

TOWN OF MAMOU, LOUISIANA

Financial Report

Year Ended December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Summary of Opinions

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

Basis for Adverse Opinions on Savoy Medical Management Group, Inc. Fund and 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 changing 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.

Adverse Opinions

In our opinion, because of the significance of the matter described in the “Basis for Adverse Opinions on the Savoy Medical Management Group, Inc. Fund and Business-Type Activities” paragraph, the financial statements referred to above do not present fairly the financial position of the Savoy Medical Management Group, Inc. Fund and the business-type activities of the Town as of December 31, 2020, 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.

Unmodified Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, schedule of employer's share of net pension liability, and schedule of employer contributions on pages 47 - 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Town of Mamou, Louisiana has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement 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.

Other Information

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

The statement of financial position, individual fund financial statements, the schedule of interest-bearing deposits, and the judicial system funding schedule included in other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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, the schedule of interest-bearing deposits, and the judicial system funding schedule 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 2019 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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated June 21, 2021, on our consideration of the Town of Mamou, Louisiana’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 of Mamou, Louisiana’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 of Mamou, Louisiana’s internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 21, 2021

BASIC FINANCIAL STATEMENTS

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

TOWN OF MAMOU, LOUISIANA

Statement of Net Position
December 31, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 1,577,103	\$ 837,061	\$ 2,414,164
Receivables, net	146,433	253,995	400,428
Due from other governmental units	10,968	-	10,968
Inventory	-	36,631	36,631
Prepaid items	40,717	11,225	51,942
Total current assets	<u>1,775,221</u>	<u>1,138,912</u>	<u>2,914,133</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	-	269,941	269,941
Capital assets, net	4,375,600	2,294,239	6,669,839
Total noncurrent assets	<u>4,375,600</u>	<u>2,564,180</u>	<u>6,939,780</u>
Total assets	<u>6,150,821</u>	<u>3,703,092</u>	<u>9,853,913</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	<u>23,824</u>	<u>-</u>	<u>23,824</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	126,043	45,469	171,512
Claims payable	6,027	-	6,027
Internal balances	43,792	(43,792)	-
Customer deposits	-	269,941	269,941
Total current liabilities	<u>175,862</u>	<u>271,618</u>	<u>447,480</u>
Noncurrent liabilities:			
Net pension liability	<u>108,440</u>	<u>-</u>	<u>108,440</u>
Total liabilities	<u>284,302</u>	<u>271,618</u>	<u>555,920</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	<u>9,315</u>	<u>-</u>	<u>9,315</u>
NET POSITION			
Net investment in capital assets	4,375,600	2,294,239	6,669,839
Restricted for sales tax dedications	610,634	-	610,634
Unrestricted	<u>894,794</u>	<u>1,137,235</u>	<u>2,032,029</u>
Total net position	<u>\$ 5,881,028</u>	<u>\$ 3,431,474</u>	<u>\$ 9,312,502</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, 2020

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	\$ 748,938	\$ 158,775	\$ 214,455	\$ -	\$ (375,708)	\$ -	\$ (375,708)
Public safety -							
Police	932,024	414,377	24,883	-	(492,764)	-	(492,764)
Streets	499,852	-	5,000	45,028	(449,824)	-	(449,824)
Culture and recreation	236,690	200	-	-	(236,490)	-	(236,490)
Judicial	40,622	-	-	-	(40,622)	-	(40,622)
Total governmental activities	<u>2,458,126</u>	<u>573,352</u>	<u>244,338</u>	<u>45,028</u>	<u>(1,595,408)</u>	<u>-</u>	<u>(1,595,408)</u>
Business-type activities:							
Gas	345,667	651,784	-	-	-	306,117	306,117
Water	393,311	681,179	-	-	-	287,868	287,868
Sewer	339,493	577,991	-	-	-	238,498	238,498
Total business-type activities	<u>1,078,471</u>	<u>1,910,954</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>832,483</u>	<u>832,483</u>
Total	<u>\$ 3,536,597</u>	<u>\$ 2,484,306</u>	<u>\$ 244,338</u>	<u>\$ 45,028</u>	<u>\$ (1,595,408)</u>	<u>\$ 832,483</u>	<u>\$ (762,925)</u>
General revenues:							
Taxes -							
Ad valorem taxes, levied for general purposes					67,601	-	67,601
Ad valorem taxes, levied for streets and recreation					115,104	-	115,104
Sales and use taxes, levied for general purposes					442,683	-	442,683
Sales and use taxes, levied for capital improvements					175,771	-	175,771
Sales and use taxes, levied for industry and tourism inducement					32,550	-	32,550
Franchise taxes					108,345	-	108,345
Grants and contributions not restricted to specific programs -							
State sources					6,853	-	6,853
Interest and investment earnings					1,718	1,578	3,296
Nursing home lease revenue					477,840	-	477,840
Nonemployer pension contribution					2,557	-	2,557
Miscellaneous					47,019	-	47,019
Transfers					498,491	(498,491)	-
Total general revenues and transfers					<u>1,976,532</u>	<u>(496,913)</u>	<u>1,479,619</u>
Change in net position					381,124	335,570	716,694
Net position - beginning					<u>5,499,904</u>	<u>3,095,904</u>	<u>8,595,808</u>
Net position - ending					<u>\$ 5,881,028</u>	<u>\$ 3,431,474</u>	<u>\$ 9,312,502</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, 2020

	General	Sales Tax Special Revenue	Total
ASSETS			
Cash	\$ 37,457	\$ -	\$ 37,457
Interest-bearing deposits	904,642	618,649	1,523,291
Receivables:			
Taxes	131,075	-	131,075
Other	3,913	-	3,913
Due from other governmental units	10,968	-	10,968
Total assets	<u>\$1,088,055</u>	<u>\$ 618,649</u>	<u>\$ 1,706,704</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts and other payables	\$ 125,510	\$ 533	\$ 126,043
Due to other funds	63,921	7,482	71,403
Total liabilities	<u>189,431</u>	<u>8,015</u>	<u>197,446</u>
Deferred inflows of resources:			
Unavailable revenue	28,017	-	28,017
Fund balances:			
Restricted - operations and maintenance	-	483,861	483,861
Restricted - capital expenditures	-	51,213	51,213
Restricted - industry and tourism inducement	-	75,560	75,560
Unassigned	870,607	-	870,607
Total fund balances	<u>870,607</u>	<u>610,634</u>	<u>1,481,241</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$1,088,055</u>	<u>\$ 618,649</u>	<u>\$ 1,706,704</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, 2020

Total fund balances for governmental funds at December 31, 2020		\$ 1,481,241
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 \$1,615,532 accumulated depreciation	1,845,246	
Infrastructure, net of \$1,618,568 accumulated depreciation	1,979,914	
Equipment, furniture, and fixtures, net of \$722,621 accumulated depreciation	174,748	
Vehicles, net of \$324,858 accumulated depreciation	<u>106,042</u>	4,375,600
Differences between prepaid expense on modified accrual basis versus accrual basis		40,717
The deferred outflows of contributions to the retirement system are not a use of current resources, and therefore, are not reported in the funds.		23,824
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		28,017
Some liabilities are not due and payable from current financial resources and are, therefore not reported in the funds. These liabilities consists of the following:		
Net pension liability		(108,440)
The deferred inflows of contributions to the retirement system are not payable from available resources and, therefore, are not reported in the funds.		(9,315)
Net position of the group self-insurance internal service fund		<u>49,384</u>
Total net position of governmental activities at December 31, 2020		<u>\$ 5,881,028</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, 2020

