Fund	Unmodified
Utility Enterprise Fund	Unmodified
Savoy Medical Management Group, Inc.	Adverse
Aggregate Remaining Fund Information	Unmodified

### Adverse Opinion on Savoy Medical Management Group, Inc. Fund

In our opinion, because of the significance of the matter discussed in the Basis for Adverse, Qualified, and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of the Savoy Medical Management Group, Inc. Fund of the Town as of December 31, 2022, or the changes in financial position or cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Qualified Opinions on Business-type Activities

In our opinion, except for the matters described in the Basis for Adverse, Qualified, and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Town as of December 31, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Unmodified Opinions on Governmental Activities, General Fund, Sales Tax Special Revenue Fund, Utility Enterprise Fund, and Aggregate Remaining Fund Information***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund other than the Savoy Medical Management Group, Inc. Fund, and the aggregate remaining fund information of the Town as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Adverse, Qualified, and Unmodified Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse, qualified, and unmodified audit opinions.

### ***Matter Giving Rise to Adverse Opinion on Savoy Medical Management Group, Inc. Fund and Qualified Opinion on Business-type Activities***

Management has not included the Savoy Medical Management Group, Inc. Fund in the Town's financial statements. Accounting principles generally accepted in the United States of America require the Savoy Medical Management Group, Inc. Fund to be presented as a major enterprise fund and financial information about the Savoy Medical Management Group, Inc. Fund to be part of the business-type activities, thus increasing that activity's assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenses, and changes its net position. The amount by which this departure would affect the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses of the business-type activities and the omitted major fund has not been determined.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, schedule of employer's share of net pension liability, and schedule of employer contributions on pages 48 - 53 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Town of Mamou, Louisiana has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this omitted information.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying statement of financial position, individual fund financial statements, schedule of interest-bearing deposits, judicial system funding schedule, and schedule of expenditures of federal awards (pages 55 – 62 and 77), as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived

from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement of financial position, individual fund financial statements, schedule of interest-bearing deposits, judicial system funding schedule, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The prior year comparative amounts included in this information have been derived from the Town of Mamou, Louisiana's 2021 financial statements, which were subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements from which they were derived.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the budgetary comparison schedules, schedule of number of utility customers, and the schedule of insurance in force but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have issued our report dated June 5, 2023, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

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

Lafayette, Louisiana  
June 5, 2023

## **BASIC FINANCIAL STATEMENTS**

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

TOWN OF MAMOU, LOUISIANA

Statement of Net Position  
December 31, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 978,070	\$ 840,435	\$ 1,818,505
Receivables, net	68,993	272,076	341,069
Due from other governmental units	12,129	386,667	398,796
Inventory	-	77,122	77,122
Prepaid items	37,844	8,520	46,364
Total current assets	<u>1,097,036</u>	<u>1,584,820</u>	<u>2,681,856</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	-	526,400	526,400
Land and construction in progress	283,153	5,128,324	5,411,477
Capital assets, net	4,246,623	1,995,711	6,242,334
Total noncurrent assets	<u>4,529,776</u>	<u>7,650,435</u>	<u>12,180,211</u>
Total assets	<u>5,626,812</u>	<u>9,235,255</u>	<u>14,862,067</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan	<u>9,809</u>	<u>-</u>	<u>9,809</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	187,800	90,406	278,206
Claims payable	81,610	-	81,610
Contracts and retainage payable	-	460,517	460,517
Internal balances	51,102	(51,102)	-
Revenue bonds	-	178,000	178,000
Accrued interest	-	34,718	34,718
Customer deposits	-	278,611	278,611
Total current liabilities	<u>320,512</u>	<u>991,150</u>	<u>1,311,662</u>
Noncurrent liabilities:			
Revenue bonds	<u>-</u>	<u>4,474,000</u>	<u>4,474,000</u>
Total liabilities	<u>320,512</u>	<u>5,465,150</u>	<u>5,785,662</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan	<u>59,562</u>	<u>-</u>	<u>59,562</u>
NET POSITION			
Net investment in capital assets	4,529,776	2,858,702	7,388,478
Restricted for sales tax dedications	320,603	-	320,603
Restricted for debt service	-	282,397	282,397
Unrestricted	406,168	629,006	1,035,174
Total net position	<u>\$ 5,256,547</u>	<u>\$ 3,770,105</u>	<u>\$ 9,026,652</u>

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

TOWN OF MAMOU, LOUISIANA

Statement of Activities  
For the Year Ended December 31, 2022

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		Total
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental activities:							
General government	\$ 949,691	\$ 148,966	\$ -	\$ -	\$ (800,725)	\$ -	\$ (800,725)
Public safety -							
Police	1,092,916	408,947	32,267	-	(651,702)	-	(651,702)
Streets	780,930	-	5,000	-	(775,930)	-	(775,930)
Culture and recreation	339,809	14,225	-	-	(325,584)	-	(325,584)
Judicial	46,585	-	-	-	(46,585)	-	(46,585)
Total governmental activities	<u>3,209,931</u>	<u>572,138</u>	<u>37,267</u>	<u>-</u>	<u>(2,600,526)</u>	<u>-</u>	<u>(2,600,526)</u>
Business-type activities:							
Gas	728,247	841,995	-	34,641	-	148,389	148,389
Water	775,671	683,813	-	-	-	(91,858)	(91,858)
Sewer	466,957	597,367	-	1,105,054	-	1,235,464	1,235,464
Total business-type activities	<u>1,970,875</u>	<u>2,123,175</u>	<u>-</u>	<u>1,139,695</u>	<u>-</u>	<u>1,291,995</u>	<u>1,291,995</u>
Total	<u>\$ 5,180,806</u>	<u>\$ 2,695,313</u>	<u>\$ 37,267</u>	<u>\$ 1,139,695</u>	<u>\$ (2,600,526)</u>	<u>\$ 1,291,995</u>	<u>\$ (1,308,531)</u>
General revenues:							
Taxes -							
Ad valorem taxes, levied for general purposes					24,088	-	24,088
Ad valorem taxes, levied for streets and recreation					41,014	-	41,014
Sales and use taxes, levied for general purposes					458,807	-	458,807
Sales and use taxes, levied for capital improvements					182,174	-	182,174
Sales and use taxes, levied for industry and tourism inducement					33,736	-	33,736
Franchise taxes					158,358	-	158,358
Grants and contributions not restricted to specific programs -							
State sources					5,906	-	5,906
Interest and investment earnings					1,783	1,899	3,682
Nursing home lease revenue					240,000	-	240,000
Miscellaneous					35,119	-	35,119
Transfers					1,048,013	(1,048,013)	-
Total general revenues and transfers					<u>2,228,998</u>	<u>(1,046,114)</u>	<u>1,182,884</u>
Change in net position					(371,528)	245,881	(125,647)
Net position - beginning					5,628,075	3,524,224	9,152,299
Net position - ending					<u>\$ 5,256,547</u>	<u>\$ 3,770,105</u>	<u>\$ 9,026,652</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

## **FUND DESCRIPTIONS**

### **General Fund**

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

### **Special Revenue Fund**

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

#### **Sales Tax Fund**

To account for the receipt and use of proceeds of the Town's two 1% sales and use taxes as described below.

The proceeds of the Town's 1986 1% sales tax are dedicated to and used for any lawful corporate purpose of the Town. This tax was renewed by the voters of the Town in April 2011.

The proceeds of the Town's 1991 1% sales tax are dedicated and divided as follows: thirty-five percent (35%) for any lawful corporate purpose 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.

### **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, 2022

ASSETS	General	Sales Tax Special Revenue	Total
Cash and interest-bearing deposits	\$ 597,533	\$ 364,165	\$ 961,698
Receivables:			
Taxes	67,345	-	67,345
Other	1,648	-	1,648
Due from other funds	-	80,446	80,446
Due from other governmental units	12,129	-	12,129
Total assets	<u>\$ 678,655</u>	<u>\$ 444,611</u>	<u>\$ 1,123,266</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES  			
Liabilities:			
Accounts and other payables	\$ 185,320	\$ 2,480	\$ 187,800
Due to other funds	37,992	121,528	159,520
Total liabilities	<u>223,312</u>	<u>124,008</u>	<u>347,320</u>
Deferred inflows of resources:			
Unavailable revenue	6,625	-	6,625
Fund balances:			
Restricted - operations and maintenance	-	218,807	218,807
Restricted - capital expenditures	-	6,327	6,327
Restricted - industry and tourism inducement	-	95,469	95,469
Unassigned	448,718	-	448,718
Total fund balances	<u>448,718</u>	<u>320,603</u>	<u>769,321</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 678,655</u>	<u>\$ 444,611</u>	<u>\$ 1,123,266</u>

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

TOWN OF MAMOU, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
December 31, 2022

Total fund balances for governmental funds at December 31, 2022	\$ 769,321
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:	
Land	\$ 269,650
Buildings and improvements, net of \$1,807,140 accumulated depreciation	1,710,883
Infrastructure, net of \$1,843,716 accumulated depreciation	2,131,852
Equipment, furniture, and fixtures, net of \$803,217 accumulated depreciation	201,700
Vehicles, net of \$203,635 accumulated depreciation	<u>215,691</u>
	4,529,776
Differences between prepaid expense on modified accrual basis versus accrual basis	37,844
The deferred outflows of contributions to the retirement system are not a use of current resources, and therefore, are not reported in the funds.	9,809
Some of the Town's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources at the fund level.	
Unavailable revenue:	
Delinquent ad valorem taxes	6,625
The deferred inflows of contributions to the retirement system are not payable from available resources and, therefore, are not reported in the funds.	(59,562)
Net position of the group self-insurance internal service fund	<u>(37,266)</u>
Total net position of governmental activities at December 31, 2022	<u>\$ 5,256,547</u>

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

TOWN OF MAMOU, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds

For the Year Ended December 31, 2022

	General	Sales Tax Special Revenue	Total
Revenues:			
Taxes	\$ 244,852	\$ 674,717	\$ 919,569
Licenses and permits	148,966	-	148,966
Intergovernmental	137,623	-	137,623
Fines and forfeits	314,497	-	314,497
Miscellaneous	286,616	4,511	291,127
Total revenues	1,132,554	679,228	1,811,782
Expenditures:			
Current -			
General government:			
Administrative	848,857	67,032	915,889
Public safety:			
Police	1,081,018	-	1,081,018
Highways and streets	606,374	-	606,374
Culture and recreation	210,778	-	210,778
Judicial	48,132	-	48,132
Capital outlay	31,950	636,700	668,650
Total expenditures	2,827,109	703,732	3,530,841
Deficiency of revenues over expenditures	(1,694,555)	(24,504)	(1,719,059)
Other financing sources (uses):			
Transfers in (out)	1,231,324	(183,311)	1,048,013
Net changes in fund balances	(463,231)	(207,815)	(671,046)
Fund balances, beginning	911,949	528,418	1,440,367
Fund balances, ending	\$ 448,718	\$ 320,603	\$ 769,321

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, 2022

Total net changes in fund balances for the year ended December 31, 2022 per the statement of revenues, expenditures and changes in fund balances			\$ (671,046)
The change in net position reported for governmental activities in the statement of activities is different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlay which is considered expenditures on the statement of revenues, expenditures and changes in fund balances		\$ 549,235	
Depreciation expense for the year ended December 31, 2022		<u>(289,028)</u>	260,207
Some of the Town's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures, and therefore, are reported as deferred inflows of resources at the fund level.			
Net change in unavailable revenues -			
Delinquent ad valorem taxes			(21,392)
Differences between prepaid expenses on modified accrual basis versus accrual basis			2,346
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.			
Net pension liability			32,038
Net income of group self-insurance internal service fund			<u>26,319</u>
Total changes in net position for the year ended December 31, 2022 per the statement of activities			<u>\$ (371,528)</u>

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

TOWN OF MAMOU, LOUISIANA

Statement of Net Position  
 Proprietary Funds  
 December 31, 2022

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 840,435	\$ 16,372
Receivables -		
Accounts	171,221	-
Unbilled utility receivables	95,501	-
Accrued interest receivable	68	-
Other	5,286	-
Due from other funds	51,102	27,972
Due from other governmental agencies	386,667	-
Inventory - natural gas	77,122	-
Prepaid items	8,520	-
Total current assets	1,635,922	44,344
Noncurrent assets:		
Restricted assets -		
Cash and interest-bearing deposits	526,400	-
Land and construction in progress	5,128,324	-
Capital assets, net	1,995,711	-
Total noncurrent assets	7,650,435	-
Total assets	9,286,357	44,344
LIABILITIES		
Current liabilities (payable from current assets):		
Accounts and other payables	90,406	-
Claims payable	-	81,610
Contracts and retainage payable	460,517	-
Total	550,923	81,610
Current liabilities (payable from restricted assets):		
Customer deposits	278,611	-
Revenue bonds	178,000	-
Accrued interest payable	34,718	-
Total	491,329	-
Total current liabilities	1,042,252	81,610
Noncurrent liabilities:		
Revenue bonds	4,474,000	-
Total liabilities	5,516,252	81,610
NET POSITION		
Net investment in capital assets	2,858,702	-
Restricted for debt service	282,397	-
Unrestricted	629,006	(37,266)
Total net position	\$ 3,770,105	\$ (37,266)

