

TOWN OF MAMOU, LOUISIANA

Financial Report

Year Ended December 31, 2014

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1-3
 BASIC FINANCIAL STATEMENTS	
 GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net position	6
Statement of activities	7
 FUND FINANCIAL STATEMENTS (FFS)	
Balance sheet - governmental funds	10
Reconciliation of the governmental funds balance sheet to the statement of net position	11
Statement of revenues, expenditures, and changes in fund balances- governmental funds	12
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	13
Statement of net position - proprietary funds	14
Statement of revenues, expenses, and changes in fund net position - proprietary funds	15
Statement of cash flows - proprietary funds	16-17
Notes to basic financial statements	18-41
 REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedules:	
General Fund	43
Sales Tax Special Revenue Fund	44
 OTHER SUPPLEMENTARY INFORMATION	
 OTHER FINANCIAL INFORMATION	
Statement of net position (with prior year comparable amounts)	47
Balance sheet - governmental funds (with prior year comparable amounts)	48
Statement of revenues, expenditures, and changes in fund balances- governmental funds (with prior year comparable amounts)	49
Major Governmental Funds (with prior year comparable amounts) - General Fund - budgetary comparison schedule - revenues	50
General Fund - budgetary comparison schedule- expenditures	51-53
Sales Tax Fund - budgetary comparison schedule	54
Schedule of number of utility customers (unaudited)	55
Schedule of insurance in force (unaudited)	56

(continued)

TABLE OF CONTENTS (Continued)

	<u>Page</u>
Combined schedule of interest-bearing deposits - all funds	57
Comparative statement of net position - proprietary funds	58
Comparative statement of revenues, expenses, and changes in fund net position - proprietary funds	59
Departmental analysis of revenues and expenses - utility fund	60
 INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	62-63
Summary schedule of current and prior year audit findings and corrective action plan	64-65

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INDEPENDENT AUDITORS' REPORT

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, and the aggregate remaining fund information of the Town of Mamou, Louisiana, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town's primary government 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.

Auditors' 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 audit opinions.

Basis for Adverse Opinion on Discretely Presented Component Unit

The financial statements referred to above do not include financial data for the Town's legally separate component unit. Accounting principles generally accepted in the United States of America require financial data for the component unit to be reported with the financial data of the Town's primary government unless the Town also issues financial statements for the financial reporting entity that include the financial data for its component unit. The Town has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net position, revenues, and expenses of the discretely presented component unit would have been reported as \$12,646,102, \$6,232,525, \$6,413,577, \$25,567,240, and \$26,120,796, respectively.

Adverse Opinion on Discretely Presented Component Unit

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Discretely Presented Component Unit" paragraph, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit of the Town of Mamou, Louisiana, as of December 31, 2014, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Mamou, Louisiana, as of December 31, 2014, 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 information on pages 43 - 44 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, 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 on pages 47 through 60 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, and the schedule of interest bearing deposits on pages 47 through 49 and 57 through 60 is the responsibility of management and was 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, and the schedule of interest bearing deposits 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 has been derived from the Town of Mamou, Louisiana's 2013 financial statements, which was 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 on pages 50 through 56 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 16, 2015, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Mamou, Louisiana's internal control over financial reporting and compliance.

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

Lafayette, Louisiana
June 16, 2015

BASIC FINANCIAL STATEMENTS

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

TOWN OF MAMOU, LOUISIANA

Statement of Net Position
December 31, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$1,530,129	\$ 440,020	\$1,970,149
Receivables, net	114,097	254,583	368,680
Due from other governmental units	21,764	-	21,764
Inventory	-	28,741	28,741
Prepaid items	33,665	7,690	41,355
Total current assets	<u>1,699,655</u>	<u>731,034</u>	<u>2,430,689</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	100,000	224,468	324,468
Capital assets, net	4,088,332	3,018,400	7,106,732
Total noncurrent assets	<u>4,188,332</u>	<u>3,242,868</u>	<u>7,431,200</u>
Total assets	<u>5,887,987</u>	<u>3,973,902</u>	<u>9,861,889</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	113,053	104,158	217,211
Claims payable	22,156	-	22,156
Internal balances	87,139	(87,139)	-
Total current liabilities	<u>222,348</u>	<u>17,019</u>	<u>239,367</u>
Noncurrent liabilities:			
Customers deposits payable	-	224,468	224,468
Contingent liabilities	25,000	-	25,000
Total noncurrent liabilities	<u>25,000</u>	<u>224,468</u>	<u>249,468</u>
Total liabilities	<u>247,348</u>	<u>241,487</u>	<u>488,835</u>
NET POSITION			
Net investment in capital assets	4,088,332	3,018,400	7,106,732
Restricted for worker's compensation claims	75,000	-	75,000
Unrestricted	1,477,307	714,015	2,191,322
Total net position	<u>\$5,640,639</u>	<u>\$3,732,415</u>	<u>\$9,373,054</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, 2014