	<u>General</u>	<u>Sales Tax Special Revenue</u>	<u>Total</u>
Revenues:			
Taxes	\$ 291,050	\$ 651,005	\$ 942,055
Licenses and permits	158,775	-	158,775
Intergovernmental	364,733	45,028	409,761
Fines and forfeits	347,941	-	347,941
Miscellaneous	<u>508,296</u>	<u>5,053</u>	<u>513,349</u>
Total revenues	<u>1,670,795</u>	<u>701,086</u>	<u>2,371,881</u>
Expenditures:			
Current -			
General government:			
Administrative	670,538	57,786	728,324
Public safety:			
Police	906,504	-	906,504
Highways and streets	397,635	-	397,635
Culture and recreation	148,732	-	148,732
Judicial	41,814	-	41,814
Capital outlay	<u>-</u>	<u>218,923</u>	<u>218,923</u>
Total expenditures	<u>2,165,223</u>	<u>276,709</u>	<u>2,441,932</u>
Excess (deficiency) of revenues over expenditures	(494,428)	424,377	(70,051)
Other financing sources (uses):			
Transfers in (out)	<u>734,934</u>	<u>(236,443)</u>	<u>498,491</u>
Net changes in fund balances	240,506	187,934	428,440
Fund balances, beginning	<u>630,101</u>	<u>422,700</u>	<u>1,052,801</u>
Fund balances, ending	<u>\$ 870,607</u>	<u>\$ 610,634</u>	<u>\$ 1,481,241</u>

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

TOWN OF MAMOU, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2020

Total net changes in fund balances for the year ended December 31, 2020 per the statement of revenues, expenditures and changes in fund balances		\$ 428,440
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	\$ 215,124	
Depreciation expense for the year ended December 31, 2020	<u>(260,257)</u>	(45,133)
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	7,428	
State prisoner housing revenue	<u>(41,106)</u>	(33,678)
Differences between prepaid expenses on modified accrual basis versus accrual basis		(2,153)
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		(2,555)
Net income of group self-insurance internal service fund		<u>36,203</u>
Total changes in net position for the year ended December 31, 2020 per the statement of activities		<u>\$ 381,124</u>

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

Statement of Net Position
Proprietary Funds
December 31, 2020

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
ASSETS		
Current assets:		
Cash	\$ -	\$ 16,355
Interest-bearing deposits	837,061	-
Receivables -		
Accounts	161,192	11,445
Unbilled utility receivables	87,457	-
Accrued interest receivable	84	-
Other	5,262	-
Due from other funds	43,792	27,611
Inventory - natural gas	36,631	-
Prepaid items	11,225	-
Total current assets	1,182,704	55,411
Noncurrent assets:		
Restricted assets -		
Interest-bearing deposits	269,941	-
Capital assets, net	2,294,239	-
Total noncurrent assets	2,564,180	-
Total assets	3,746,884	55,411
LIABILITIES		
Current liabilities (payable from current assets):		
Accounts and other payables	45,469	-
Claims payable	-	6,027
Total	45,469	6,027
Current liabilities (payable from restricted assets):		
Customer deposits	269,941	-
Total current liabilities	315,410	6,027
Total liabilities	315,410	6,027
NET POSITION		
Net investment in capital assets	2,294,239	-
Unrestricted	1,137,235	49,384
Total net position	\$ 3,431,474	\$ 49,384

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, 2020

	<u>Business-type Activities-</u> <u>Enterprise Fund</u>	<u>Governmental Activities -</u> <u>Internal Service Fund</u>
Operating revenues:		
Charges for services	\$1,831,400	\$ 251,203
Permits, reconnections and penalties	57,513	-
Miscellaneous	<u>22,041</u>	<u>-</u>
Total operating revenues	<u>1,910,954</u>	<u>251,203</u>
Operating expenses:		
Gas department expenses	312,123	-
Water department expenses	339,247	-
Sewerage department expenses	245,535	-
Depreciation expense	181,566	-
Self insurance expenses	<u>-</u>	<u>215,000</u>
Total operating expenses	<u>1,078,471</u>	<u>215,000</u>
Operating income	832,483	36,203
Nonoperating revenues:		
Interest income	<u>1,578</u>	<u>-</u>
Income before transfers	834,061	36,203
Transfers out	<u>(498,491)</u>	<u>-</u>
Change in net position	335,570	36,203
Net position, beginning	<u>3,095,904</u>	<u>13,181</u>
Net position, ending	<u>\$3,431,474</u>	<u>\$ 49,384</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, 2020

	<u>Business-type Activities - Enterprise Fund</u>	<u>Governmental Activities - Internal Service Fund</u>
Cash flows from operating activities:		
Receipts from customers	\$ 1,862,012	\$ 251,203
Payments to suppliers	(713,473)	(253,382)
Payments to employees	(199,399)	-
Other receipts	<u>22,041</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>971,181</u>	<u>(2,179)</u>
Cash flows from noncapital financing activities:		
Net increase in customer deposits	6,463	-
Transfers from other funds	9,388	24
Transfers to other funds	<u>(498,491)</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>(482,640)</u>	<u>24</u>
Cash flows from capital and related financing activities:		
Net acquisition of property, plant and equipment	<u>(57,478)</u>	<u>-</u>
Cash flows from investing activities:		
Net purchases of interest-bearing deposits with maturity in excess of ninety days	(372)	-
Interest earned	<u>1,552</u>	<u>-</u>
Net cash provided by investing activities	<u>1,180</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	432,243	(2,155)
Cash and cash equivalents, beginning	<u>320,011</u>	<u>18,510</u>
Cash and cash equivalents, ending	<u>\$ 752,254</u>	<u>\$ 16,355</u>

(continued)

TOWN OF MAMOU, LOUISIANA

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

	<u>Business-type Activities -</u> <u>Enterprise Fund</u>	<u>Governmental Activities -</u> <u>Internal Service Fund</u>
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income	\$ 832,483	\$ 36,203
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	181,566	-
Changes in current assets and liabilities:		
Increase accounts receivable	(15,059)	-
Increase in provision for uncollectible accounts	4,831	-
Increase unbilled utility receivables	(16,708)	-
(Increase) decrease in other receivables	35	(11,445)
Increase in inventory	(10,533)	-
Decrease in prepaid items	361	-
Decrease in provision for accounts payable	(2,813)	-
Decrease in provision for claims payable	<u>-</u>	<u>(26,937)</u>
Net cash provided (used) by operating activities	<u>\$ 971,181</u>	<u>\$ (2,179)</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning -		
Cash - unrestricted	\$ -	\$ 18,510
Interest-bearing deposits - unrestricted	410,909	-
Interest-bearing deposits - restricted	263,478	-
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(354,376)</u>	<u>-</u>
Total cash and cash equivalents	<u>320,011</u>	<u>18,510</u>
Cash and cash equivalents, ending -		
Cash - unrestricted	-	16,355
Interest-bearing deposits - unrestricted	837,061	-
Interest-bearing deposits - restricted	269,941	-
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(354,748)</u>	<u>-</u>
Total cash and cash equivalents	<u>752,254</u>	<u>16,355</u>
Net increase (decrease)	<u>\$ 432,243</u>	<u>\$ (2,155)</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.