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

TOWN OF MAMOU, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position  
 Proprietary Funds  
 For the Year Ended December 31, 2022

	<u>Business-type Activities-</u> <u>Enterprise Fund</u>	<u>Governmental Activities -</u> <u>Internal Service Fund</u>
Operating revenues:		
Charges for services	\$2,028,456	\$ 580,144
Permits, reconnections and penalties	64,227	-
Miscellaneous	30,492	-
Total operating revenues	<u>2,123,175</u>	<u>580,144</u>
Operating expenses:		
Gas department expenses	693,087	-
Water department expenses	637,165	-
Sewerage department expenses	377,107	-
Depreciation expense	175,796	-
Self insurance expenses	-	553,825
Total operating expenses	<u>1,883,155</u>	<u>553,825</u>
Operating income	<u>240,020</u>	<u>26,319</u>
Nonoperating revenues (expenses):		
Interest income	1,899	-
Interest expense	(87,720)	-
Total nonoperating revenues (expenses)	<u>(85,821)</u>	<u>-</u>
Income before contributions and transfers	154,199	26,319
Capital contributions	<u>1,139,695</u>	<u>-</u>
Income before transfers	1,293,894	26,319
Transfers out	<u>(1,048,013)</u>	<u>-</u>
Change in net position	245,881	26,319
Net position, beginning	<u>3,524,224</u>	<u>(63,585)</u>
Net position, ending	<u>\$3,770,105</u>	<u>\$ (37,266)</u>

The accompanying notes are an integral part of this statement.

TOWN OF MAMOU, LOUISIANA

Statement of Cash Flows  
 Proprietary Funds  
 For the Year Ended December 31, 2022

	<u>Business-type Activities - Enterprise Fund</u>	<u>Governmental Activities - Internal Service Fund</u>
Cash flows from operating activities:		
Receipts from customers	\$ 2,041,193	\$ 580,144
Payments to suppliers	(1,334,658)	(565,028)
Payments to employees	(351,442)	-
Other receipts	<u>30,492</u>	<u>-</u>
Net cash provided by operating activities	<u>385,585</u>	<u>15,116</u>
Cash flows from noncapital financing activities:		
Net increase in customer deposits	1,478	-
Capital contributions	612,180	-
Transfers from other funds	(34,595)	(361)
Transfers to other funds	<u>(1,048,013)</u>	<u>-</u>
Net cash used by noncapital financing activities	<u>(468,950)</u>	<u>(361)</u>
Cash flows from capital and related financing activities:		
Net proceeds from issuance of revenue bonds	1,506,545	-
Interest and fiscal charges paid on revenue bonds	(71,798)	-
Net acquisition of property, plant and equipment	<u>(1,808,564)</u>	<u>-</u>
Net cash used by capital and related financing activities	<u>(373,817)</u>	<u>-</u>
Cash flows from investing activities:		
Net purchases of interest-bearing deposits with maturity in excess of ninety days	(392)	-
Interest earned	<u>1,886</u>	<u>-</u>
Net cash provided by investing activities	<u>1,494</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(455,688)	14,755
Cash and cash equivalents, beginning	<u>1,585,580</u>	<u>1,617</u>
Cash and cash equivalents, ending	<u>\$ 1,129,892</u>	<u>\$ 16,372</u>

(continued)

TOWN OF MAMOU, LOUISIANA

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

	<u>Business-type Activities - Enterprise Fund</u>	<u>Governmental Activities - Internal Service Fund</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 240,020	\$ 26,319
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	175,796	-
Changes in current assets and liabilities:		
Increase accounts receivable	(9,116)	-
Increase in provision for uncollectible accounts	1,134	-
Increase unbilled utility receivables	(43,542)	-
Decrease in other receivables	34	-
Increase in inventory	(17,578)	-
Decrease in prepaid items	27	-
Increase in accounts payable	34,847	-
Increase in compensated absences payable	3,963	-
Decrease in provision for claims payable	<u>-</u>	<u>(11,203)</u>
Net cash provided by operating activities	<u>\$ 385,585</u>	<u>\$ 15,116</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning -		
Cash - unrestricted	\$ 941	\$ 1,617
Interest-bearing deposits - unrestricted	1,446,133	-
Interest-bearing deposits - restricted	375,057	-
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(236,551)</u>	<u>-</u>
Total cash and cash equivalents	<u>1,585,580</u>	<u>1,617</u>
Cash and cash equivalents, ending -		
Cash - unrestricted	941	16,372
Interest-bearing deposits - unrestricted	839,494	-
Interest-bearing deposits - restricted	526,400	-
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(236,943)</u>	<u>-</u>
Total cash and cash equivalents	<u>1,129,892</u>	<u>16,372</u>
Net increase (decrease)	<u>\$ (455,688)</u>	<u>\$ 14,755</u>

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

## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements

#### (1) Summary of Significant Accounting Policies

The financial statements of the Town of Mamou (Town) are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The accounting and reporting policies of the Town also conform to the requirements of Louisiana Revised Statute 24:513, the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*. The accounting and reporting framework and the more significant accounting policies are described below.

##### A. Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

##### Primary Government

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.

##### Component Units

Section 2100 of the 2011 Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, "Defining the Financial Reporting Entity" establishes criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the primary government's governing authority (Mayor and Board of Aldermen) appoints a majority of board members of the potential component unit and is able to impose its will on the potential component unit or whether the potential component unit is fiscally dependent on the primary government.
3. Financial benefit/burden relationship between the primary government and the potential component unit.
4. The nature and significance of the relationship between the potential component unit with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

## TOWN OF MAMOU, LOUISIANA

### Notes to the Basic Financial Statements (Continued)

These financial statements include the primary government financial statements only. Based upon these criteria, the Town should include the component unit detailed below in the financial reporting entity. The following component unit of the Town is not presented in these financial statements:

#### Blended Component Unit -

##### Savoy Medical Management Group, Inc.

Savoy Medical Management Group, Inc., a nonprofit organization doing business as Savoy Medical Center, was determined to be a component unit but is not presented in the accompanying financial statements. The organization is a nonprofit organization incorporated on November 11, 2009. The organization was formed for the purpose of providing medical and health related services to communities in and around Mamou, Parish of Evangeline, Louisiana, and to those persons or individuals seeking healthcare and is exempt from income taxes under Section 504(c)(3) of the Internal Revenue Code. The sole member of this corporation shall be the Town of Mamou, Louisiana, which shall act through individuals duly elected and then serving on the Town of Mamou Council. The management and affairs of this corporation shall be at all times under the direction of the Board of Trustees which shall at all times consist of at least three (3) but no more than nine (9) members appointed by the sole Member's governing body. The Board of Trustees may include at least two (2) members of the sole Member's governing body.

On December 11, 2014, the Town adopted a resolution authorizing a termination and mutual release agreement with Savoy Medical Management Group, Inc. effective January 4, 2015. This agreement provides that the Town will forgive all rent, payments, and other consideration due and owing to the Town under the lease, whether past due or current. The Town also entered into a Special Services Management Agreement between Savoy Medical Management Group, Inc. (of which the Town is the sole member), the Town of Mamou, and Evangeline Clinical Services, Inc. Under this agreement, Savoy Medical Management Group, Inc. will continue to operate Savoy Medical Center with managerial assistance from Evangeline Clinical Services, Inc., which will allow access to managerial and administrative expertise in the delivery and operations of hospitals and to clinically integrate Savoy Medical Center with the Christus Health Central Louisiana network of physicians, clinics and hospitals, in order to improve access, quality, availability and efficiency of care for residents of the Mamou community. The agreement will remain in effect for an initial term of fifteen years and shall automatically continue thereafter for additional terms of five years.

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

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The government-wide financial statements provide operational accountability information for the Town as an economic unit. The government-wide financial statements report the Town's ability to maintain service levels and continue to meet its obligations as they come due. The statements include all governmental activities and all business-type activities of the primary government. Fiduciary funds are omitted from the government-wide financial statements. The Town has no fiduciary funds.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental and business-type 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 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 on the basis of funds, each of which is considered to be an independent fiscal and accounting entity. The operations of each fund are accounted for within separate sets of self-balancing accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, and expenditures/expenses, and transfers. The minimum number of funds is maintained consistent with legal and managerial requirements. Fund financial statements report detailed information about the Town. The various funds of the Town are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major funds, each displayed in a separate column.

The General Fund is always a major fund. Other individual governmental and enterprise major funds are determined as funds whose revenues, expenditures/expenses, assets and deferred outflows of resources or liabilities and deferred inflows of resources are at least ten percent of the corresponding totals for all funds of that category or type (total governmental or total enterprise fund) and at least five percent of the corresponding total for all governmental and enterprise funds combined or funds designated as major at the discretion of the Town. Funds not classified as a major fund are aggregated and presented in a single column in the fund financial statements. The Town uses the following funds, grouped by fund type.

## TOWN OF MAMOU, LOUISIANA

### Notes to the Basic Financial Statements (Continued)

#### Governmental Funds –

Governmental Funds are those through which most governmental functions of the Town are financed. The acquisition, use, and balances of the Town's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds.

#### General Fund

The General Fund represents the operating activities of the Town. All financial resources not accounted for in other funds are reported in the General Fund.

#### Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of government grants or other specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects of the Town. The following is the Town's major special revenue 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 and for the receipt and use of grant proceeds.

#### Capital Projects Funds

Capital Projects Funds are used to report resources that are restricted, committed or assigned to expenditures for major capital acquisition and construction separately from ongoing operational activities. The Town has no major capital projects funds.

#### Debt Service Funds

Debt Service Funds are used to account for and report resources that are restricted, committed or assigned to expenditures for principal and interest. The Town has no major debt service funds.

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances for all major governmental funds and nonmajor funds aggregated. A reconciliation is presented to summarize the differences in fund balances of the governmental fund financial statements and the net position of the governmental activities in the government-wide financial statements.

#### Proprietary Funds –

Proprietary Funds are used to account for the Town's ongoing operations and activities which are similar to those often found in the private sector where the intent is that costs of providing goods and services be recovered through user charges. The proprietary funds maintained by the Town are enterprise funds and internal service funds.

## TOWN OF MAMOU, LOUISIANA

### Notes to the Basic Financial Statements (Continued)

#### Enterprise Funds

Enterprise Funds are proprietary funds that are used to report activities for which a fee is charged to external users. These funds account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the government 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's major enterprise fund is the Utility Fund.

#### Internal Service Funds

Internal Service Funds are used to report activities which provide goods or services to other funds, departments, or agencies of the primary government and its components units, or to other governments, on a cost-reimbursement basis. The Town includes services such as the provision of insurance benefits in these funds. All of the internal service fund's net position and activities are combined with the governmental activities in the government-wide financial statements. The Town's internal service fund is the Employee Benefits Fund.

Enterprise and internal service fund financial statements include a statement of net position, a statement of revenues, expenses and changes in fund net position, and a statement of cash flows. The enterprise fund financial information is presented under the business-type activities column. A column representing internal service funds is also presented in these statements, with the internal service fund's net position and activities combined with the governmental activities in the government-wide financial statements.

#### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The measurement focus determines the accounting and financial reporting treatment applied to a fund. The governmental and business-type activities within the government-wide statement of net position and statement of activities are presented using the economic resources measurement focus. The economic resources measurement focus meets the accounting objectives of determining net income, net position, and cash flows.

The fund financial statements use either the current financial resources measurement focus or the economic resources measurement focus as appropriate. Governmental funds use the current financial resources measurement focus. This measurement focus is based upon the receipt and disbursement of current available financial resources rather than upon net income. The measurement focus of the proprietary fund types, the flow of economic resources, is based upon determination of net income, net position, and cash flows.

## TOWN OF MAMOU, LOUISIANA

### Notes to the Basic Financial Statements (Continued)

The accrual basis of accounting is used throughout the government-wide statements; conversely, the financial statements of the governmental funds have been prepared in accordance with the modified accrual basis of accounting, whereby revenues are recognized when considered both measurable and available to finance expenditures of the current period. For this purpose, the Town considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. An exception to this is grant revenue collected on a reimbursement basis. Those reimbursable grants are recognized as revenue when reimbursable expenditures are made. The Town considers reimbursement amounts received within one year as available. The Town accrues intergovernmental revenue, ad valorem and sales tax revenue, franchise fees, charges for services and investment income based upon this concept. Expenditures generally are recognized when related fund liabilities are incurred and become payable in the current period. Proceeds of debt are reported as other financing sources, and principal and interest on long-term debt, as well as expenditures related to compensated absences and claims and judgments, are recorded as expenditures when paid.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the Town. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the Town and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The financial statements of the enterprise fund and the internal service fund have been prepared in accordance with the accrual basis of accounting. Accordingly, revenues are recorded when earned, and expenses and related liabilities are recorded when incurred.