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	\$ 705,397	\$ 144,083	\$ 1,698	\$ -	\$ (559,616)	\$ -	\$ (559,616)
Public safety -							
Police	713,999	75,058	7,083	31,756	(600,102)	-	(600,102)
Streets	638,030	-	5,000	21,000	(612,030)	-	(612,030)
Culture and recreation	214,351	8,357	-	-	(205,994)	-	(205,994)
Judicial	38,793	-	-	-	(38,793)	-	(38,793)
Health and welfare	424,830	-	-	-	(424,830)	-	(424,830)
Total governmental activities	<u>2,735,400</u>	<u>227,498</u>	<u>13,781</u>	<u>52,756</u>	<u>(2,441,365)</u>	<u>-</u>	<u>(2,441,365)</u>
Business-type activities:							
Gas	694,164	1,001,100	-	15,260	-	322,196	322,196
Water	341,832	531,036	-	-	-	189,204	189,204
Sewer	373,463	463,497	-	-	-	90,034	90,034
Total business-type activities	<u>1,409,459</u>	<u>1,995,633</u>	<u>-</u>	<u>15,260</u>	<u>-</u>	<u>601,434</u>	<u>601,434</u>
Total	<u>\$4,144,859</u>	<u>\$2,223,131</u>	<u>\$ 13,781</u>	<u>\$ 68,016</u>	<u>\$(2,441,365)</u>	<u>\$ 601,434</u>	<u>\$(1,839,931)</u>
General revenues:							
Taxes -							
Ad valorem taxes, levied for general purposes					67,720	-	67,720
Ad valorem taxes, levied for streets and recreation					115,307	-	115,307
Sales and use taxes, levied for general purposes					417,257	-	417,257
Sales and use taxes, levied for capital improvements					169,994	-	169,994
Sales and use taxes, levied for industry and tourism inducement					30,908	-	30,908
Franchise taxes					155,246	-	155,246
Grants and contributions not restricted to specific programs -							
State sources					7,348	-	7,348
Interest and investment earnings					1,855	1,345	3,200
Hospital lease revenue					427,500	-	427,500
Nursing home lease revenue					434,400	-	434,400
Miscellaneous					61,379	-	61,379
Transfers					761,133	(761,133)	-
Total general revenues and transfers					<u>2,650,047</u>	<u>(759,788)</u>	<u>1,890,259</u>
Change in net position					208,682	(158,354)	50,328
Net position - January 1, 2014					<u>5,431,957</u>	<u>3,890,769</u>	<u>9,322,726</u>
Net position - December 31, 2014					<u>\$ 5,640,639</u>	<u>\$ 3,732,415</u>	<u>\$ 9,373,054</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, 2014

ASSETS	<u>General</u>	Sales Tax Special <u>Revenue</u>	<u>Total</u>
Cash	\$ 81,200	\$ -	\$ 81,200
Interest-bearing deposits	703,259	738,234	1,441,493
Receivables:			
Taxes	106,632	-	106,632
Accrued interest	15	-	15
Other	7,450	-	7,450
Due from other funds	-	18,176	18,176
Due from other governmental units	21,764	-	21,764
Prepaid items	23,625	-	23,625
Restricted cash:			
Interest-bearing deposits	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total assets	<u>\$1,043,945</u>	<u>\$756,410</u>	<u>\$1,800,355</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts and other payables	\$ 98,090	\$ 393	\$ 98,483
Compensated absences payable	14,570	-	14,570
Due to other funds	<u>133,196</u>	<u>-</u>	<u>133,196</u>
Total liabilities	<u>245,856</u>	<u>393</u>	<u>246,249</u>
Deferred inflows of resources:			
Unavailable revenue	<u>49,446</u>	<u>-</u>	<u>49,446</u>
Fund balances:			
Nonspendable	23,625	-	23,625
Restricted - operations and maintenance	-	482,692	482,692
Restricted - capital expenditures	-	185,317	185,317
Restricted - industry and tourism inducement	-	88,008	88,008
Restricted - worker's compensation claims	100,000	-	100,000
Unassigned	<u>625,018</u>	<u>-</u>	<u>625,018</u>
Total fund balances	<u>748,643</u>	<u>756,017</u>	<u>1,504,660</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$1,043,945</u>	<u>\$756,410</u>	<u>\$1,800,355</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, 2014