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.

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.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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 \$209,180 at December 31, 2020. 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, 2020, 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.

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.

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.

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 \$28,017 in the General Fund at December 31, 2020.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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, 2020, the Town reported \$610,634 of restricted net position all 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.
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.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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.

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.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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.

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, 2020, 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.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to taxpayers in 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, 2020, taxes of 18.51 mills were levied on property with assessed valuations totaling \$9,509,180 and were dedicated as follows:

General corporate purposes	6.84 mills
Streets and recreation maintenance	<u>11.67</u> mills
Total	<u>18.51</u> mills

Total taxes levied for 2020 totaled \$176,019. Taxes receivable at December 31, 2020 totaled \$106,319.

(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 (2020 collections \$325,503), 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 (2020 collections \$325,503), 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.

(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, 2020, the Town had cash and interest-bearing deposits (book balances) totaling \$2,684,105 as follows:

Demand deposits	\$ 53,812
Money market and savings accounts	2,253,443
Time deposits	<u>376,850</u>
Total	<u>\$ 2,684,105</u>

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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, 2020, and the related federal insurance and pledged securities:

Bank balances	<u>\$ 2,601,959</u>
Insured	\$ 811,081
Pledged securities	<u>1,790,878</u>
Total	<u>\$ 2,601,959</u>

Deposits in the amount of \$1,790,878 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.

(5) Receivables

Receivables at December 31, 2020 totaling \$400,428 consist of the following:

	<u>Governmental Activities</u>	<u>Business type Activities</u>	<u>Total</u>
Accounts	\$ 11,445	\$ 366,981	\$ 378,426
Unbilled utility	-	87,457	87,457
Allowance for uncollectible accounts	-	(209,180)	(209,180)
Ad valorem	106,319	-	106,319
Franchise tax	24,756	-	24,756
Other	<u>3,913</u>	<u>8,737</u>	<u>12,650</u>
Totals	<u>\$ 146,433</u>	<u>\$ 253,995</u>	<u>\$ 400,428</u>

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(6) Due from Other Governmental Units

Amounts due from other governmental units of \$10,968 at December 31, 2020 consist of the following:

	<u>Governmental Activities</u>	<u>Business type Activities</u>	<u>Total</u>
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	<u>7,020</u>	<u>-</u>	<u>7,020</u>
Totals	<u>\$ 10,968</u>	<u>\$ -</u>	<u>\$ 10,968</u>

(7) Restricted Assets

Restricted assets in the Enterprise Utility Fund at December 31, 2020 represent amounts held for customer deposits totaling \$269,941.

(8) Capital Assets

Capital asset balances and activity for the year ended December 31, 2020 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	3,447,275	-	-	3,447,275
Infrastructure	3,466,246	132,236	-	3,598,482
Equipment, furniture and fixtures	888,389	8,980	-	897,369
Vehicles	<u>356,992</u>	<u>73,908</u>	<u>-</u>	<u>430,900</u>
Totals	<u>8,442,055</u>	<u>215,124</u>	<u>-</u>	<u>8,657,179</u>
Less accumulated depreciation				
Buildings and improvements	1,521,037	94,495	-	1,615,532
Infrastructure	1,512,998	105,570	-	1,618,568
Equipment, furniture and fixtures	686,303	36,318	-	722,621
Vehicles	<u>300,984</u>	<u>23,874</u>	<u>-</u>	<u>324,858</u>
Total accumulated depreciation	<u>4,021,322</u>	<u>260,257</u>	<u>-</u>	<u>4,281,579</u>
Governmental activities, capital assets, net	<u>\$ 4,420,733</u>	<u>\$ (45,133)</u>	<u>\$ -</u>	<u>\$ 4,375,600</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	\$ 63,910	\$ 38,700	\$ -	\$ 102,610
Other capital assets:				
Gas system	724,388	-	-	724,388
Water system	2,637,607	-	-	2,637,607
Sewer system	4,936,832	-	-	4,936,832
Machinery and equipment	465,969	18,778	-	484,747
Totals	<u>8,828,706</u>	<u>57,478</u>	<u>-</u>	<u>8,886,184</u>
Less accumulated depreciation				
Gas system	615,856	23,077	-	638,933
Water system	2,286,299	49,907	-	2,336,206
Sewer system	3,220,981	81,791	-	3,302,772
Machinery and equipment	287,243	26,791	-	314,034
Total accumulated depreciation	<u>6,410,379</u>	<u>181,566</u>	<u>-</u>	<u>6,591,945</u>
Business-type activities, capital assets, net	<u>\$ 2,418,327</u>	<u>\$ (124,088)</u>	<u>\$ -</u>	<u>\$ 2,294,239</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 35,379
Police	28,745
Highways and streets	108,221
Culture and recreation	87,855
Judicial	<u>57</u>
Total depreciation expense	<u>\$ 260,257</u>

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

Gas	\$ 33,544
Water	54,064
Sewer	<u>93,958</u>
Total depreciation expense	<u>\$ 181,566</u>

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(9) Accounts and Other Payables

Accounts and other payables consist of the following at December 31, 2020:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts payable	\$ 54,044	\$ 39,627	\$ 93,671
Salaries payable	37,704	-	37,704
Payroll taxes	8,408	-	8,408
Compensated absences payable	<u>25,887</u>	<u>5,842</u>	<u>31,729</u>
Totals	<u>\$ 126,043</u>	<u>\$ 45,469</u>	<u>\$ 171,512</u>

(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, 2020, governmental funds' revenues that have been earned but are unavailable totaled \$28,017 which was comprised of delinquent ad valorem tax revenue.

(11) 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.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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, 2020, 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, 2020 were \$2,557 and \$12,004, respectively.

At December 31, 2020, the Town reported payables of \$1,237 for the outstanding amount of contributions due to the retirement system for the year.

Net Pension Liability – The Town’s net pension liability at December 31, 2020 of \$108,440 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, 2020, 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 0.011733% and the change in proportion from the prior measurement date was an increase of 0.000129%.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Since the measurement date of the pension liability was June 30, 2020, 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, 2020	
Actuarial Cost Method	Entry Age Normal	
Actuarial Assumptions:		
Investment Rate of Return	6.950%, 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	<p>Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale.</p> <p>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.</p> <p>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.</p>	
Cost-of-Living Adjustments	<p>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.</p>	

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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 6.950%, 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	48.50%	3.08%
Fixed Income	33.50%	0.54%
Alternative	18.00%	1.02%
Other	<u>0.00%</u>	<u>0.00%</u>
Totals	100.00%	4.64%
Inflation		<u>2.55%</u>
Expected Nominal Return		<u>7.19%</u>

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, 2020, the Town recognized \$17,104 in pension expense related to its pension plan. The Town also recognized revenue in the amount of \$2,557 in insurance premium tax monies from non-employer contributing entities.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to its pension plan from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 4,271
Changes of assumptions	2,577	2,676
Net difference between projected and actual earnings on pension plan investments	13,010	-
Changes in proportion and differences between employer contributions and proportionate share of contributions and deferred outflows and inflows of resources	2,121	2,368
Employer contributions subsequent to the measurement date	<u>6,116</u>	<u>-</u>
Total	<u>\$ 23,824</u>	<u>\$ 9,315</u>

Deferred outflows of resources of \$6,116 resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending December 31, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Fiscal Year Ended	Net Amount Recognized in Pension Expense
12/31/2020	\$ (880)
12/31/2021	4,111
12/31/2022	2,689
12/31/2023	2,473

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	Current Discount Rate	1.0% Increase
	<u>5.950%</u>	<u>6.950%</u>	<u>7.950%</u>
Employer's proportionate share of the net pension liability	\$ 152,347	\$ 108,440	\$ 71,736

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(12) On-Behalf Payment of Salaries

The State of Louisiana paid the Town's policemen \$24,883 of supplemental pay during the year ended December 31, 2020. Such payments are recorded as intergovernmental revenues and public safety expenditures in the government-wide and General Fund financial statements.