#### D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash, interest-bearing deposits, and investments

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

## TOWN OF MAMOU, LOUISIANA

### Notes to the Basic Financial Statements (Continued)

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 of America. The Town may invest in certificates and time deposits of state banks organized under Louisiana laws and national banks having principal offices in Louisiana.

For the purpose of the proprietary funds' statements 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 when purchased.

#### Receivables

Receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem taxes and franchise taxes. Business-type activities report customer utility service receivables as the 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. The allowance for uncollectible customer utility receivables was \$214,391 at December 31, 2022. 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 position.

#### Inventory

Inventory of the Utility Fund consists of natural gas being held in 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, 2022, are recorded as prepaid items.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Restricted Assets

Restricted assets include cash and interest-bearing deposits of utility 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.

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 acquisition 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 position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	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 funds upon acquisition. Capital assets used in proprietary fund operations are accounted for in the same manner as in the government-wide statements.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets acquired or constructed with the proceeds of the debt 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 is reported as liabilities in the government-wide financial statements. The long-term debt consists of utility meter deposits payable.

## TOWN OF MAMOU, LOUISIANA

### Notes to the Basic Financial Statements (Continued)

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 liabilities.

#### Pensions

The net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense (See Note 13), have been determined using the flow of economic resources measurement focus and full accrual basis of accounting. Member's earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans, and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Non-employer contributions are recognized as revenue in the government-wide financial statements. In the governmental fund financial statements, contributions are recognized as expenditures when made.

#### Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position or balance sheet will sometimes report a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has one item that qualifies for reporting in this category, the deferred outflow of resources attributable to its pension plan.

## TOWN OF MAMOU, LOUISIANA

### Notes to the Basic Financial Statements (Continued)

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Town has one item that qualifies for reporting in this category in the government-wide statement of net position, the deferred inflow of resources attributable to its pension plan.

The Town also reported deferred inflows of resources related to unavailable delinquent ad valorem tax revenue totaling \$6,625 in the General Fund at December 31, 2022.

#### Equity Classifications

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

1. Net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any notes or other borrowing attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position consists of net position with constraints placed on the use either by external groups, such as grantors, creditors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation. It is the Town's policy to use restricted net position prior to the use of unrestricted net position when both restricted and unrestricted net position are available for an expense which has been incurred. At December 31, 2022, the Town reported \$603,000 of restricted net position, \$320,603 of which was restricted by enabling legislation.
3. Unrestricted net position consists of all other assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of "restricted" or "net investment in capital assets."

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily upon the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The categories and their purposes are:

1. Nonspendable includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual constraints requiring they remain intact.
2. Restricted includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as grantors, donors, creditors, or amounts constrained due to constitutional provisions or enabling legislation.

## TOWN OF MAMOU, LOUISIANA

### Notes to the Basic Financial Statements (Continued)

3. Committed includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal legislative action of the Mayor and Board of Aldermen and does not lapse at year-end. A committed fund balance constraint can only be established, modified, or rescinded by passage of an ordinance by the Mayor and Board of Aldermen.
4. Assigned includes fund balance amounts that are constrained by the Town's intent to be used for specific purposes, that are neither restricted nor committed. The assignment of fund balance is authorized by a directive from the Town Clerk with the approval of a resolution by the Mayor and Board of Aldermen.
5. Unassigned includes fund balance amounts within the General Fund which have not been classified within the above-mentioned categories. The General Fund is the only fund that reports a positive unassigned fund balance amount.

It is the Town's policy to use restricted amounts first when both restricted and unrestricted fund balance is available unless prohibited by legal or contractual provisions. Additionally, the Town uses committed, assigned, and lastly unassigned amounts of fund balance in that order when expenditures are made.

Proprietary fund equity is classified the same as in the government-wide statements.

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

##### Revenues

The Town considers revenue to be susceptible to accrual in the governmental funds as it becomes measurable and available, as defined under the modified accrual basis of accounting. The Town generally defines the availability period for revenue recognition as received within sixty (60) days of year-end. The Town's major revenue sources that meet this availability criterion are ad valorem taxes and franchise fees.

There are three classifications of programmatic revenues for the Town, program specific grant and contributions revenue (operating and capital) and charges for services. Grant revenues are revenues from federal, state, and private grants. These revenues are recognized when all applicable eligibility requirements are met and are reported as intergovernmental revenues. The primary sources of program revenues are fees, fines, and charges paid by recipients of goods and services, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and earned income in connection with the operation of the Town's utility system. Interest income is recorded as earned in the fund holding the interest-bearing asset. Substantially all other revenues are recorded when received.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Operating and Nonoperating Revenues and Expenses

In the proprietary funds, operating revenues are those revenues produced as a result of providing services and producing and delivering goods and/or services. Nonoperating revenues are funds primarily provided by investing activities, such as financial institution interest income, gains on disposal of assets and insurance recoveries on property loss. Operating expenses are those expenses related to the production of revenue. Nonoperating expenses are those expenses not directly related to the production of revenue and include items such as interest expense and losses on disposal of assets.

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:

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

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

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

G. Capitalization of Interest Expense

It is the policy of the Town of Mamou, Louisiana to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the proprietary funds. At December 31, 2022, there were no borrowings for assets under construction and no capitalized interest expense recorded.

H. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to taxpayers in December. Billed taxes become delinquent on January 1 of the following year. The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Evangeline Parish. Property tax revenues are recognized when levied to the extent that they result in current receivables.

For the year ended December 31, 2022, taxes of 6.84 mills dedicated for general corporate purposes were levied on property with assessed valuations totaling \$9,614,120.

Total taxes levied for 2022 totaled \$65,762. Taxes receivable at December 31, 2022 totaled \$32,374.

(3) Sales and Use Tax

A. Proceeds of the 1986 1% sales and use tax levied by the Town of Mamou, renewed in April 2011 (2022 collections \$337,359), are dedicated for any lawful corporate purposes of the Town. The tax will expire on April 30, 2036.

B. Proceeds of the 1991 1% sales and use tax levied by the Town of Mamou, renewed in October 2015 (2022 collections \$337,359), 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. The tax will expire on December 31, 2040.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(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, 2022, the Town had cash and interest-bearing deposits (book balances) totaling \$2,344,905 as follows:

Demand deposits	\$ 78,791
Money market and savings accounts	1,861,265
Time deposits	<u>404,849</u>
Total	<u>\$ 2,344,905</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Town's deposits may not be recovered, or the Town will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) at December 31, 2022, and the related federal insurance and pledged securities:

Bank balances	<u>\$ 2,476,136</u>
Insured	\$ 877,681
Pledged securities	<u>1,598,455</u>
Total	<u>\$ 2,476,136</u>

Deposits in the amount of \$1,598,455 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Town's name. The Town does not have a policy for custodial credit risk.

The Town follows state law regarding its deposits and investments; however, it has not adopted a formal deposit and investment policy.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(5) Receivables

Receivables at December 31, 2022 totaling \$341,069 consist of the following:

	Governmental Activities	Business type Activities	Total
Accounts	\$ -	\$ 380,982	\$ 380,982
Unbilled utility	-	95,501	95,501
Allowance for uncollectible accounts	-	(214,391)	(214,391)
Ad valorem	32,374	-	32,374
Franchise tax	34,971	-	34,971
Other	1,648	9,984	11,632
Totals	<u>\$ 68,993</u>	<u>\$ 272,076</u>	<u>\$ 341,069</u>

(6) Due from Other Governmental Units

Amounts due from other governmental units of \$398,796 at December 31, 2022 consist of the following:

	Governmental Activities	Business type Activities	Total
State of Louisiana -			
Beer tax revenue receivable	\$ 1,448	\$ -	\$ 1,448
DOTD road maintenance	2,500	-	2,500
Louisiana Department of Corrections -			
state prisoner housing reimbursement	8,181	-	8,181
State of Louisiana - Department			-
of Health and Hospitals	-	386,667	386,667
Totals	<u>\$ 12,129</u>	<u>\$ 386,667</u>	<u>\$ 398,796</u>

(7) Restricted Assets

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

Customer deposits	\$ 278,611
Construction	110
Revenue bond reserve and sinking funds	<u>247,679</u>
Total restricted assets	<u>\$ 526,400</u>

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(8) Capital Assets

Capital asset balances and activity for the year ended December 31, 2022 is as follows:

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 269,650	\$ -	\$ -	\$ 269,650
Plaza mural	13,503	-	-	13,503
Other capital assets:				
Buildings and improvements	3,462,095	42,425	-	3,504,520
Infrastructure	3,666,999	308,569	-	3,975,568
Equipment, furniture and fixtures	982,723	22,194	-	1,004,917
Vehicles	243,279	176,047	-	419,326
Totals	<u>8,638,249</u>	<u>549,235</u>	<u>-</u>	<u>9,187,484</u>
Less accumulated depreciation				
Buildings and improvements	1,710,145	96,995	-	1,807,140
Infrastructure	1,731,034	112,682	-	1,843,716
Equipment, furniture and fixtures	762,238	40,979	-	803,217
Vehicles	165,263	38,372	-	203,635
Total accumulated depreciation	<u>4,368,680</u>	<u>289,028</u>	<u>-</u>	<u>4,657,708</u>
Governmental activities, capital assets, net	<u>\$ 4,269,569</u>	<u>\$ 260,207</u>	<u>\$ -</u>	<u>\$ 4,529,776</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 36,755
Police	48,813
Highways and streets	111,658
Culture and recreation	91,744
Judicial	<u>58</u>
 Total depreciation expense	 <u>\$ 289,028</u>

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

	Balance Beginning	Additions	Deletions	Balance Ending
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 113,568	\$ -	\$ -	\$ 113,568
Construction in progress	3,335,969	1,678,787	-	5,014,756
Other capital assets:				
Gas system	737,260	-	-	737,260
Water system	2,637,607	-	-	2,637,607
Sewer system	4,936,832	-	-	4,936,832
Machinery and equipment	508,221	106,550	-	614,771
Totals	<u>12,269,457</u>	<u>1,785,337</u>	<u>-</u>	<u>14,054,794</u>
Less accumulated depreciation				
Gas system	662,421	23,098	-	685,519
Water system	2,383,790	43,740	-	2,427,530
Sewer system	3,381,952	74,600	-	3,456,552
Machinery and equipment	326,800	34,358	-	361,158
Total accumulated depreciation	<u>6,754,963</u>	<u>175,796</u>	<u>-</u>	<u>6,930,759</u>
Business-type activities, capital assets, net	<u>\$ 5,514,494</u>	<u>\$ 1,609,541</u>	<u>\$ -</u>	<u>\$ 7,124,035</u>

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

Gas	\$ 35,160
Water	50,786
Sewer	<u>89,850</u>
Total depreciation expense	<u>\$ 175,796</u>

(9) Accounts and Other Payables

Accounts and other payables consist of the following at December 31, 2022:

	Governmental Activities	Business-type Activities	Total
Accounts payable	\$ 112,841	\$ 82,637	\$ 195,478
Salaries payable	52,191	-	52,191
Payroll taxes	9,811	-	9,811
Compensated absences payable	<u>12,957</u>	<u>7,769</u>	<u>20,726</u>
Totals	<u>\$ 187,800</u>	<u>\$ 90,406</u>	<u>\$ 278,206</u>

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(10) Unavailable Revenues

Unavailable revenues are reported in governmental funds and represent revenue received more than 60 days following year end (and, therefore, unavailable to pay liabilities of the current period). Unavailable revenue received after 60 days is fully recognized as revenue in the government-wide financial statements. At December 31, 2022, governmental funds' revenues that have been earned but are unavailable totaled \$6,625 which was comprised of delinquent ad valorem tax revenue.

(11) Changes in Long-Term Liabilities

The following is a summary of long-term liability transactions of the Town for the year ended December 31, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount due in one year</u>
Long-term debt:					
Direct placements:					
Revenue bonds	<u>\$ 4,800,000</u>	<u>\$ -</u>	<u>\$ 148,000</u>	<u>\$ 4,652,000</u>	<u>\$ 178,000</u>

Bonds payable at December 31, 2022 is comprised of the following individual issue:

Business-type activities - Revenue bonds:

\$5,000,000 Utility Revenue Bonds, Series 2021, due in annual installments of \$197,000 - \$311,000 through September 1, 2041; interest at 2.45%, for the purpose of constructing and acquiring improvements, extensions and replacements to the waterworks system of the City. The bonds were sold to the Louisiana Department of Health and Hospitals, Drinking Water Revolving Loan Fund.