Total fund balances for governmental funds at December 31, 2014		\$ 1,504,660
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 \$1,055,322 accumulated depreciation	2,190,952	
Infrastructure, net of \$1,137,612 accumulated depreciation	1,387,297	
Equipment, furniture, and fixtures, net of \$528,791 accumulated depreciation	128,877	
Vehicles, net of \$210,432 accumulated depreciation	<u>111,556</u>	4,088,332
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	29,420	
State prisoner housing revenue	<u>20,026</u>	49,446
Long-term liabilities at December 31, 2014:		
Contingent liability		(25,000)
Net position of the group self-insurance internal service fund		<u>23,201</u>
Total net position of governmental activities at December 31, 2014		<u>\$ 5,640,639</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, 2014

	General	Sales Tax Special Revenue	Total
Revenues:			
Taxes	\$ 341,340	\$ 618,159	\$ 959,499
Licenses and permits	144,083	-	144,083
Intergovernmental	64,982	21,000	85,982
Fines and forfeits	42,935	-	42,935
Miscellaneous	934,678	1,136	935,814
Total revenues	<u>1,528,018</u>	<u>640,295</u>	<u>2,168,313</u>
Expenditures:			
Current -			
General government:			
Administrative	621,258	59,321	680,579
Public safety:			
Police	678,907	-	678,907
Highways and streets	577,730	-	577,730
Culture and recreation	137,945	-	137,945
Judicial	39,045	-	39,045
Health and welfare	424,830	-	424,830
Capital outlay	53,756	136,998	190,754
Total expenditures	<u>2,533,471</u>	<u>196,319</u>	<u>2,729,790</u>
Excess (deficiency) of revenues over expenditures	<u>(1,005,453)</u>	<u>443,976</u>	<u>(561,477)</u>
Other financing sources (uses):			
Transfers in	1,085,473	-	1,085,473
Transfers out	-	(324,340)	(324,340)
Total other financing sources (uses)	<u>1,085,473</u>	<u>(324,340)</u>	<u>761,133</u>
Net changes in fund balances	80,020	119,636	199,656
Fund balances, beginning	<u>668,623</u>	<u>636,381</u>	<u>1,305,004</u>
Fund balances, ending	<u>\$ 748,643</u>	<u>\$ 756,017</u>	<u>\$1,504,660</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, 2014

Total net changes in fund balances at December 31, 2014 per
statement of revenues, expenditures and changes in fund balances \$ 199,656

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	\$ 190,754	
Depreciation expense for the year ended December 31, 2014	<u>(207,016)</u>	(16,262)

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	(3,067)	
State prisoner housing revenue	<u>20,026</u>	16,959

Net income of group self-insurance internal service fund		<u>10,652</u>
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Total changes in net position at December 31, 2014 per statement of activities		<u>\$ 208,682</u>
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The accompanying notes are an integral part of the basic financial statements.

TOWN OF MAMOU, LOUISIANA

Statement of Net Position
 Proprietary Funds
 December 31, 2014

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
ASSETS		
Current assets:		
Cash	\$ 1	\$ 7,436
Interest-bearing deposits	440,019	-
Receivables -		
Accounts	170,319	-
Unbilled utility receivables	83,271	-
Accrued interest receivable	10	-
Other	983	-
Due from other funds	87,139	27,881
Inventory - natural gas	28,741	-
Prepaid items	7,690	10,040
Total current assets	818,173	45,357
Noncurrent assets:		
Restricted assets -		
Interest-bearing deposits	224,468	-
Capital assets, net of accumulated depreciation	3,018,400	-
Total noncurrent assets	3,242,868	-
Total assets	4,061,041	45,357
LIABILITIES		
Current liabilities:		
Accounts and other payables	99,627	-
Compensated absences payable	4,531	-
Claims payable	-	22,156
Total current liabilities	104,158	22,156
Noncurrent liabilities:		
Customers' deposits	224,468	-
Total liabilities	328,626	22,156
NET POSITION		
Net investment in capital assets	3,018,400	-
Unrestricted	714,015	23,201
Total net position	\$ 3,732,415	\$ 23,201

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
 Year Ended December 31, 2014