(13) Litigation and Claims

At December 31, 2020, 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.

(14) Risk Management

A. Commercial Insurance Coverage

The Town is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and workers' compensation. 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.

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 Health Scope Benefits, and the plan year ends on June 30 of each year. Under this plan, Sirius American 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, 2021, American Fidelity Assurance 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 \$249,186 exceed a corridor of the greater of the product of the enrollment times the factors of \$17.97 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 \$225 and the number of employees with family coverage multiplied by a funding factor of \$659. The Town currently funds the plan based upon actual claims incurred instead of the funding factors discussed above.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

The General and Utility Funds of the Town participate in the program and make payments to the Self-Insurance Fund based upon amounts needed to pay prior and current year claims. The claims liability of \$6,027 reported in the fund at December 31, 2020 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, 2020	\$ 32,964
Insurance claims incurred for year ended December 31, 2020	83,014
Payments made for year ended December 31, 2020	<u>(109,951)</u>
Claims payable, December 31, 2020	<u>\$ 6,027</u>

Claims payable of \$6,027 at December 31, 2020 was determined as follows:

A. Claims incurred prior to December 31, 2020 and paid in January 1, 2021 through March 31, 2021	\$ 2,208
B. Provision for claims incurred but not reported	<u>3,819</u>
Total claims payable	<u>\$ 6,027</u>

The provision for claims incurred but not reported of \$3,819 was calculated utilizing historical information adjusted for current trends.

(15) 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, 2020 in the amount of \$123,157, of which \$9,099 was owed for purchases for the month of December 2020.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(16) Segment Information for the Enterprise Fund

The Town of Mamou maintains one enterprise fund with three departments, which provide gas, water, and sewerage services. Segment information for the year ended December 31, 2020 was as follows:

	<u>Gas Department</u>	<u>Water Department</u>	<u>Sewer Department</u>	<u>Total Enterprise Fund</u>
Operating revenues	<u>\$ 651,784</u>	<u>\$ 681,179</u>	<u>\$ 577,991</u>	<u>\$ 1,910,954</u>
Operating expenses:				
Depreciation	33,544	54,064	93,958	181,566
Other	<u>312,123</u>	<u>339,247</u>	<u>245,535</u>	<u>896,905</u>
Total operating expenses	<u>345,667</u>	<u>393,311</u>	<u>339,493</u>	<u>1,078,471</u>
Operating income	<u>\$ 306,117</u>	<u>\$ 287,868</u>	<u>\$ 238,498</u>	<u>\$ 832,483</u>

(17) 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, 2020 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 46,200
Car allowance	2,400
Benefits - insurance	3,497
Cell phone	600
Per diem	150
Conference travel	<u>408</u>
Total	<u>\$ 53,255</u>

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(18) Compensation of Town Officials

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

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>

(19) Interfund Receivables/Payables

A. A summary of interfund receivables and payables at December 31, 2020 follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major governmental funds:		
General Fund	\$ -	\$ 63,921
Sales Tax Fund	-	7,482
Proprietary funds:		
Enterprise Fund	43,792	-
Group Health Self-Insurance Internal Service Fund	<u>27,611</u>	<u>-</u>
Total	<u>\$ 71,403</u>	<u>\$ 71,403</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, 2020:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 734,934	\$ -
Sales Tax Special Revenue Fund	-	236,443
Total governmental funds	734,934	236,443
Proprietary funds:		
Enterprise Fund	-	498,491
Total	<u>\$ 734,934</u>	<u>\$ 734,934</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.

(20) 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 will receive \$39,820 per month through March 2021.

(21) Economic Dependency

The Town of Mamou owns a hospital facility and nursing home within the Town. The hospital was leased to Savoy Medical Management Group, Inc. (operating as Savoy Medical Center) for \$765,000 per year; however, this lease was terminated effective January 4, 2015. (See Note 1.A. and Note 20). The nursing home is leased to MH3F Healthcare Management, LLC (operating as Savoy Care Center Nursing Home) for \$477,840 per year. These leases provide a significant portion of the Town's total revenues. If the Town were to cease receiving these lease revenues, the Town's ability to continue to provide services at present levels would be threatened.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(22) Uncertainties Arising During and After Financial Statement Date

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

(23) Subsequent Events

On May 26, 2021, the Town issued \$5,000,000 of Utility Revenue Bonds, Series 2021 at an interest rate of 2.45% maturing on September 1, 2041. The bonds were sold to the Louisiana Department of Health and Hospitals, Drinking Water Revolving Loan Fund. The bonds were issued for the purpose of paying a portion of constructing or acquiring equipment, systems and improvements to the Town's combined utilities system, including but not limited to the replacement, construction and expansion of water treatment systems and installation of new wells.

**REQUIRED SUPPLEMENTARY
INFORMATION**

TOWN OF MAMOU, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 299,500	\$ 284,000	\$ 291,050	\$ 7,050
Licenses and permits	138,000	140,000	158,775	18,775
Intergovernmental	82,500	292,500	364,733	72,233
Fines and forfeits	300,000	310,000	347,941	37,941
Miscellaneous	512,840	508,840	508,296	(544)
Total revenues	<u>1,332,840</u>	<u>1,535,340</u>	<u>1,670,795</u>	<u>135,455</u>
Expenditures:				
Current -				
General government:				
Administrative	709,000	758,000	670,538	87,462
Public safety:				
Police	920,000	924,000	906,504	17,496
Highways and streets	557,000	505,000	397,635	107,365
Culture and recreation	195,000	154,000	148,732	5,268
Judicial	38,500	38,000	41,814	(3,814)
Total expenditures	<u>2,419,500</u>	<u>2,379,000</u>	<u>2,165,223</u>	<u>213,777</u>
Deficiency of revenues over expenditures	<u>(1,086,660)</u>	<u>(843,660)</u>	<u>(494,428)</u>	<u>349,232</u>
Other financing sources (uses):				
Transfers from -				
Utility Fund	561,000	344,500	498,491	153,991
Sales Tax Fund	364,000	461,500	236,443	(225,057)
Total other financing sources (uses)	<u>925,000</u>	<u>806,000</u>	<u>734,934</u>	<u>(71,066)</u>
Net change in fund balance	(161,660)	(37,660)	240,506	278,166
Fund balance, beginning	<u>630,101</u>	<u>630,101</u>	<u>630,101</u>	<u>-</u>
Fund balance, ending	<u>\$ 468,441</u>	<u>\$ 592,441</u>	<u>\$ 870,607</u>	<u>\$ 278,166</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, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 605,500	\$ 682,000	\$ 651,005	\$ (30,995)
Intergovernmental	-	46,000	45,028	(972)
Miscellaneous -				
Interest	500	500	553	53
Other	-	5,000	4,500	(500)
Total revenues	<u>606,000</u>	<u>733,500</u>	<u>701,086</u>	<u>(32,414)</u>
Expenditures:				
Current -				
General government	46,500	48,000	57,786	(9,786)
Capital outlay	163,000	221,500	218,923	2,577
Total expenditures	<u>209,500</u>	<u>269,500</u>	<u>276,709</u>	<u>(7,209)</u>
Excess of revenues over expenditures	396,500	464,000	424,377	(39,623)
Other financing uses:				
Transfers out	<u>(364,000)</u>	<u>(461,500)</u>	<u>(236,443)</u>	<u>225,057</u>
Net change in fund balance	32,500	2,500	187,934	185,434
Fund balances, beginning	<u>422,700</u>	<u>422,700</u>	<u>422,700</u>	-
Fund balances, ending	<u>\$ 455,200</u>	<u>\$ 425,200</u>	<u>\$ 610,634</u>	<u>\$ 185,434</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, 2020 *