\$ 4,652,000

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Annual debt service requirements of bonds outstanding are as follows:

Year ending December 31,	<u>Business-Type Activities</u>	
	<u>Principal payments</u>	<u>Interest payments</u>
2023	\$ 178,000	\$ 117,674
2024	206,000	117,674
2025	212,000	112,725
2026	217,000	107,678
2027	222,000	97,167
2028 - 2032	1,194,000	401,555
2033 - 2037	1,348,000	247,916
2038 - 2041	<u>1,075,000</u>	<u>74,480</u>
Total	<u>\$ 4,652,000</u>	<u>\$ 1,276,867</u>

In the event of default on the bonds, the bondholder may take actions as deemed necessary and appropriate as permitted by law to cause the Town to comply with its obligations under the debt and compel performance.

(12) Flow of Funds: Restrictions on Use

Business-type activities: Utility Revenue Bonds, Series 2021

Under the terms of the \$5,000,000 Utility Revenue Bonds, Series 2021, the Town is required to maintain a sinking fund in an amount to pay promptly and fully the principal of and interest on the bonds by transferring monthly payments on or before the 20<sup>th</sup> day of each month commencing in June 2021 a sum equal to 1/6<sup>th</sup> of the next interest payment due and 1/12<sup>th</sup> of the next principal payment due.

Under the terms of the \$5,000,000 Utility Revenue Bonds, Series 2021, the Town is required to maintain a reserve fund to be retained solely for the purpose of paying the principal of and interest on the bonds by transferring on or before the 20<sup>th</sup> day of each month a sum at least equal to 25% of the amount to be paid into the sinking fund until such time as there has been accumulated a sum equal to \$159,839.

Under the terms of the \$5,000,000 Utility Revenue Bonds, Series 2021, the Town is required to maintain a depreciation and contingency fund. The Town is required to set aside into this fund monthly in advance on or before the 20<sup>th</sup> of each month a sum at least equal to 5% of the net revenues of the preceding month until such time as there has been accumulated a sum equal to \$250,000.

During the year ended December 31, 2022, the monthly sinking, reserve, and depreciation and contingency fund transfers were made as required by the agreement.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(13) Pension Plan

Municipal Police Employees Retirement System of Louisiana (System)

The Town participates in a cost-sharing multiple-employer defined benefit pension plan, the Municipal Police Employees Retirement System of Louisiana (MPERS), administered by a separate public employee retirement system. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of the plan administered by this public employee retirement system to the State Legislature. The plan is not closed to new entrants. One employee of the Town participates in the system.

Plan Description – State of Louisiana – Municipal Police Employees’ Retirement System (MPERS) provides retirement, disability, and survivor benefits to municipal police officers in Louisiana and their beneficiaries as defined in LRS 11:2211-11:2233.

MPERS financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Interest income is recognized when earned. Insurance premium tax monies are received as additional employer contributions and considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study.

Benefits provided – Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per the number of years of creditable service not to exceed 100% of final salary. Years of service required and/or age eligible for benefits are as follows: 25 years at any age; 20 years at age 55; 12 years at age 55; 20 years at any age with actuarial reduced benefits; 30 years at any age under non-hazardous duty sub plan commencing January 1, 2013; 25 years at age 55 under non-hazardous duty sub plan commencing January 1, 2013; and 10 years at age 60 under non-hazardous duty sub plan commencing January 1, 2013. Benefit percentages per year of service are as follows: 2.5% for membership commencing January 1, 2013, non-hazardous duty plan; 3.0% for hazardous duty plan; and 3.33% for membership prior to January 1, 2013.

Contributions – Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer’s portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems’ Actuarial Committee. In addition, MPERS receives insurance premium tax monies as additional employer contributions. These taxes are considered support form a noncontributing entity and appropriated by the Legislature each year based on an actuarial study. For the year ended December 31, 2022, the contribution percentages for employees and employers were 10.0% and 32.50%, respectively, through June 30, 2020 and 10.0% and 33.75%, respectively, commencing July 1, 2020. The amounts contributed from non-employer contributing entities and from the Town for the year ended December 31, 2022 were \$0 and \$9,992, respectively.

At December 31, 2022, the Town reported no amount payable to the system for any outstanding amount of contributions due to the retirement system for the year.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Net Pension Liability – The Town’s net pension liability at December 31, 2022 of \$0 is comprised of its proportionate share of the net pension liability relating to the cost-sharing plan. The Town’s net pension liability for the plan was measured as of the plan’s measurement date, June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town’s proportionate share of the net pension liability for the plan was based on the Town’s required contributions in proportion to total required contributions for all employers.

As of the most recent measurement date, the Town’s proportion for the plan was 0.000000% and the change in proportion from the prior measurement date was a decrease of 0.006865%.

Since the measurement date of the pension liability was June 30, 2022, the net pension liability is based upon fiduciary net position for the plan as of that date. Detailed information about the plan’s assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the Town’s net pension liability is available in the separately issued plan financial report which may be accessed on their website at <http://lampers.org/>.

Actuarial Assumptions – The following table provides information concerning actuarial assumptions used in the determination of the total pension liability for MPERS:

Valuation Date	June 30, 2022	
Actuarial Cost Method	Entry Age Normal	
Actuarial Assumptions:		
Investment Rate of Return	6.750%, net of investment expense	
Expected Remaining Service Lives	4 years	
Inflation Rate	2.50%	
Salary increases, including inflation and merit	Years of Service	Salary Growth Rate
	1-2	12.30%
	3-23	4.70%
Mortality	Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees by 115% for males and 125% for females, each with full generational projection using the MP2019 scale. Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale. Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale.	

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Cost-of-Living Adjustments

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

Cost of Living Adjustments – MPERS has the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis. Pursuant to LRS 11:242(B), the power of the Board of Trustees of the MPERS to grant a COLA is effective in calendar years that the legislature fails to grant a COLA, unless in the legislation granting a COLA, the legislature authorizes the Board of Trustees to provide an additional COLA. The authority to grant a COLA by the Board is subject to the funded status and interest earnings. The effects of the benefits changes made as a result of the COLAs is included in the measurement of the total pension liability as of the measurement date at which the ad hoc COLA was granted and the amount is known and reasonably estimable.

Discount Rate – The discount rate used to measure the Town’s total liability for MPERS plan and the significant assumptions used in the determination of the discount rate was 6.75%, which was the same rate as the prior valuation. The plan member contributions will be made at the current contribution rate and sponsor contributions will be made at the actuarially determined rates.

The discount rates used to measure the Town’s total pension liability for the pension plan is equal to the long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits. For MPERS, the long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

The target allocation and best estimates of arithmetic/geometric real rates of return for each major asset class are summarized for MPERS in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Equity	55.50%	3.60%
Fixed Income	30.50%	0.85%
Alternative	14.00%	0.95%
Other	<u>0.00%</u>	<u>0.00%</u>
Totals	100.00%	5.40%
Inflation		<u>2.66%</u>
Expected Nominal Return		<u>8.06%</u>

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Plan – Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended December 31, 2022, the Town recognized \$22,494 in pension expense related to its pension plan.

At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to its pension plan from the following sources:

	<u>Governmental Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and differences between employer contributions and proportionate share of contributions and deferred outflows and inflows of resources	\$ 265	\$ 59,562
Employer contributions subsequent to the measurement date	<u>9,544</u>	<u>-</u>
Total	<u>\$ 9,809</u>	<u>\$ 59,562</u>

As of December 31, 2021December 31, 2022, the Town had no participants in the plan. New employees were added to the plan as of December 31, 2022. Deferred outflows of resources of \$693,054 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending December 31, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

<u>Fiscal Year Ended</u>	<u>Net Amount Recognized in Pension Expense</u>
12/31/2020	\$ (23,045)
12/31/2021	(23,302)
12/31/2022	(12,950)
12/31/2023	-

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Sensitivity of the Town’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Town’s proportionate share of the net pension liability of the plan, calculated using the discount rate, as well as what the Town’s proportionate share of the net pension liability would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1.0% Decrease <u>5.750%</u>	Current Discount Rate <u>6.750%</u>	1.0% Increase <u>7.750%</u>
Employer's proportionate share of the net pension liability	\$ -	\$ -	\$ -

(14) On-Behalf Payment of Salaries

The State of Louisiana paid the Town’s policemen \$32,267 of supplemental pay during the year ended December 31, 2022. Such payments are recorded as intergovernmental revenues and public safety expenditures in the government-wide and General Fund financial statements.

(15) Litigation and Claims

At December 31, 2022, 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.

(16) 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. The Town is self-insured for boiler and machinery coverage. The risk of any excess liability is handled by purchasing commercial insurance coverage. There have been no significant reductions in insurance coverage during the year nor have settlements exceeded coverage for the past three years.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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 UMR, and the plan year ends on June 30 of each year. Under this plan, Great Midwest Insurance Company agreed to reimburse the Town for specific incurred claims related to any one covered employee or dependent which exceeds the retention by the Town, which is \$30,000. For the plan year ending June 30, 2023, Great Midwest Insurance Company will reimburse the Town for aggregate incurred claims during the period of insurance less any amounts paid with respect to the specific incurred claims. No claims will be reimbursed until all claims in excess of the specific attachment point of \$317,758 exceed a corridor of the greater of the product of the enrollment times the factors of \$24.29 per employee or the annual corridor of \$30,000. Monthly payments are calculated based on the number of employees with single coverage multiplied by a funding factor of \$566 and the number of employees with family coverage multiplied by a funding factor of \$1,770. The Town currently funds 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 \$81,610 reported in the fund at December 31, 2022 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, 2022	\$ 92,813
Insurance claims incurred for year ended December 31, 2022	396,647
Payments made for year ended December 31, 2022	<u>(407,850)</u>
Claims payable, December 31, 2022	<u>\$ 81,610</u>

Claims payable of \$81,610 at December 31, 2022 was determined as follows:

A. Claims incurred prior to December 31, 2022 and paid in January 1, 2023 through April 30, 2023	\$ 55,584
B. Provision for claims incurred but not reported	<u>26,026</u>
Total claims payable	<u>\$ 81,610</u>

The provision for claims incurred but not reported of \$26,026 was calculated utilizing historical information adjusted for current trends.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(17) 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, 2022 in the amount of \$321,962, of which \$46,633 was owed for purchases for the month of December 2022.

(18) 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, 2022 was as follows:

	<u>Gas Department</u>	<u>Water Department</u>	<u>Sewer Department</u>	<u>Total Enterprise Fund</u>
Operating revenues	\$ 841,995	\$ 683,813	\$ 597,367	\$2,123,175
Operating expenses:				
Depreciation	35,160	50,786	89,850	175,796
Other	<u>693,087</u>	<u>637,165</u>	<u>377,107</u>	<u>1,707,359</u>
Total operating expenses	<u>728,247</u>	<u>687,951</u>	<u>466,957</u>	<u>1,883,155</u>
Operating income	<u>\$ 113,748</u>	<u>\$ (4,138)</u>	<u>\$ 130,410</u>	<u>\$ 240,020</u>

(19) Compensation, Benefits and Other Payments to Mayor

A detail of compensation, benefits, and other payments made to Mayor Ricky Fontenot for the year ended December 31, 2022 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 46,200
Car allowance	2,400
Benefits - insurance	3,511
Per diem	150
Conference travel	<u>113</u>
Total	<u>\$ 52,374</u>

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(20) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended December 31, 2022 follows:

Ricky Fontenot, Mayor	\$ 48,600
Aldermen:	
Leisa Deshotel	9,000
David Brook Chapman	9,000
Derrell Wayne Thomas	9,000
Charles Reed	9,000
Robin Young	<u>9,000</u>
Total	<u>\$ 93,600</u>

(21) Interfund Receivables/Payables

A. A summary of interfund receivables and payables at December 31, 2022 follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major governmental funds:		
General Fund	\$ -	\$ 37,992
Sales Tax Fund	80,446	121,528
Proprietary funds:		
Enterprise Fund	51,102	-
Group Health Self-Insurance Internal Service Fund	<u>27,972</u>	<u>-</u>
Total	<u>\$ 159,520</u>	<u>\$ 159,520</u>

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

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

B. Transfers consisted of the following at December 31, 2022:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 1,231,324	\$ -
Sales Tax Special Revenue Fund	<u>-</u>	<u>183,311</u>
Total governmental funds	1,231,324	183,311
Proprietary funds:		
Enterprise Fund	<u>-</u>	<u>1,048,013</u>
Total	<u>\$ 1,231,324</u>	<u>\$ 1,231,324</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(22) Operating Lease Revenues

Effective January 1, 2010, the Town agreed to lease Savoy Medical Center to Savoy Medical Management Group, Inc. for an initial primary term of 5 years beginning January 1, 2010, with options for four additional terms of five years each. During 2014, it was determined that Savoy Medical Management Group, Inc. was not able to make timely payment of the rent due and owing to the Town under the lease as a result of insufficient revenue and the financial condition of the hospital. The Town acknowledged the financial condition of the hospital and Savoy Medical Management Group, Inc.'s inability to make timely payment of rent under the lease. Therefore, on December 11, 2014, the Town adopted a resolution authorizing a termination and mutual release agreement with Savoy Medical Management Group, Inc. effective January 4, 2015. This agreement provides that the Town will forgive all rent, payments, and other consideration due and owing to the Town under the lease, whether past due or current. See Note 1.A. for further discussion regarding the Special Services Agreement between Savoy Medical Management Group, Inc., the Town of Mamou, and Evangeline Clinical Services, Inc.