	<u>Business-type Activities-</u> <u>Enterprise Fund</u>	<u>Governmental Activities -</u> <u>Internal Service Fund</u>
Operating revenues:		
Charges for services	\$1,918,251	\$ 349,703
Permits, reconnections and penalties	55,887	-
Miscellaneous	21,495	-
Total operating revenues	<u>1,995,633</u>	<u>349,703</u>
Operating expenses:		
Gas department expenses	672,769	-
Water department expenses	263,452	-
Sewerage department expenses	245,619	-
Depreciation expense	228,394	-
Self insurance expenses	-	339,051
Total operating expenses	<u>1,410,234</u>	<u>339,051</u>
Operating income	585,399	10,652
Nonoperating revenues (expenses):		
Interest income	1,345	-
Gain on disposal of assets	775	-
Total nonoperating revenues	<u>2,120</u>	<u>-</u>
Income before contributions and transfers	587,519	10,652
Capital contributions	<u>15,260</u>	<u>-</u>
Income before transfers	602,779	10,652
Transfers out	<u>(761,133)</u>	<u>-</u>
Change in net assets	(158,354)	10,652
Net position, beginning	<u>3,890,769</u>	<u>12,549</u>
Net position, ending	<u>\$3,732,415</u>	<u>\$ 23,201</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, 2014

	<u>Business-type Activities - Enterprise Fund</u>	<u>Governmental Activities - Internal Service Fund</u>
Cash flows from operating activities:		
Receipts from customers	\$ 1,977,313	\$ 349,703
Payments to suppliers	(978,849)	(350,757)
Payments to employees	(202,586)	-
Other receipts	21,495	-
Net cash provided (used) by operating activities	<u>817,373</u>	<u>(1,054)</u>
Cash flows from noncapital financing activities:		
Capital contributions	15,260	-
Transfers to other funds	(760,362)	-
Net cash used by noncapital financing activities	<u>(745,102)</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Net increase in customer meter deposits	2,402	-
Net acquisition of property, plant and equipment	(46,807)	-
Net cash used by capital and related financing activities	<u>(44,405)</u>	<u>-</u>
Cash flows from investing activities:		
Net purchases of interest-bearing deposits with maturity in excess of ninety days	(625)	-
Interest earned	1,370	-
Net cash provided by investing activities	<u>745</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	28,611	(1,054)
Cash and cash equivalents, beginning of period	<u>402,810</u>	<u>8,490</u>
Cash and cash equivalents, end of period	<u>\$ 431,421</u>	<u>\$ 7,436</u>

(continued)

TOWN OF MAMOU, LOUISIANA

Statement of Cash Flows
 Proprietary Funds (Continued)
 For the Year Ended December 31, 2014

	<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	\$ 585,399	\$ 10,652
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	228,394	-
Changes in current assets and liabilities:		
Increase accounts receivable	(8,632)	-
Increase in provision for uncollectible accounts	7,327	-
Decrease in unbilled utility receivables	5,255	-
Increase other receivables	(775)	-
Increase in inventory	(17,071)	-
(Increase) decrease in prepaid items	3,295	(681)
Increase in accounts payable	15,112	-
Decrease in provision for compensated absences payable	(931)	-
Decrease in provision for claims payable	<u>-</u>	<u>(11,025)</u>
Net cash provided (used) by operating activities	<u>\$ 817,373</u>	<u>\$ (1,054)</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 1	\$ 8,490
Interest-bearing deposits - unrestricted	413,185	-
Interest-bearing deposits - restricted	222,066	-
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(232,442)</u>	<u>-</u>
Total cash and cash equivalents	<u>402,810</u>	<u>8,490</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	1	7,436
Interest-bearing deposits - unrestricted	440,019	-
Interest-bearing deposits - restricted	224,468	-
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(233,067)</u>	<u>-</u>
Total cash and cash equivalents	<u>431,421</u>	<u>7,436</u>
Net increase (decrease)	<u>\$ 28,611</u>	<u>\$ (1,054)</u>

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

TOWN OF MAMOU, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Mamou (Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The Town of Mamou was incorporated on January 4, 1911, under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Aldermen form of government.

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

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.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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.

The following component unit is not presented in the accompanying financial statements:

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 year and shall automatically continue thereafter for additional terms of five years.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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).

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, except fiduciary funds and component units that are fiduciary in nature. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Fund Financial Statements

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

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

1. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
2. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the Town are described below:

Governmental Funds -

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

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

Additionally, the Town reports the following fund types:

Proprietary Funds –

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

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Enterprise funds

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

Internal service funds

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

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item 2 below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

1. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
2. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Program revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Town's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Town's general revenues.

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 deposits of the Town.