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
Municipal Police Employees' Retirement System of Louisiana:					
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, 2020

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
Municipal Police Employees' Retirement System of Louisiana:					
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. Excess of Expenditures Over Appropriations

The Sales Tax Special Revenue Fund incurred expenditures in excess of appropriations totaling \$7,209 for the year ended December 31, 2020.

3. 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, 2020 for the pension plan reflect the following changes used to measure the total pension liability.

*					
Year ended	Discount	Investment	Inflation	Expected	Projected
<u>December 31,</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>	<u>Remaining</u>	<u>Salary</u>
		<u>of Return</u>		<u>Service Lives</u>	<u>Increase</u>
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%

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

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

TOWN OF MAMOU, LOUISIANA

Statement of Net Position
December 31, 2020

With Comparative Totals for December 31, 2019

	2020			2019 Totals
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$1,577,103	\$ 837,061	\$2,414,164	\$1,624,407
Receivables, net	146,433	253,995	400,428	315,731
Due from other governmental units	10,968	-	10,968	90,082
Inventory	-	36,631	36,631	26,098
Prepaid items	40,717	11,225	51,942	54,456
Total current assets	<u>1,775,221</u>	<u>1,138,912</u>	<u>2,914,133</u>	<u>2,110,774</u>
Noncurrent assets:				
Restricted assets -				
Cash and interest-bearing deposits	-	269,941	269,941	263,478
Capital assets, net	4,375,600	2,294,239	6,669,839	6,839,060
Total noncurrent assets	<u>4,375,600</u>	<u>2,564,180</u>	<u>6,939,780</u>	<u>7,102,538</u>
Total assets	<u>6,150,821</u>	<u>3,703,092</u>	<u>9,853,913</u>	<u>9,213,312</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	23,824	-	23,824	21,948
LIABILITIES				
Current liabilities:				
Accounts and other payables	126,043	45,469	171,512	229,686
Claims payable	6,027	-	6,027	32,964
Internal balances	43,792	(43,792)	-	-
Customer deposits	-	269,941	269,941	263,478
Total current liabilities	<u>175,862</u>	<u>271,618</u>	<u>447,480</u>	<u>526,128</u>
Noncurrent liabilities:				
Net pension liability	108,440	-	108,440	105,384
Total liabilities	<u>284,302</u>	<u>271,618</u>	<u>555,920</u>	<u>631,512</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	9,315	-	9,315	7,940
NET POSITION				
Net investment in capital assets	4,375,600	2,294,239	6,669,839	6,839,060
Restricted for sales tax dedications	610,634	-	610,634	422,700
Unrestricted	894,794	1,137,235	2,032,029	1,334,048
Total net position	<u>\$5,881,028</u>	<u>\$3,431,474</u>	<u>\$9,312,502</u>	<u>\$8,595,808</u>

TOWN OF MAMOU, LOUISIANA

Balance Sheet
Governmental Funds
December 31, 2020

With Comparative Amounts as of December 31, 2019

	2020			2019
	General	Sales Tax Special Revenue	Total	
ASSETS				
Cash	\$ 37,457	\$ -	\$ 37,457	\$ 72,335
Interest-bearing deposits	904,642	618,649	1,523,291	1,122,653
Receivables:				
Taxes	131,075	-	131,075	87,196
Other	3,913	-	3,913	1,467
Due from other funds	-	-	-	29,978
Due from other governmental units	10,968	-	10,968	90,082
Total assets	<u>\$1,088,055</u>	<u>\$ 618,649</u>	<u>\$1,706,704</u>	<u>\$1,403,711</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts and other payables	\$ 99,623	\$ 533	\$ 100,156	\$ 113,225
Retainage payable	-	-	-	45,028
Compensated absences payable	25,887	-	25,887	20,169
Due to other funds	63,921	7,482	71,403	110,793
Total liabilities	<u>189,431</u>	<u>8,015</u>	<u>197,446</u>	<u>289,215</u>
Deferred inflows of resources:				
Unavailable revenue	28,017	-	28,017	61,695
Fund balances -				
Restricted - operations and maintenance	-	483,861	483,861	341,082
Restricted - capital expenditures	-	51,213	51,213	13,824
Restricted - industry and tourism inducement	-	75,560	75,560	67,794
Unassigned	870,607	-	870,607	630,101
Total fund balances	<u>870,607</u>	<u>610,634</u>	<u>1,481,241</u>	<u>1,052,801</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$1,088,055</u>	<u>\$ 618,649</u>	<u>\$1,706,704</u>	<u>\$1,403,711</u>

TOWN OF MAMOU, LOUISIANA

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

For the Year Ended December 31, 2020

With Comparative Actual Amounts for the Year Ended December 31, 2019

	2020			2019
	General	Sales Tax Special Revenue	Total	
Revenues:				
Taxes	\$ 291,050	\$ 651,005	\$ 942,055	\$ 951,057
Licenses and permits	158,775	-	158,775	140,795
Intergovernmental	364,733	45,028	409,761	499,891
Fines and forfeits	347,941	-	347,941	271,283
Miscellaneous	508,296	5,053	513,349	522,609
Total revenues	<u>1,670,795</u>	<u>701,086</u>	<u>2,371,881</u>	<u>2,385,635</u>
Expenditures:				
Current -				
General government:				
Administrative	670,538	57,786	728,324	763,441
Public safety:				
Police	906,504	-	906,504	982,326
Highways and streets	397,635	-	397,635	521,549
Culture and recreation	148,732	-	148,732	181,570
Judicial	41,814	-	41,814	42,454
Capital outlay	-	218,923	218,923	575,324
Total expenditures	<u>2,165,223</u>	<u>276,709</u>	<u>2,441,932</u>	<u>3,066,664</u>
Excess (deficiency) of revenues over expenditures	<u>(494,428)</u>	<u>424,377</u>	<u>(70,051)</u>	<u>(681,029)</u>
Other financing sources (uses):				
Transfers in	734,934	-	734,934	1,069,226
Transfers out	-	(236,443)	(236,443)	(457,703)
Total other financing sources (uses)	<u>734,934</u>	<u>(236,443)</u>	<u>498,491</u>	<u>611,523</u>
Net changes in fund balances	240,506	187,934	428,440	(69,506)
Fund balances, beginning	<u>630,101</u>	<u>422,700</u>	<u>1,052,801</u>	<u>1,122,307</u>
Fund balances, ending	<u>\$ 870,607</u>	<u>\$ 610,634</u>	<u>\$1,481,241</u>	<u>\$1,052,801</u>