Under the Savoy Care Center Nursing Home agreement commencing in April 2013 and renewed in April 2018, the town received \$39,820 per month through March 2021. This agreement was renewed in April 2021 for one year at a rate of \$33,000 per month and then subsequently terminated effective December 31, 2021. The Town negotiated a new lease agreement commencing January 1, 2022, for a period of five years in which the Town will receive \$20,000 per month through December 2026.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

TOWN OF MAMOU, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 284,000	\$ 329,000	\$ 244,852	\$ (84,148)
Licenses and permits	140,000	142,000	148,966	6,966
Intergovernmental	102,500	102,000	137,623	35,623
Fines and forfeits	375,000	375,000	314,497	(60,503)
Miscellaneous	32,400	284,400	286,616	2,216
Total revenues	<u>933,900</u>	<u>1,232,400</u>	<u>1,132,554</u>	<u>(99,846)</u>
<b>Expenditures:</b>				
Current -				
General government:				
Administrative	754,000	946,000	848,857	97,143
Public safety:				
Police	920,000	1,106,000	1,081,018	24,982
Highways and streets	451,000	646,000	606,374	39,626
Culture and recreation	159,000	231,500	210,778	20,722
Judicial	33,600	26,500	48,132	(21,632)
Capital outlay	-	-	31,950	(31,950)
Total expenditures	<u>2,317,600</u>	<u>2,956,000</u>	<u>2,827,109</u>	<u>128,891</u>
Deficiency of revenues over expenditures	<u>(1,383,700)</u>	<u>(1,723,600)</u>	<u>(1,694,555)</u>	<u>29,045</u>
<b>Other financing sources (uses):</b>				
Transfers from -				
Utility Fund	485,000	1,200,000	1,048,013	(151,987)
Sales Tax Fund	400,000	300,000	183,311	(116,689)
Total other financing sources (uses)	<u>885,000</u>	<u>1,500,000</u>	<u>1,231,324</u>	<u>(268,676)</u>
Net change in fund balance	(498,700)	(223,600)	(463,231)	(239,631)
Fund balance, beginning	<u>911,949</u>	<u>911,949</u>	<u>911,949</u>	<u>-</u>
Fund balance, ending	<u>\$ 413,249</u>	<u>\$ 688,349</u>	<u>\$ 448,718</u>	<u>\$ (239,631)</u>

The accompanying notes are an integral part of this schedule.

TOWN OF MAMOU, LOUISIANA  
Sales Tax Special Revenue Fund

Budgetary Comparison Schedule  
For the Year Ended December 31, 2022

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 724,000	\$ 675,000	\$ 674,717	\$ (283)
Miscellaneous -				
Interest	1,000	500	511	11
Other	-	4,000	4,000	-
Total revenues	<u>725,000</u>	<u>679,500</u>	<u>679,228</u>	<u>(272)</u>
Expenditures:				
Current -				
General government	36,000	42,000	67,032	(25,032)
Capital outlay	<u>199,000</u>	<u>837,000</u>	<u>636,700</u>	<u>200,300</u>
Total expenditures	<u>235,000</u>	<u>879,000</u>	<u>703,732</u>	<u>175,268</u>
Excess (deficiency) of revenues over expenditures	490,000	(199,500)	(24,504)	174,996
Other financing uses:				
Transfers out	<u>(400,000)</u>	<u>(300,000)</u>	<u>(183,311)</u>	<u>116,689</u>
Net change in fund balance	90,000	(499,500)	(207,815)	291,685
Fund balances, beginning	<u>528,418</u>	<u>528,418</u>	<u>528,418</u>	<u>-</u>
Fund balances, ending	<u>\$ 618,418</u>	<u>\$ 28,918</u>	<u>\$ 320,603</u>	<u>\$ 291,685</u>

The accompanying notes are an integral part of this schedule.

TOWN OF MAMOU, LOUISIANA

Schedule of Employer's Share of Net Pension Liability  
For the Year Ended December 31, 2022 \*

Year ended December 31.	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<b>Municipal Police Employees' Retirement System of Louisiana:</b>					
2022	0.000000%	\$ -	\$ 2,826	0.0%	70.80%
2021	0.006865%	36,594	36,240	101.0%	84.09%
2020	0.011733%	108,440	36,210	299.5%	70.94%
2019	0.011604%	105,384	36,240	290.8%	71.01%
2018	0.011323%	95,725	36,240	264.1%	71.89%
2017	0.012529%	109,383	37,403	292.4%	70.08%
2016	0.012009%	112,558	33,641	334.6%	66.04%
2015	0.011899%	93,216	31,827	292.9%	70.73%

\* The amounts presented have a measurement date of June 30th of each fiscal year.

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

The accompanying notes are an integral part of this schedule.

TOWN OF MAMOU, LOUISIANA

Schedule of Employer Contributions  
For the Year Ended December 31, 2022

Year ended December 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
<b>Municipal Police Employees' Retirement System of Louisiana:</b>					
2022	\$ 10,152	\$ 9,992	\$ 160	\$ 32,485	30.76%
2021	954	954	-	2,826	33.76%
2020	12,005	12,004	1	36,240	33.12%
2019	11,723	11,733	(10)	36,210	32.40%
2018	11,416	11,416	-	36,240	31.50%
2017	11,325	11,353	(28)	36,240	31.33%
2016	11,383	10,893	490	37,115	29.35%
2015	9,660	9,684	(24)	31,670	30.58%

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

The accompanying notes are an integral part of this schedule.

TOWN OF MAMOU, LOUISIANA

Notes to Required Supplementary Information

1. 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 at the end of each 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 propose budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with 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.

2. Pension Plan

Changes in Assumptions --- Changes in assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. These assumptions include the rate of investment return, mortality of plan members, rate of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plan.

TOWN OF MAMOU, LOUISIANA

Notes to Required Supplementary Information

Amounts reported in fiscal year ended December 31, 2022 for the pension plan reflect the following changes used to measure the total pension liability.

* Year ended December 31,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase
2022	6.750%	6.750%	2.50%	4	4.70-12.30%
2021	6.750%	6.750%	2.50%	4	4.70-12.30%
2020	6.950%	6.950%	2.50%	4	4.70-12.30%
2019	7.125%	7.125%	2.50%	4	4.25-9.75%
2018	7.20%	7.20%	2.60%	4	4.25-9.75%
2017	7.325%	7.325%	2.70%	4	4.25-9.75%
2016	7.50%	7.50%	2.875%	4	4.25-9.75%
2015	7.50%	7.50%	2.875%	4	4.25-9.75%

**SUPPLEMENTARY INFORMATION**

TOWN OF MAMOU, LOUISIANA

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

	2022			2021 Totals
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Current assets:				
Cash and interest-bearing deposits	\$ 978,070	\$ 840,435	\$1,818,505	\$2,988,809
Receivables, net	68,993	272,076	341,069	323,496
Due from other governmental units	12,129	386,667	398,796	2,052,180
Inventory	-	77,122	77,122	59,544
Prepaid items	37,844	8,520	46,364	44,045
Total current assets	<u>1,097,036</u>	<u>1,584,820</u>	<u>2,681,856</u>	<u>5,468,074</u>
Noncurrent assets:				
Restricted assets -				
Cash and interest-bearing deposits	-	526,400	526,400	375,057
Land and construction in progress	283,153	5,128,324	5,411,477	3,732,690
Capital assets, net	4,246,623	1,995,711	6,242,334	6,051,373
Total noncurrent assets	<u>4,529,776</u>	<u>7,650,435</u>	<u>12,180,211</u>	<u>10,159,120</u>
Total assets	<u>5,626,812</u>	<u>9,235,255</u>	<u>14,862,067</u>	<u>15,627,194</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pensions	<u>9,809</u>	<u>-</u>	<u>9,809</u>	<u>5,139</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts and other payables	187,800	90,406	278,206	193,103
Claims payable	81,610	-	81,610	92,813
Contracts and retainage payable	-	460,517	460,517	483,744
Advances from grantors	-	-	-	527,515
Internal balances	51,102	(51,102)	-	-
Customer deposits	-	278,611	278,611	277,133
Revenue bonds	-	178,000	178,000	197,000
Accrued interest payable	-	34,718	34,718	18,796
Total current liabilities	<u>320,512</u>	<u>991,150</u>	<u>1,311,662</u>	<u>1,790,104</u>
Noncurrent liabilities:				
Net pension liability	-	-	-	36,594
Revenue bonds	-	4,474,000	4,474,000	4,603,000
Total current liabilities	<u>-</u>	<u>4,474,000</u>	<u>4,474,000</u>	<u>4,639,594</u>
Total liabilities	<u>320,512</u>	<u>5,465,150</u>	<u>5,785,662</u>	<u>6,429,698</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pensions	<u>59,562</u>	<u>-</u>	<u>59,562</u>	<u>50,336</u>
<b>NET POSITION</b>				
Net investment in capital assets	4,529,776	2,858,702	7,388,478	7,025,275
Restricted for sales tax dedications	320,603	-	320,603	528,418
Restricted for debt service	-	282,397	282,397	116,646
Unrestricted	406,168	629,006	1,035,174	1,481,960
Total net position	<u>\$5,256,547</u>	<u>\$3,770,105</u>	<u>\$9,026,652</u>	<u>\$9,152,299</u>

TOWN OF MAMOU, LOUISIANA

Balance Sheet  
Governmental Funds  
December 31, 2022

With Comparative Amounts as of December 31, 2021

	2022			2021
	General	Sales Tax Special Revenue	Total	
<b>ASSETS</b>				
Cash and interest-bearing deposits	\$ 597,533	\$ 364,165	\$ 961,698	\$1,540,118
Receivables:				
Taxes	67,345	-	67,345	99,010
Other	1,648	-	1,648	3,913
Due from other funds	-	80,446	80,446	165,038
Due from other governmental units	12,129	-	12,129	10,968
Total assets	<u>\$ 678,655</u>	<u>\$ 444,611</u>	<u>\$1,123,266</u>	<u>\$1,819,047</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities:				
Accounts and other payables	\$ 172,363	\$ 2,480	\$ 174,843	\$ 125,265
Compensated absences payable	12,957	-	12,957	16,242
Due to other funds	37,992	121,528	159,520	209,156
Total liabilities	<u>223,312</u>	<u>124,008</u>	<u>347,320</u>	<u>350,663</u>
Deferred inflows of resources:				
Unavailable revenue	6,625	-	6,625	28,017
Fund balances -				
Restricted - operations and maintenance	-	218,807	218,807	401,523
Restricted - capital expenditures	-	6,327	6,327	25,123
Restricted - industry and tourism inducement	-	95,469	95,469	101,772
Unassigned	448,718	-	448,718	911,949
Total fund balances	<u>448,718</u>	<u>320,603</u>	<u>769,321</u>	<u>1,440,367</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 678,655</u>	<u>\$ 444,611</u>	<u>\$1,123,266</u>	<u>\$1,819,047</u>

TOWN OF MAMOU, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds

For the Year Ended December 31, 2022

With Comparative Actual Amounts for the Year Ended December 31, 2021

	2022			2021
	General	Sales Tax Special Revenue	Total	
Revenues:				
Taxes	\$ 244,852	\$ 674,717	\$ 919,569	\$ 1,034,157
Licenses and permits	148,966	-	148,966	138,494
Intergovernmental	137,623	-	137,623	119,846
Fines and forfeits	314,497	-	314,497	335,052
Miscellaneous	286,616	4,511	291,127	449,722
Total revenues	<u>1,132,554</u>	<u>679,228</u>	<u>1,811,782</u>	<u>2,077,271</u>
Expenditures:				
Current -				
General government:				
Administrative	848,857	67,032	915,889	812,191
Public safety:				
Police	1,081,018	-	1,081,018	957,414
Highways and streets	606,374	-	606,374	477,966
Culture and recreation	210,778	-	210,778	164,752
Judicial	48,132	-	48,132	39,613
Capital outlay	31,950	636,700	668,650	260,794
Total expenditures	<u>2,827,109</u>	<u>703,732</u>	<u>3,530,841</u>	<u>2,712,730</u>
Deficiency of revenues over expenditures	<u>(1,694,555)</u>	<u>(24,504)</u>	<u>(1,719,059)</u>	<u>(635,459)</u>
Other financing sources (uses):				
Transfers in	1,231,324	-	1,231,324	1,112,975
Transfers out	-	(183,311)	(183,311)	(518,390)
Total other financing sources (uses)	<u>1,231,324</u>	<u>(183,311)</u>	<u>1,048,013</u>	<u>594,585</u>
Net changes in fund balances	(463,231)	(207,815)	(671,046)	(40,874)
Fund balances, beginning	<u>911,949</u>	<u>528,418</u>	<u>1,440,367</u>	<u>1,481,241</u>
Fund balances, ending	<u>\$ 448,718</u>	<u>\$ 320,603</u>	<u>\$ 769,321</u>	<u>\$ 1,440,367</u>