TOWN OF MAMOU, LOUISIANA
General Fund

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

	2020		Actual	Variance with Final Budget Positive (Negative)	2019 Actual
	Budget				
	Original	Final			
Taxes:					
Ad valorem	\$ 175,000	\$ 175,000	\$ 182,705	\$ 7,705	\$ 181,068
Franchise -					
Electric	110,000	95,000	94,914	(86)	116,323
Telephone	8,000	6,000	4,724	(1,276)	6,523
Cable TV	6,500	8,000	8,707	707	12,498
Total taxes	<u>299,500</u>	<u>284,000</u>	<u>291,050</u>	<u>7,050</u>	<u>316,412</u>
Licenses and permits:					
Occupational licenses	138,000	140,000	155,367	15,367	137,129
Permits	-	-	3,408	3,408	3,666
Total licenses and permits	<u>138,000</u>	<u>140,000</u>	<u>158,775</u>	<u>18,775</u>	<u>140,795</u>
Intergovernmental:					
State of Louisiana -					
Beer taxes	6,500	6,500	6,853	353	6,676
Highway maintenance	5,000	5,000	5,000	-	5,000
State grants	20,000	200,000	239,338	39,338	49,082
Housing of state prisoners	45,000	75,000	107,542	32,542	21,878
Housing Authority	6,000	6,000	6,000	-	12,000
Total intergovernmental	<u>82,500</u>	<u>292,500</u>	<u>364,733</u>	<u>72,233</u>	<u>94,636</u>
Fines and forfeits:					
Fines and court costs	<u>300,000</u>	<u>310,000</u>	<u>347,941</u>	<u>37,941</u>	<u>271,283</u>
Miscellaneous:					
Interest	1,000	1,000	1,165	165	1,050
Nursing home lease revenue	477,840	477,840	477,840	-	477,840
Recreation complex	-	-	200	200	15,585
Other sources	34,000	30,000	29,091	(909)	23,669
Total miscellaneous	<u>512,840</u>	<u>508,840</u>	<u>508,296</u>	<u>(544)</u>	<u>518,144</u>
Total revenues	<u>\$1,332,840</u>	<u>\$1,535,340</u>	<u>\$1,670,795</u>	<u>\$135,455</u>	<u>\$1,341,270</u>

TOWN OF MAMOU, LOUISIANA
General Fund

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

	2020			Variance with Final Budget Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
Current:					
General government -					
Administrative:					
Mayor and council salaries	\$ 102,000	\$ 102,000	\$ 102,094	\$ (94)	\$ 90,831
Other salaries and wages	228,000	233,000	228,393	4,607	246,856
Group insurance	45,000	45,000	43,655	1,345	43,593
Insurance	65,000	65,000	25,628	39,372	32,879
Payroll taxes	30,000	30,000	29,163	837	30,536
Materials and supplies	35,000	45,000	52,433	(7,433)	46,607
Advertisements and recordings	5,000	5,000	5,416	(416)	6,232
Legal fees	10,000	43,000	3,100	39,900	5,371
Accounting and auditing	55,000	53,000	12,540	40,460	13,175
Professional fees	70,000	75,000	86,586	(11,586)	89,687
Miscellaneous	25,000	25,000	21,831	3,169	38,969
Utilities and telephone	26,000	23,000	22,034	966	25,721
Repairs and maintenance	9,000	10,000	37,450	(27,450)	36,972
Training	4,000	4,000	215	3,785	-
Total administrative	<u>709,000</u>	<u>758,000</u>	<u>670,538</u>	<u>87,462</u>	<u>707,429</u>
Public safety -					
Police:					
Salaries	480,000	480,000	481,037	(1,037)	508,152
Payroll taxes	38,000	38,000	39,955	(1,955)	42,757
Retirement contribution	12,000	12,000	12,004	(4)	11,733
Group insurance	80,000	80,000	80,034	(34)	104,625
Utilities and telephone	26,000	23,000	25,456	(2,456)	24,090
Insurance	105,000	85,000	75,492	9,508	106,785
Auto	35,000	40,000	38,845	1,155	37,308
Gas and repairs	27,000	44,000	36,241	7,759	28,406
Professional fees	5,000	3,000	500	2,500	1,500
Court and lab fees	55,000	55,000	56,431	(1,431)	51,669
Miscellaneous	15,000	22,000	19,285	2,715	15,186
Supplies	41,000	41,000	40,116	884	46,318
Training	1,000,000	1,000	1,108	(108)	3,797
Total police department	<u>920,000</u>	<u>924,000</u>	<u>906,504</u>	<u>17,496</u>	<u>982,326</u>

(continued)

TOWN OF MAMOU, LOUISIANA
General Fund

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

	2020			Variance with Final Budget Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
Highways and streets -					
Salaries	210,000	167,000	157,703	9,297	188,026
Payroll taxes	15,000	13,000	13,255	(255)	16,591
Maintenance and supplies	94,000	90,000	56,823	33,177	119,102
Lighting	63,000	50,000	50,564	(564)	60,345
Group insurance	37,000	37,000	36,379	621	34,875
Telephone	4,000	4,000	3,647	353	3,658
Insurance	98,000	98,000	44,008	53,992	60,179
Miscellaneous	14,000	24,000	23,185	815	15,745
Auto	20,000	20,000	10,774	9,226	19,695
Equipment rental	1,000	1,000	1,297	(297)	1,911
Professional fees	1,000	1,000	-	1,000	1,422
Total highways and streets	<u>557,000</u>	<u>505,000</u>	<u>397,635</u>	<u>107,365</u>	<u>521,549</u>
Culture and recreation -					
Salaries	4,900	1,900	1,102	798	4,410
Payroll taxes	100	100	105	(5)	426
Repairs and maintenance	58,000	45,000	51,724	(6,724)	52,001
Materials and supplies	18,000	15,000	15,445	(445)	21,134
Utilities and telephone	58,000	45,000	42,100	2,900	59,323
Insurance	45,000	40,000	31,231	8,769	34,626
Miscellaneous	11,000	7,000	7,025	(25)	9,650
Total culture and recreation	<u>195,000</u>	<u>154,000</u>	<u>148,732</u>	<u>5,268</u>	<u>181,570</u>
Judicial -					
Salaries	17,500	15,700	15,417	283	15,240
Payroll taxes	1,500	1,300	1,228	72	1,237
Insurance	500	500	135	365	311
Group insurance	-	-	7,276	(7,276)	8,719
Materials and supplies	4,000	5,000	4,001	999	3,533
Telephone	2,000	2,500	2,257	243	2,174
Professional fees	12,000	12,000	11,500	500	11,000
Miscellaneous	1,000	1,000	-	1,000	240
Total judicial	<u>38,500</u>	<u>38,000</u>	<u>41,814</u>	<u>(3,814)</u>	<u>42,454</u>
Total expenditures	<u>\$2,419,500</u>	<u>\$2,379,000</u>	<u>\$2,165,223</u>	<u>\$213,777</u>	<u>\$2,435,328</u>

TOWN OF MAMOU, LOUISIANA
Special Revenue Fund
Sales Tax Fund

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

	2020		Actual	Variance with Final Budget Positive (Negative)	2019 Actual
	Budget				
	Original	Final			
Revenues:					
Taxes	\$ 605,500	\$ 682,000	\$ 651,005	\$ (30,995)	\$ 634,645
Intergovernmental:					
LCDBG	-	46,000	45,028	(972)	405,255
Miscellaneous:					
Interest	500	500	553	53	465
Other	-	5,000	4,500	(500)	4,000
Total revenues	<u>606,000</u>	<u>733,500</u>	<u>701,086</u>	<u>(32,414)</u>	<u>1,044,365</u>
Expenditures:					
Current -					
General government:					
Audit and accounting	-	-	10,335	(10,335)	10,015
Miscellaneous	12,500	14,000	13,993	7	11,777
Industry and tourism inducement	34,000	34,000	33,458	542	40,020
Total general government	<u>46,500</u>	<u>48,000</u>	<u>57,786</u>	<u>(9,786)</u>	<u>61,812</u>
Capital outlay -					
General government:					
Equipment	5,000	6,500	6,280	220	-
Public safety:					
Vehicles and equipment	50,000	80,000	80,407	(407)	41,144
Highways and streets:					
Street improvements	93,000	110,000	108,568	1,432	506,844
Culture and recreation:					
Walking trail improvements	15,000	25,000	23,668	1,332	-
Building improvements	-	-	-	-	21,536
Total capital outlay	<u>163,000</u>	<u>221,500</u>	<u>218,923</u>	<u>2,577</u>	<u>569,524</u>
Total expenditures	<u>209,500</u>	<u>269,500</u>	<u>276,709</u>	<u>(7,209)</u>	<u>631,336</u>
Excess of revenues over expenditures	<u>396,500</u>	<u>464,000</u>	<u>424,377</u>	<u>(39,623)</u>	<u>413,029</u>
Other financing uses:					
Transfers out	<u>(364,000)</u>	<u>(461,500)</u>	<u>(236,443)</u>	<u>225,057</u>	<u>(457,703)</u>
Net change in fund balance	32,500	2,500	187,934	185,434	(44,674)
Fund balance, beginning	<u>422,700</u>	<u>422,700</u>	<u>422,700</u>	<u>-</u>	<u>467,374</u>
Fund balance, ending	<u>\$ 455,200</u>	<u>\$ 425,200</u>	<u>\$ 610,634</u>	<u>\$ 185,434</u>	<u>\$ 422,700</u>

TOWN OF MAMOU, LOUISIANA
Enterprise Fund
Utility Fund

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

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

<u>Department</u>	<u>2020</u>	<u>2019</u>
Gas (metered)	855	857
Water	1,677	1,661
Sewerage	1,237	1,224

TOWN OF MAMOU, LOUISIANA

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

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	108,000

TOWN OF MAMOU, LOUISIANA

Combined Schedule of Interest-Bearing Deposits - All Funds
December 31, 2020

		<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Total Book Value</u>
Major Governmental Funds:				
General Fund -				
Savings Account - Hospital Revenue	(J)	0.25%	N/A	\$ 467,372
Interest-bearing checking - General	(J)	0.10%	N/A	295,510
Interest-bearing checking - Payroll	(J)	0.05%	N/A	41,512
Interest-bearing checking - Insurance Contingency	(S)	0.10%	N/A	<u>100,248</u>
Total General Fund				<u>904,642</u>
Special Revenue Funds -				
Sales Tax Fund				
Interest-bearing checking - Sales Tax Fund	(S)	0.10%	N/A	603,638
Interest-bearing checking - Construction Account	(S)	0.10%	N/A	<u>15,011</u>
Total Sales Tax Fund				<u>618,649</u>
Total Governmental Funds				<u>1,523,291</u>
Proprietary Fund:				
Utility Fund:				
Operating Account -				
Interest-bearing checking	(C)	0.15%	N/A	460,102
Certificate of Deposit	(J)	0.35%	03/05/21	168,800
Water Revenue Fund -				
Interest-bearing checking	(S)	0.10%	N/A	153,797
Interest-bearing checking	(S)	0.10%	N/A	32,060
Interest-bearing checking	(S)	0.10%	N/A	100
Interest-bearing checking	(S)	0.10%	N/A	100
Meter Deposit Fund -				
Certificate of Deposit	(S)	0.20%	07/28/21	185,948
Interest-bearing checking	(J)	0.10%	N/A	<u>106,095</u>
Total Proprietary Fund				<u>1,107,002</u>
Total Interest-bearing Deposits - All Funds				<u>\$2,630,293</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

TOWN OF MAMOU, LOUISIANA

Comparative Statement of Net Position
 Proprietary Funds
 December 31, 2020 and 2019

ASSETS	Business-type Activities -		Governmental Activities -	
	Enterprise Fund		Internal Service Fund	
	2020	2019	2020	2019
Current assets:				
Cash	\$ -	\$ -	\$ 16,355	\$ 18,510
Interest-bearing deposits	837,061	410,909	-	-
Receivables -				
Accounts, net	161,192	150,964	-	-
Unbilled utility receivables	87,457	70,749	-	-
Accrued interest receivable	84	58	-	-
Other	5,262	5,297	11,445	-
Due from other funds	43,792	53,180	27,611	27,635
Inventory - natural gas	36,631	26,098	-	-
Prepaid items	11,225	11,586	-	-
Total current assets	<u>1,182,704</u>	<u>728,841</u>	<u>55,411</u>	<u>46,145</u>
Noncurrent assets:				
Restricted assets -				
Interest-bearing deposits	269,941	263,478	-	-
Capital assets, net	<u>2,294,239</u>	<u>2,418,327</u>	-	-
Total noncurrent assets	<u>2,564,180</u>	<u>2,681,805</u>	-	-
Total assets	<u>3,746,884</u>	<u>3,410,646</u>	<u>55,411</u>	<u>46,145</u>
LIABILITIES				
Current liabilities (payable from current assets):				
Accounts and other payables	39,627	42,440	-	-
Compensated absences payable	5,842	8,824	-	-
Claims payable	-	-	6,027	32,964
Total	<u>45,469</u>	<u>51,264</u>	<u>6,027</u>	<u>32,964</u>
Current liabilities (payable from restricted assets):				
Customer deposits	<u>269,941</u>	<u>263,478</u>	-	-
Total liabilities	<u>315,410</u>	<u>314,742</u>	<u>6,027</u>	<u>32,964</u>
NET POSITION				
Net investment in capital assets	2,294,239	2,418,327	-	-
Unrestricted	<u>1,137,235</u>	<u>677,577</u>	<u>49,384</u>	<u>13,181</u>
Total net position	<u>\$3,431,474</u>	<u>\$3,095,904</u>	<u>\$ 49,384</u>	<u>\$ 13,181</u>