TOWN OF MAMOU, LOUISIANA

Comparative Statement of Net Position  
 Proprietary Funds  
 December 31, 2022 and 2021

ASSETS	Business-type Activities - Enterprise Fund		Governmental Activities - Internal Service Fund	
	2022	2021	2022	2021
Current assets:				
Cash and interest-bearing deposits	\$ 840,435	\$ 1,447,074	\$ 16,372	\$ 1,617
Receivables -				
Accounts, net	171,221	163,239	-	-
Unbilled utility receivables	95,501	51,959	-	-
Accrued interest receivable	68	55	-	-
Other	5,286	5,320	-	-
Due from other funds	51,102	16,507	27,972	27,611
Due from other governmental agencies	386,667	2,041,212	-	-
Inventory - natural gas	77,122	59,544	-	-
Prepaid items	8,520	8,547	-	-
Total current assets	<u>1,635,922</u>	<u>3,793,457</u>	<u>44,344</u>	<u>29,228</u>
Noncurrent assets:				
Restricted assets -				
Cash and interest-bearing deposits	526,400	375,057	-	-
Land and construction in progress	5,128,324	3,449,537	-	-
Capital assets, net	1,995,711	2,064,957	-	-
Total noncurrent assets	<u>7,650,435</u>	<u>5,889,551</u>	<u>-</u>	<u>-</u>
Total assets	<u>9,286,357</u>	<u>9,683,008</u>	<u>44,344</u>	<u>29,228</u>
LIABILITIES				
Current liabilities (payable from current assets):				
Accounts and other payables	82,637	47,790	-	-
Compensated absences payable	7,769	3,806	-	-
Claims payable	-	-	81,610	92,813
Advances from grantors	-	527,515	-	-
Contracts and retainage payable	460,517	483,744	-	-
Total	<u>550,923</u>	<u>1,062,855</u>	<u>81,610</u>	<u>92,813</u>
Current liabilities (payable from restricted assets):				
Customer deposits	278,611	277,133	-	-
Revenue bonds	178,000	197,000	-	-
Accrued interest payable	34,718	18,796	-	-
Total	<u>491,329</u>	<u>492,929</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>1,042,252</u>	<u>1,555,784</u>	<u>81,610</u>	<u>92,813</u>
Noncurrent liabilities:				
Revenue bonds	4,474,000	4,603,000	-	-
Total liabilities	<u>5,516,252</u>	<u>6,158,784</u>	<u>81,610</u>	<u>92,813</u>
NET POSITION				
Net investment in capital assets	2,858,702	2,755,706	-	-
Restricted for debt service	282,397	116,646	-	-
Unrestricted	629,006	651,872	(37,266)	(63,585)
Total net position	<u>\$ 3,770,105</u>	<u>\$ 3,524,224</u>	<u>\$ (37,266)</u>	<u>\$ (63,585)</u>

TOWN OF MAMOU, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

Years Ended December 31, 2022 and 2021

	Business-type Activities-		Governmental Activities-	
	Enterprise Fund		Internal Service Fund	
	2022	2021	2022	2021
Operating revenues:				
Charges for services	\$ 2,028,456	\$ 1,863,106	\$ 580,144	\$ 455,037
Permits, reconnections and penalties	64,227	59,104	-	-
Miscellaneous	30,492	23,462	-	-
Total operating revenues	<u>2,123,175</u>	<u>1,945,672</u>	<u>580,144</u>	<u>455,037</u>
Operating expenses:				
Gas department expenses	693,087	459,422	-	-
Water department expenses	637,165	456,473	-	-
Sewerage department expenses	377,107	330,047	-	-
Depreciation expense	175,796	174,443	-	-
Self insurance expenses	-	-	553,825	568,006
Total operating expenses	<u>1,883,155</u>	<u>1,420,385</u>	<u>553,825</u>	<u>568,006</u>
Operating income (loss)	240,020	525,287	26,319	(112,969)
Nonoperating revenues (expenses):				
Interest income	1,899	2,159	-	-
Interest expense	(87,720)	(89,196)	-	-
Total nonoperating revenues	<u>(85,821)</u>	<u>(87,037)</u>	<u>-</u>	<u>-</u>
Income (loss) before contributions and transfers	154,199	438,250	26,319	(112,969)
Capital contributions	<u>1,139,695</u>	<u>249,085</u>	<u>-</u>	<u>-</u>
Income (loss) before transfers	1,293,894	687,335	26,319	(112,969)
Transfers out	<u>(1,048,013)</u>	<u>(594,585)</u>	<u>-</u>	<u>-</u>
Change in net position	245,881	92,750	26,319	(112,969)
Net position, beginning	<u>3,524,224</u>	<u>3,431,474</u>	<u>(63,585)</u>	<u>49,384</u>
Net position, ending	<u>\$ 3,770,105</u>	<u>\$ 3,524,224</u>	<u>\$ (37,266)</u>	<u>\$ (63,585)</u>

TOWN OF MAMOU, LOUISIANA  
Enterprise Fund  
Utility Fund

Departmental Analysis of Revenues and Expenses  
Years Ended December 31, 2022 and 2021

	Totals		Gas		Water		Sewer	
	2022	2021	2022	2021	2022	2021	2022	2021
Operating revenues:								
Customers service charges	\$2,028,456	\$1,863,106	\$ 769,042	\$ 612,871	\$ 672,974	\$ 678,575	\$ 586,440	\$ 571,660
Permits, reconnections and penalties	64,227	59,104	54,133	49,960	10,094	9,144	-	-
Miscellaneous	30,492	23,462	18,820	9,678	745	3,395	10,927	10,389
Total operating revenues	<u>2,123,175</u>	<u>1,945,672</u>	<u>841,995</u>	<u>672,509</u>	<u>683,813</u>	<u>691,114</u>	<u>597,367</u>	<u>582,049</u>
Operating expenses:								
Salaries	355,405	249,600	112,529	62,882	164,937	123,986	77,939	62,732
Payroll taxes	29,408	20,995	9,286	5,550	13,606	9,969	6,516	5,476
Group Insurance	126,000	87,750	34,364	19,500	68,727	19,500	22,909	48,750
Gas purchased	321,962	189,750	321,962	189,750	-	-	-	-
Maintenance and supplies	502,382	373,182	129,725	117,409	232,634	161,907	140,023	93,866
Safe water drinking fee	14,150	19,081	-	-	14,150	19,081	-	-
Lab fees	9,362	9,717	-	-	-	-	9,362	9,717
Depreciation expense	175,796	174,443	35,160	35,550	50,786	53,385	89,850	85,508
Utilities	145,636	140,368	4,717	4,509	81,679	74,914	59,240	60,945
Telephone	8,277	10,338	4,799	6,201	2,341	1,791	1,137	2,346
Truck operation	50,003	32,284	15,901	10,583	17,167	13,125	16,935	8,576
Bad debt expense	1,142	4,078	485	1,723	387	1,427	270	928
Insurance	53,481	46,749	16,268	14,070	19,352	16,746	17,861	15,933
Miscellaneous	24,313	13,560	8,050	1,084	3,977	2,372	12,286	10,104
Professional fees	50,191	39,310	25,033	20,721	13,558	9,674	11,600	8,915
Training	15,647	9,180	9,968	5,440	4,650	1,981	1,029	1,759
Total operating expenses	<u>1,883,155</u>	<u>1,420,385</u>	<u>728,247</u>	<u>494,972</u>	<u>687,951</u>	<u>509,858</u>	<u>466,957</u>	<u>415,555</u>
Operating income (loss)	<u>\$ 240,020</u>	<u>\$ 525,287</u>	<u>\$ 113,748</u>	<u>\$ 177,537</u>	<u>\$ (4,138)</u>	<u>\$ 181,256</u>	<u>\$ 130,410</u>	<u>\$ 166,494</u>

TOWN OF MAMOU, LOUISIANA

Justice System Funding Schedule - Collecting/Disbursing Entity  
 As Required by Act 87 of the 2020 Regular Legislative Session  
 Cash Basis Presentation  
 For the Year Ended December 31, 2022

	First Six Month Period Ended <u>6/30/2022</u>	Second Six Month Period Ended <u>12/31/2022</u>
Beginning balance of amounts collected (i.e. cash on hand)	\$ -	\$ -
Add: Collections		
Bond fees	19,575	5,800
Criminal fines - other	<u>188,524</u>	<u>104,106</u>
Subtotal collections	<u>208,099</u>	<u>109,906</u>
Less: Disbursements to governments & nonprofits:		
Louisiana Traumatic Head and Spinal Cord Injury Trust Fund, criminal fines - other	2,450	2,220
Louisiana Commission on Law Enforcement Crime Victims Reparation Fund, criminal fines - other	1,788	1,167
Louisiana Supreme Court - Louisiana Judicial College, criminal fines - other	433	292
Treasurer, State of Louisiana - Trail Court Case Management Information System, criminal fines - other	2,598	1,752
Acadiana Criminalistics Laboratory Commission, criminal fines - other	23,854	17,768
Less: Amounts retained by collecting agency		
Criminal fines - other	<u>176,976</u>	<u>86,707</u>
Subtotal disbursements/retainage	<u>208,099</u>	<u>109,906</u>
Total: Ending balance of amounts collected but not disbursed/retained (i.e. cash on hand)	<u>\$ -</u>	<u>\$ -</u>

TOWN OF MAMOU, LOUISIANA

Combined Schedule of Interest-Bearing Deposits - All Funds  
December 31, 2022

		<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Total Book Value</u>
Major Governmental Funds:				
General Fund -				
Savings Account - Hospital Revenue	(J)	0.30%	N/A	\$ 319,645
Interest-bearing checking - General	(J)	0.10%	N/A	101,252
Interest-bearing checking - Payroll	(J)	0.05%	N/A	33,986
Interest-bearing checking - Insurance Contingency	(S)	0.10%	N/A	<u>80,341</u>
Total General Fund				<u>535,224</u>
Special Revenue Funds -				
Sales Tax Fund				
Interest-bearing checking - Sales Tax Fund	(S)	0.25%	N/A	349,139
Interest-bearing checking - Construction Account	(S)	0.05%	N/A	<u>15,026</u>
Total Sales Tax Fund				<u>364,165</u>
Total Governmental Funds				<u>899,389</u>
Proprietary Fund:				
Utility Fund:				
Operating Account -				
Interest-bearing checking	(C)	0.10%	N/A	559,842
Certificate of Deposit	(J)	0.60%	10/15/23	50,330
Water Revenue Fund -				
Interest-bearing checking	(S)	0.25%	N/A	61,416
Interest-bearing checking	(S)	0.05%	N/A	34,363
Interest-bearing checking	(S)	0.25%	N/A	116,474
Interest-bearing checking	(S)	0.25%	N/A	96,842
Meter Deposit Fund -				
Certificate of Deposit	(S)	0.20%	07/28/23	186,613
Interest-bearing checking	(J)	0.10%	N/A	<u>259,904</u>
Total Proprietary Fund				<u>1,365,784</u>
Total Interest-bearing Deposits - All Funds				<u>\$2,265,173</u>