TOWN OF MAMOU, LOUISIANA

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

Proprietary Funds

Years Ended December 31, 2020 and 2019

	<u>Business-type Activities-</u>		<u>Governmental Activities-</u>	
	<u>Enterprise Fund</u>		<u>Internal Service Fund</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Operating revenues:				
Charges for services	\$ 1,831,400	\$ 1,628,464	\$ 251,203	\$ 419,803
Permits, reconnections and penalties	57,513	58,835	-	-
Miscellaneous	<u>22,041</u>	<u>17,849</u>	<u>-</u>	<u>-</u>
Total operating revenues	<u>1,910,954</u>	<u>1,705,148</u>	<u>251,203</u>	<u>419,803</u>
Operating expenses:				
Gas department expenses	312,123	500,461	-	-
Water department expenses	339,247	360,780	-	-
Sewerage department expenses	245,535	269,395	-	-
Depreciation expense	181,566	208,382	-	-
Self insurance expenses	<u>-</u>	<u>-</u>	<u>215,000</u>	<u>391,279</u>
Total operating expenses	<u>1,078,471</u>	<u>1,339,018</u>	<u>215,000</u>	<u>391,279</u>
Operating income	832,483	366,130	36,203	28,524
Nonoperating revenues (expenses):				
Interest income	<u>1,578</u>	<u>842</u>	<u>-</u>	<u>-</u>
Income before contributions and transfers	834,061	366,972	36,203	28,524
Capital contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income before transfers	834,061	366,972	36,203	28,524
Transfers out	<u>(498,491)</u>	<u>(611,523)</u>	<u>-</u>	<u>-</u>
Change in net position	335,570	(244,551)	36,203	28,524
Net position, beginning	<u>3,095,904</u>	<u>3,340,455</u>	<u>13,181</u>	<u>(15,343)</u>
Net position, ending	<u>\$ 3,431,474</u>	<u>\$ 3,095,904</u>	<u>\$ 49,384</u>	<u>\$ 13,181</u>

TOWN OF MAMOU, LOUISIANA
Enterprise Fund
Utility Fund

Departmental Analysis of Revenues and Expenses
Years Ended December 31, 2020 and 2019

	Totals		Gas		Water		Sewer	
	2020	2019	2020	2019	2020	2019	2020	2019
Operating revenues:								
Customers service charges	\$ 1,831,400	\$ 1,628,464	\$ 587,156	\$ 625,358	\$ 674,345	\$ 529,476	\$ 569,899	\$ 473,630
Permits, reconnections and penalties	57,513	58,835	53,160	49,060	4,353	9,775	-	-
Miscellaneous	22,041	17,849	11,468	9,015	2,481	1,200	8,092	7,634
Total operating revenues	<u>1,910,954</u>	<u>1,705,148</u>	<u>651,784</u>	<u>683,433</u>	<u>681,179</u>	<u>540,451</u>	<u>577,991</u>	<u>481,264</u>
Operating expenses:								
Salaries	196,417	277,364	53,193	117,181	87,081	97,515	56,143	62,668
Payroll taxes	16,646	22,786	4,720	9,688	7,212	7,889	4,714	5,209
Group Insurance	43,656	87,188	7,276	34,875	21,828	17,438	14,552	34,875
Gas purchased	123,157	165,607	123,157	165,607	-	-	-	-
Maintenance and supplies	218,416	252,438	56,724	100,375	92,764	99,092	68,928	52,971
Safe water drinking fee	19,029	18,995	-	-	19,029	18,995	-	-
Lab fees	7,554	8,888	-	-	709	1,068	6,845	7,820
Depreciation expense	181,566	208,382	33,544	34,543	54,064	56,099	93,958	117,740
Utilities	102,792	120,223	4,112	5,824	58,450	68,043	40,230	46,356
Telephone	9,034	11,660	5,139	4,883	1,000	1,084	2,895	5,693
Truck operation	22,890	34,132	8,105	12,936	8,644	13,108	6,141	8,088
Bad debt expense (recovery)	4,832	(2,071)	2,055	(923)	1,718	(672)	1,059	(476)
Insurance	50,249	66,715	15,873	22,629	16,979	21,212	17,397	22,874
Miscellaneous	22,383	12,484	3,901	777	4,112	2,117	14,370	9,590
Professional fees	50,821	47,108	22,188	23,126	17,328	11,382	11,305	12,600
Training	9,029	7,119	5,680	3,483	2,393	2,509	956	1,127
Total operating expenses	<u>1,078,471</u>	<u>1,339,018</u>	<u>345,667</u>	<u>535,004</u>	<u>393,311</u>	<u>416,879</u>	<u>339,493</u>	<u>387,135</u>
Operating income	<u>\$ 832,483</u>	<u>\$ 366,130</u>	<u>\$ 306,117</u>	<u>\$ 148,429</u>	<u>\$ 287,868</u>	<u>\$ 123,572</u>	<u>\$ 238,498</u>	<u>\$ 94,129</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, 2020

	First Six Month Period Ended 6/30/2020	First Six Month Period Ended 12/31/2020
	<u> </u>	<u> </u>
Beginning balance of amounts collected (i.e. cash on hand)	\$ -	\$ -
Add: Collections		
Bond fees	10,470	16,557
Criminal fines - other	<u>124,558</u>	<u>200,225</u>
Subtotal collections	<u>135,028</u>	<u>216,782</u>
Less: Disbursements to governments & nonprofits:		
Louisiana Traumatic Head and Spinal Cord Injury Trust Fund, criminal fines - other	2,110	3,455
Louisiana Commission on Law Enforcement Crime Victims Reparation Fund, criminal fines - other	72	57
Louisiana Supreme Court - Louisiana Judicial College, criminal fines - other	315	471
Treasurer, State of Louisiana - Trail Court Case Management Information System, criminal fines - other	1,893	2,829
Acadiana Criminalistics Laboratory Commission, criminal fines - other	16,886	28,064
Less: Amounts retained by collecting agency		
Criminal fines - other	<u>113,752</u>	<u>181,906</u>
Subtotal disbursements/retainage	<u>135,028</u>	<u>216,782</u>
Total: Ending balance of amounts collected but not disbursed/retained (i.e. cash on hand)	<u>\$ -</u>	<u>\$ -</u>

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

KOLDER, SLAVEN & COMPANY, LLC

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Victor R. Slaven, CPA* - retired 2020

* A Professional Accounting Corporation

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*

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The Honorable Ricky Fontenot, 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, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town of Mamou, Louisiana's basic financial statements and have issued our report thereon dated June 21, 2021. The opinion on the Town of Mamou, Louisiana's business-type activities was adverse 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.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Mamou, Louisiana'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 of Mamou, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Mamou, Louisiana's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Mamou, Louisiana'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 21, 2021

TOWN OF MAMOU, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2020

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

A. Internal Control Over Financial Reporting

There were no items to be reported under this section.

B. Compliance

There were no items to be reported under this section.

C. Management Letter

A management letter was issued related to significant gas loss experienced by the Town's utility system.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting and Compliance

There were no items to be reported under this section.

B. Compliance

There were no items to be reported under this section.

KOLDER, SLAVEN & COMPANY, LLC

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MANAGEMENT LETTER

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

We have completed our audit of the basic financial statements of the Town of Mamou, Louisiana, for the year ended December 31, 2020, and submit the following recommendation for your consideration:

A significant gas loss occurred in the Gas Utility Department. Despite efforts to locate and repair gas leaks, this loss has only improved slightly from the prior year. The Town should continue to investigate possible reasons for the significant gas loss and continue efforts to reduce the loss.

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 21, 2021