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

(C) Investar Bank, Ville Platte, Louisiana

(J) JD Bank, Mamou, Louisiana

(S) Sabine State Bank, Many, Louisiana

## **OTHER INFORMATION**

TOWN OF MAMOU, LOUISIANA  
General Fund

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

	2022		Actual	Variance with Final Budget Positive (Negative)	2021 Actual
	Budget				
	Original	Final			
Taxes:					
Ad valorem	\$ 175,000	\$ 175,000	\$ 86,494	\$ (88,506)	\$ 177,962
Franchise -					
Electric	95,000	143,000	147,828	4,828	116,780
Telephone	6,000	4,000	3,925	(75)	6,168
Cable TV	8,000	7,000	6,605	(395)	8,143
Total taxes	<u>284,000</u>	<u>329,000</u>	<u>244,852</u>	<u>(84,148)</u>	<u>309,053</u>
Licenses and permits:					
Occupational licenses	140,000	142,000	142,766	766	137,544
Permits	-	-	6,200	6,200	950
Total licenses and permits	<u>140,000</u>	<u>142,000</u>	<u>148,966</u>	<u>6,966</u>	<u>138,494</u>
Intergovernmental:					
State of Louisiana -					
Beer taxes	6,500	6,000	5,906	(94)	5,109
Highway maintenance	5,000	5,000	5,000	-	5,000
State grants	20,000	-	32,267	32,267	29,449
Housing of state prisoners	65,000	91,000	94,450	3,450	74,288
Housing Authority	6,000	-	-	-	6,000
Total intergovernmental	<u>102,500</u>	<u>102,000</u>	<u>137,623</u>	<u>35,623</u>	<u>119,846</u>
Fines and forfeits:					
Fines and court costs	375,000	375,000	314,497	(60,503)	335,052
Total fines, forfeits, etc.	<u>375,000</u>	<u>375,000</u>	<u>314,497</u>	<u>(60,503)</u>	<u>335,052</u>
Miscellaneous:					
Interest	1,400	1,400	1,272	(128)	1,415
Nursing home lease revenue	-	240,000	240,000	-	376,640
Recreation complex	-	13,000	14,225	1,225	11,525
Other sources	31,000	30,000	31,119	1,119	59,469
Total miscellaneous	<u>32,400</u>	<u>284,400</u>	<u>286,616</u>	<u>2,216</u>	<u>449,049</u>
Total revenues	<u>\$ 933,900</u>	<u>\$ 1,232,400</u>	<u>\$ 1,132,554</u>	<u>\$ (99,846)</u>	<u>\$ 1,351,494</u>

TOWN OF MAMOU, LOUISIANA  
General Fund

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

	2022			Variance with Final Budget Positive (Negative)	2021 Actual
	Budget		Actual		
	Original	Final			
Current:					
General government -					
Administrative:					
Mayor and council salaries	\$ 93,600	\$ 93,600	\$ 93,600	\$ -	\$ 93,600
Other salaries and wages	254,400	267,400	257,039	10,361	254,917
Group insurance	75,000	75,000	68,728	6,272	58,500
Insurance	46,000	46,000	24,911	21,089	21,565
Payroll taxes	30,000	30,000	31,646	(1,646)	30,909
Materials and supplies	40,000	72,000	56,425	15,575	48,785
Advertisements and recordings	5,000	5,000	5,414	(414)	12,186
Legal fees	5,000	8,000	5,829	2,171	3,698
Accounting and auditing	60,000	60,000	11,530	48,470	12,485
Professional fees	95,000	107,000	129,647	(22,647)	87,410
Miscellaneous	13,000	43,000	47,675	(4,675)	19,299
Utilities and telephone	26,000	30,000	28,101	1,899	22,667
Repairs and maintenance	9,000	104,000	84,998	19,002	111,715
Training	2,000	5,000	3,314	1,686	646
Total administrative	<u>754,000</u>	<u>946,000</u>	<u>848,857</u>	<u>97,143</u>	<u>778,382</u>
Public safety -					
Police:					
Salaries	480,000	562,000	569,674	(7,674)	490,477
Payroll taxes	40,000	50,000	46,176	3,824	41,586
Retirement contribution	-	10,000	9,992	8	954
Group insurance	90,000	90,000	91,636	(1,636)	107,250
Utilities and telephone	22,000	30,000	29,172	828	22,207
Insurance	100,000	100,000	89,899	10,101	75,052
Auto	35,000	70,000	71,258	(1,258)	45,579
Gas and repairs	30,000	25,000	15,098	9,902	33,483
Professional fees	4,000	4,000	2,500	1,500	1,540
Court and lab fees	53,000	63,000	54,322	8,678	51,642
Miscellaneous	26,000	39,000	37,208	1,792	26,234
Supplies	40,000	50,000	53,802	(3,802)	56,012
Training	-	13,000	10,281	2,719	5,398
Total police department	<u>920,000</u>	<u>1,106,000</u>	<u>1,081,018</u>	<u>24,982</u>	<u>957,414</u>

(continued)

TOWN OF MAMOU, LOUISIANA  
General Fund

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

	2022			Variance with Final Budget Positive (Negative)	2021 Actual
	Budget		Actual		
	Original	Final			
Highways and streets -					
Salaries	168,000	224,000	209,984	14,016	148,747
Payroll taxes	-	-	17,964	(17,964)	12,493
Maintenance and supplies	69,000	174,000	147,158	26,842	133,234
Lighting	70,000	77,000	79,157	(2,157)	64,742
Group insurance	-	-	68,727	(68,727)	48,750
Telephone	4,000	4,000	2,866	1,134	3,680
Insurance	120,000	120,000	39,910	80,090	32,860
Miscellaneous	10,000	10,000	8,221	1,779	15,135
Auto	10,000	36,000	31,154	4,846	17,745
Equipment rental	-	-	649	(649)	563
Professional fees	-	1,000	584	416	17
Total highways and streets	<u>451,000</u>	<u>646,000</u>	<u>606,374</u>	<u>39,626</u>	<u>477,966</u>
Culture and recreation -					
Salaries	8,500	10,000	9,698	302	8,308
Payroll taxes	-	-	688	(688)	609
Repairs and maintenance	35,000	59,000	48,150	10,850	39,490
Materials and supplies	17,000	31,000	30,248	752	28,420
Auto	500	500	324	176	46
Utilities and telephone	53,000	74,000	72,529	1,471	49,137
Insurance	38,000	39,000	30,966	8,034	27,842
Miscellaneous	7,000	18,000	18,175	(175)	10,900
Total culture and recreation	<u>159,000</u>	<u>231,500</u>	<u>210,778</u>	<u>20,722</u>	<u>164,752</u>
Judicial -					
Salaries	17,000	17,500	17,407	93	14,566
Payroll taxes	-	-	1,289	(1,289)	1,202
Insurance	100	1,000	112	888	93
Group insurance	-	-	22,909	(22,909)	9,750
Materials and supplies	4,000	5,000	5,221	(221)	3,087
Telephone	2,000	2,000	1,084	916	1,748
Professional fees	10,000	-	-	-	9,000
Miscellaneous	500	1,000	110	890	167
Total judicial	<u>33,600</u>	<u>26,500</u>	<u>48,132</u>	<u>(21,632)</u>	<u>39,613</u>

(continued)

TOWN OF MAMOU, LOUISIANA  
General Fund

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

	2022			Variance with Final Budget Positive (Negative)	2021 Actual
	Budget		Actual		
	Original	Final			
Capital outlay:					
Public safety -					
Vehicles and equipment	-	-	31,950	(31,950)	5,000
Total capital outlay	-	-	31,950	(31,950)	5,000
Total expenditures	<u>\$2,317,600</u>	<u>\$2,956,000</u>	<u>\$2,827,109</u>	<u>\$128,891</u>	<u>\$2,423,127</u>

TOWN OF MAMOU, LOUISIANA  
Special Revenue Fund  
Sales Tax Fund

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

	2022				
	Budget		Actual	Variance with Final Budget Positive (Negative)	2021 Actual
	Original	Final			
Revenues:					
Taxes	\$ 724,000	\$ 675,000	\$ 674,717	\$ (283)	\$ 725,104
Miscellaneous:					
Interest	1,000	500	511	11	673
Other	-	4,000	4,000	-	-
Total revenues	<u>725,000</u>	<u>679,500</u>	<u>679,228</u>	<u>(272)</u>	<u>725,777</u>
Expenditures:					
Current -					
General government:					
Audit and accounting	-	-	9,105	(9,105)	9,615
Miscellaneous	14,480	13,500	13,360	140	14,423
Industry and tourism inducement	<u>21,520</u>	<u>28,500</u>	<u>44,567</u>	<u>(16,067)</u>	<u>9,771</u>
Total general government	<u>36,000</u>	<u>42,000</u>	<u>67,032</u>	<u>(25,032)</u>	<u>33,809</u>
Capital outlay -					
General government:					
Improvements and equipment	60,000	65,000	64,012	988	51,886
Public safety:					
Vehicles and equipment	55,000	125,000	122,999	2,001	43,119
Highways and streets:					
Street and drainage improvements	-	430,000	308,569	121,431	57,871
Vehicles and equipment	39,000	132,000	51,265	80,735	-
Culture and recreation:					
Recreation department	25,000	35,000	50,795	(15,795)	62,135
Recreation complex	5,000	5,000	2,650	2,350	40,783
Utility department	<u>15,000</u>	<u>45,000</u>	<u>36,410</u>	<u>8,590</u>	<u>-</u>
Total capital outlay	<u>199,000</u>	<u>837,000</u>	<u>636,700</u>	<u>191,710</u>	<u>255,794</u>
Total expenditures	<u>235,000</u>	<u>879,000</u>	<u>703,732</u>	<u>175,268</u>	<u>289,603</u>
Excess (deficiency) of revenues over expenditures	<u>490,000</u>	<u>(199,500)</u>	<u>(24,504)</u>	<u>174,996</u>	<u>436,174</u>
Other financing uses:					
Transfers out	<u>(400,000)</u>	<u>(300,000)</u>	<u>(183,311)</u>	<u>116,689</u>	<u>(518,390)</u>
Net change in fund balance	90,000	(499,500)	(207,815)	291,685	(82,216)
Fund balance, beginning	<u>528,418</u>	<u>528,418</u>	<u>528,418</u>	<u>-</u>	<u>610,634</u>
Fund balance, ending	<u>\$ 618,418</u>	<u>\$ 28,918</u>	<u>\$ 320,603</u>	<u>\$ 291,685</u>	<u>\$ 528,418</u>

TOWN OF MAMOU, LOUISIANA  
Enterprise Fund  
Utility Fund

Schedule of Number of Utility Customers  
(Unaudited)  
December 31, 2022

Records maintained by the Town indicated the following number of customers were being serviced during the month of December 31, 2022 and 2021:

<u>Department</u>	<u>2022</u>	<u>2021</u>
Gas (metered)	831	847
Water	1,630	1,642
Sewerage	1,213	1,242

TOWN OF MAMOU, LOUISIANA

Schedule of Insurance In Force  
(Unaudited)  
December 31, 2022

Description of Coverage	Coverage Amounts
Workmen's compensation -	Statutory
Employer's liability- policy limit	500,000
Bodily injury by accident	100,000
Bodily injury by disease	100,000
Surety bonds -	
Fidelity bond	150,000
Commercial general liability	500,000
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 and contents	5,686,800
Vehicle physical damage	338,500

**INTERNAL CONTROL,  
COMPLIANCE, AND  
OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

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C. Burton Kolder, CPA\*  
Of Counsel

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

WWW.KCSRCPAS.COM

Victor R. Slaven, CPA\* - retired 2020  
Christine C. Doucet, CPA - retired 2022

\* A Professional Accounting Corporation

The Honorable Leisa Deshotel, Mayor  
and Members of the Board of Aldermen  
Town of Mamou, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund other than the Savoy Medical Management Group, Inc. Fund, and the aggregate remaining fund information of the Town of Mamou, Louisiana (the Town), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated June 5, 2023. The opinion on the Town's business-type activities was qualified because the financial statements do not include financial data of the Savoy Medical Management Group, Inc. Fund, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the omitted fund.

### Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2022-002.

## **Town of Mamou, Louisiana's Response to Findings**

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

## **Purpose of this Report**

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

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

Lafayette, Louisiana  
June 5, 2023

# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Honorable Leisa Deshotel, Mayor,  
and Members of the Board of Aldermen  
Town of Mamou, Louisiana

### Report on Compliance for Each Major Federal Program

#### *Opinion on Each Major Federal Program*

We have audited the Town of Mamou, Louisiana's (Town) compliance with the types of compliance requirements identified as subject to audit in the in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2022. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

#### *Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town's federal programs.

### ***Auditor's Responsibility for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

### **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose; however, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

Lafayette, Louisiana  
June 5, 2023

TOWN OF MAMOU, LOUISIANA

Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2022

Federal Grantor / Pass-Through Grantor / Program Name	Assistance Listing Number	<u>Expenditures</u>
<u>U.S. Environmental Protection Agency</u>		
Passed-through State of Louisiana Department of Health and Hospitals:		
Drinking Water State Revolving Fund Cluster - Capitalization Grants for Drinking Water State Revolving Funds	66.468	\$ 1,631,318
<u>United States Department of Treasury</u>		
Passed-through the State of Louisiana Division of Administration:		
Coronavirus State and Local Fiscal Recovery Funds - COVID-19	21.027	<u>1,105,054</u>
TOTAL FEDERAL EXPENDITURES		<u>\$ 2,736,372</u>

The accompanying notes are an integral part of this schedule.

TOWN OF MAMOU, LOUISIANA

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2022

(1) Basis of Accounting

The accompanying schedule of expenditures of federal awards (the schedule) presents the activity of all federal financial assistance programs of the Town of Mamou, Louisiana (the Town). The Town's reporting entity is defined in Note 1 to the financial statements for the year ended December 31, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town.

(2) Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Town of Mamou, Louisiana has not elected to use the 10 percent *de minimus* indirect cost rate as allowed under the Uniform Guidance.

(3) Subrecipients

The Town provided no federal awards to subrecipients.

(4) Loan Balance

Loan balance outstanding at December 31, 2022 under the Capitalization Grants for Drinking Water State Revolving Funds (66.468) was \$4,652,000.

TOWN OF MAMOU, LOUISIANA

Schedule of Findings and Questioned Costs  
Year Ended December 31, 2022

Part I. Summary of Auditor's Results

*Financial Statements*

1. Type of auditor's opinion issued on financial statements:

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-type Activities	Qualified
General Fund	Unmodified
Sales Tax Special Revenue Fund	Unmodified
Utility Enterprise Fund	Unmodified
Savoy Medical Management Group, Inc.	Adverse
Aggregate Remaining Fund Information	Unmodified

2. Internal control over financial reporting:

Material weakness(es) identified?            yes   x   no  
 Significant deficiency(ies) identified?   x   yes   x   no

3. Noncompliance material to the financial statements?   x   yes            no

*Federal Awards*

4. Internal control over major federal programs:

Material weakness(es) identified?            yes   x   no  
 Significant deficiency(ies) identified?            yes   x   no

5. Major programs and type of auditor's report issued:

<u>Assistance Listing Number</u>	<u>Federal Agency and Name of Major Program</u>	<u>Type of Opinion</u>
21.027	<u>U.S. Department of Treasury</u> Coronavirus State and Local Fiscal Recovery Funds - COVID-19	Unmodified

6. Audit findings required to be reported in accordance with 2 CFR §200.516(a)?            yes   x   no

7. Threshold for distinguishing type A and B programs?            \$   750,000  

8. Qualified as a low-risk auditee?            yes   x   no

*Other*

9. Management letter issued?            yes   x   no

TOWN OF MAMOU, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended December 31, 2022

Part II. Findings reported in accordance with Government Auditing Standards

A. Internal Control over Financial Reporting –

2022-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: 2022

CONDITION: The Town did not have adequate segregation of functions with respect to the preparation of the daily deposits and delivery of deposits to the bank.

CRITERIA: AU-C§315.04, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, defines internal control as follows:

“Internal control is a process, effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.”

CAUSE: The cause of the condition is the fact that the Town does not have a sufficient number of individuals performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties relative to the preparation of the daily deposits and delivery of deposits to the bank. This lack of segregation also caused many deposits to be made weeks after the day the Town received the funds.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Management should evaluate the cost vs. benefit of complete segregation and whenever possible, reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) record keeping; and (4) reconciliation.

MANAGEMENT’S CORRECTIVE ACTION PLAN: The Town will implement procedures to ensure adequate segregation of duties relative to the preparation of the daily deposits and the delivery of deposits to the bank.

B. Compliance –

2022-002 Noncompliance with Budget Act

Fiscal year finding initially occurred: 2022

CONDITION: The Town did not comply with the provisions of LSA-RS 39:1311(A)(1)&(2) with respect to the General Fund. Total revenues failed to meet budgeted revenues in the General Fund by 8% or \$99,846.

TOWN OF MAMOU, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended December 31, 2022

CRITERIA: LSA-RS 39:1311(A)(1)&(2) states that when total actual revenues and other sources or expenditures and other uses plus projected revenues and other sources or expenditures and other uses for the remainder of the year are failing to meet or exceeding the total budgeted amounts by five percent or more, the budget must be amended.

CAUSE: The Town failed to properly monitor General Fund activity by not adequately amending the General Fund budget.

EFFECT: The Town may not prevent and/or detect compliance violations due to revenue shortfalls or over expenditures of the appropriated budget, and/or errors or irregularities on a timely basis.

RECOMMENDATION: The Town should periodically compare actual activity to budgeted amounts and adopt budgetary amendments as necessary to ensure compliance with state statutes.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town will implement policies to ensure that actual activity is periodically compared to budgeted amounts and budgetary amendments are adopted as necessary.

Part III. Findings and questioned costs for Federal Awards defined in the Uniform Guidance

There were no items to be reported under this section.

**CORRECTIVE ACTION PLAN**

**APPENDIX A**

# TOWN OF MAMOU

**LEISA DESHOTEL**  
MAYOR

**SANDREZ WEST**  
CLERK/TREASURER

**NICOLE GIL**  
TOWN ATTORNEY

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**RICARDO GOODLEY**  
ALDERMAN-AT-LARGE  
**DERRELL THOMAS**  
DISTRICT #1  
**BROOK CHAPMAN**  
DISTRICT #2  
**EUGENE MANUEL**  
DISTRICT #3  
**ROBIN YOUNG**  
DISTRICT #4

## CORRECTIVE ACTION PLAN

U.S. Department of Treasury

The Town of Mamou, Louisiana respectfully submits the following corrective action plan for the year ended December 31, 2022.

Name and address of independent public accounting firm:

Kolder, Slaven, & Company, LLC  
434 East Main Street  
Ville Platte, LA 70586

Audit period: December 31, 2022

The findings from the December 31, 2022 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

### **FINDINGS – FINANCIAL STATEMENT AUDIT**

#### **2022-001**

#### **SIGNIFICANT DEFICIENCY**

*Recommendation:* The Town did not have adequate segregation of functions with respect to the preparation of the daily deposits and delivery of deposits to the bank. Management should evaluate the cost vs. benefit of complete segregation and whenever possible, reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) record keeping; and (4) reconciliation.

*Action Taken:* The Town will implement procedures to ensure adequate segregation of duties relative to the preparation of the daily deposits and the delivery of deposits to the bank.

**2022-002**

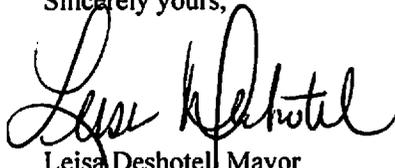
**COMPLIANCE**

*Recommendation:* The Town did not comply with the provisions of LSA-RS 39:1311(A)(1)&(2) with respect to the General Fund. Total revenues failed to meet budgeted revenues in the General Fund by 23% or \$339,846. The Town should periodically compare actual activity to budgeted amounts and adopt budgetary amendments as necessary to ensure compliance with state statutes.

*Action Taken:* The Town will implement policies to ensure that actual activity is periodically compared to budgeted amounts and budgetary amendments are adopted as necessary.

If the U.S. Department of Treasury has questions regarding this plan, please call Leisa Deshotel, Mayor, at 337-468-3272.

Sincerely yours,



Leisa Deshotel, Mayor  
Town of Mamou, Louisiana

**TOWN OF MAMOU, LOUISIANA**  
**Statewide Agreed-Upon Procedures Report**  
**Year Ended December 31, 2022**

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management of the  
Town of Mamou, Louisiana  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. The Town of Mamou, Louisiana's management is responsible for those C/C areas identified in the SAUPs.

The Town of Mamou, Louisiana has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### 1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - ii. **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
  - iii. **Disbursements**, including processing, reviewing, and approving.
  - iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

## **2) Board or Finance Committee**

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
  - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
  - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

### ***3) Bank Reconciliations***

---

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

### ***4) Collections (excluding electronic funds transfers)***

---

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
- i. Employees responsible for cash collections do not share cash drawers/registers;
  - ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
  - iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
  - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v. Trace the actual deposit per the bank statement to the general ledger.

***5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)***

---

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
  - ii. At least two employees are involved in processing and approving payments to vendors;
  - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
  - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
  - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
  - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity; and
  - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

## ***6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)***

---

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and
  - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials such as the mayor of a Lawrason Act municipality, should not be reported; and
  - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

## ***7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

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- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
  - i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));
  - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
  - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
  - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**8) Contracts (No contracts initiated or renewed during the year)**

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- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
  - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
  - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was documented approval); and
  - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

**9) Payroll and Personnel**

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- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
  - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
  - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
  - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

### ***10) Ethics***

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
  - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
  - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

### ***11) Debt Service***

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- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

### ***12) Fraud Notice***

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- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

### ***13) Information Technology Disaster Recovery/Business Continuity***

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- A. Perform the following procedures:
  - i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week (b) was not stored on the government's local server or network, and (c) was encrypted.
  - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

#### ***14) Prevention of Sexual Harassment***

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
  - ii. Number of sexual harassment complaints received by the agency;
  - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
  - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - v. Amount of time it took to resolve each complaint.

## Exceptions:

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No exceptions were found as a result of applying the procedures listed above except:

### Written Policies and Procedures

1. The Town's written policies and procedures do not include sufficient information regarding the approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

*Management's response:* The Town will update the written policies and procedures to include sufficient information regarding the approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

2. The Town's written policies and procedures do not include sufficient information regarding standard terms and conditions for written contracts and how contracts are monitored.

*Management's response:* The Town will establish written policies and procedures to include information regarding standard terms and conditions for written contracts and how contracts are monitored.

3. The Town's written policies and procedures do not include sufficient information regarding continuing disclosure/EMMA reporting requirements, debt reserve requirements, and debt service requirements.

*Management's response:* The Town will update the written policies and procedures to include information regarding the continuing disclosure/EMMA reporting requirements, debt reserve requirements, and debt service requirements.

### Bank Reconciliations

4. For 4 out of the 5 bank reconciliations tested, management did not have documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

*Management's response:* The Town will ensure that they have documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

### Collections (excluding electronic fund transfers)

5. The employee responsible for collecting cash is also responsible for preparing/making bank deposits; however, another employee is responsible for reconciling collection documentation to the deposit.

*Management's response:* The Town has assigned an employee other than one responsible for collecting cash and making the bank deposit to reconcile the collection documentation to the deposit as a compensating control.

6. The employee responsible for collecting cash is also responsible for posting collection entries to the general ledger; however, another employee is responsible for reconciling ledger postings to each other and to the deposit.

*Management's response:* The Town has assigned an employee, other than one responsible for collecting cash and posting collection entries to the general ledger, to reconcile the ledger postings to each other and to the deposit as a compensating control.

7. The employee responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions is also responsible for collecting cash; however, another employee/official verifies the reconciliation.

*Management's response:* The Town has assigned an employee or a town official other than the one responsible for reconciling cash collections to verify the reconciliations as a compensating control.

8. Of the 5 bank accounts selected for testing, 1 had deposits that could not be traced using sequentially pre-numbered receipts, system reports, or other related collection documentation to the deposit slip.

*Management's response:* The Town will ensure that deposits can be traced using sequentially pre-numbered receipts, system reports, or other related collection documentation to the deposit slip.

9. Of the 5 bank accounts selected for testing, 2 had deposits that were not made within one business day of receipt at the collection location (or within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100.00).

*Management's response:* The Town will ensure that deposits are made within one business day of receipt at the collection location (or within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100.00).

#### **Non -Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)**

10. Two non-payroll-related electronic disbursements selected for testing did not have approval by the required number of authorized signers per the entity's policy.

*Management's response:* The Town will ensure that all non-payroll-related electronic disbursements contain approval by the required number of authorized signers per the entity's policy.

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

11. Four of the transactions were not supported by the original itemized receipt that identifies precisely what was purchased, and six of the transactions were not supported by written documentation of the business/public purpose.

**Management's response:** Management will ensure that all transactions are supported by the original itemized receipt that identifies precisely what was purchased and written documentation of the business/public purpose.

#### **Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

12. Of the 5 travel and travel-related reimbursements selected for testing, 3 were not reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

**Management's response:** Management will ensure that all travel and travel-related reimbursements are reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

#### **Payroll and Personnel**

13. Of the 5 employees selected for testing, 2 did not have written documentation noting supervisor approval of attendance and leave.

**Management's response:** Management will ensure that each employee gets written documentation noting supervisor approval of attendance and leave.

#### **Ethics**

14. Of the 5 employees/officials selected for testing, 4 did not have ethics documentation demonstrating that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.

**Management's response:** Management will ensure that supporting documentation be maintained for all employees/officials demonstrating that they have completed one hour of ethics training during each calendar year.

#### **Prevention of Sexual Harassment**

15. The Town was unable to provide supporting documentation that demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

**Management's response:** The Town will ensure that supporting documentation is maintained that demonstrates each employee/official completed at least one hour of sexual harassment training during each calendar year as required by R.S. 42:343.

16. The Town did not prepare the annual sexual harassment report for the current fiscal period.

**Management's response:** The Town will ensure that the annual sexual harassment policy be prepared in future fiscal periods.

We were engaged by the Town of Mamou, Louisiana to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Town of Mamou, Louisiana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagements.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

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

Lafayette, Louisiana  
June 5, 2023