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

For the purpose of the proprietary funds statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem and sales and use taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2014, an allowance for ad valorem taxes was considered unnecessary due to immateriality. The allowance for customers' utility receivables was \$193,587 at December 31, 2014. 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 as storage on behalf of the Town by the Louisiana Municipal Gas Authority and is valued at a price per MCF determined by the Louisiana Municipal Gas Authority. Supplies and parts on hand are considered immaterial and have been accounted for using the purchase method.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2014, are recorded as prepaid items.

Restricted Assets

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

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to July 1, 2001, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Equipment	5 years
Utility system and improvements	20-40 years
Infrastructure	20 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists of utility meter deposits payable and contingent liabilities arising out of workman's compensation claims in existence at the time the Town purchased the hospital.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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 some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. At December 31, 2014, the Town had deferred inflows of resources totaling \$49,446 which represented unavailable delinquent ad valorem tax revenue of \$29,420 and state prisoner housing reimbursements of \$20,026. There were no deferred outflows of resources as of December 31, 2014.

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 including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

3. Unrestricted – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

In the fund statements, governmental fund equity is classified as fund balance. Fund balances of the governmental funds are classified as follows:

1. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Town’s Mayor and Board of Aldermen, which is the highest level of decision-making authority for the Town. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by board members.
4. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes determined by a formal decision of the Town’s Mayor and Board of Aldermen.
5. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town has provided otherwise in its commitment or assignment actions.

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

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character
Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

F. Revenue Restrictions

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

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

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

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

G. Budget and Budgetary Accounting

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

1. The Town Clerk prepares a proposed operating budget for the fiscal year and submits it to the Mayor and Board of Aldermen not later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

H. Capitalization of Interest Expense

It is the policy of the Town of Mamou to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the Proprietary Fund. At December 31, 2014, there was no capitalized interest recorded on the books.

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. These estimates include assessing the collectability of accounts receivable and the useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. 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. Property tax revenues are recognized when levied to the extent that they result in current receivables.

For the year ended December 31, 2014, taxes of 19.75 mills were levied on property with assessed valuations totaling \$9,076,700 and were dedicated as follows:

General corporate purposes	7.30 mills
Streets and recreation maintenance	<u>12.45 mills</u>
Total	<u>19.75 mills</u>

Total taxes levied were \$179,270. Taxes receivable at December 31, 2014 were \$71,985.

(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 (2014 collections \$309,080), 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 in 1991 (2014 collections \$309,079) 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 July 1, 2016.

(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, 2014, the Town had cash and interest-bearing deposits (book balances) totaling \$2,294,617 as follows:

Demand deposits	\$ 88,637
Money market and savings accounts	1,872,913
Time deposits	<u>333,067</u>
Total	<u>\$ 2,294,617</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 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, 2014, and the related federal insurance and pledged securities:

Bank balances	<u>\$ 2,284,334</u>
Insured	\$ 1,208,220
Uninsured and collateral held by pledging bank not in Town's name	<u>1,076,114</u>
Total	<u>\$ 2,284,334</u>

Deposits in the amount of \$1,076,114 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.

(5) Receivables

Receivables at December 31, 2014 of \$368,680 consist of the following:

	Governmental Activities	Business type Activities	Total
Accounts	\$ -	\$ 363,906	\$ 363,906
Unbilled utility	-	83,271	83,271
Allowance for uncollectible accounts	-	(193,587)	(193,587)
Ad valorem	71,985	-	71,985
Franchise tax	34,647	-	34,647
Other	<u>7,465</u>	<u>993</u>	<u>8,458</u>
Totals	<u>\$ 114,097</u>	<u>\$ 254,583</u>	<u>\$ 368,680</u>

(6) Due from Other Governmental Units

Amounts due from other governmental units of \$21,764 at December 31, 2014 consisted of the following:

General Fund:

State of Louisiana - beer tax revenues receivable	\$ 1,738
Evangeline Parish Sheriff - state prisoner housing reimbursement	8,683
Louisiana Department of Corrections - state prisoner housing reimbursement	<u>11,343</u>
	<u>\$ 21,764</u>

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(7) Restricted Assets

A. Restricted assets in the General Fund pertain to prior year hospital revenue claims and consisted of the following at December 31, 2014:

Worker's compensation claims deposits \$ 100,000

B. Restricted assets in the Enterprise Utility Fund consisted of the following at December 31, 2014:

Customers' deposits \$ 224,468

(8) Capital Assets

Capital asset activity for the year ended December 31, 2014 was as follows:

	<u>Balance 01/01/14</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/14</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 269,650	\$ -	\$ -	\$ 269,650
Plaza mural	13,503	-	-	13,503
Construction in progress	-	-	-	-
Other capital assets:				
Buildings and improvements	3,164,823	67,948	-	3,232,771
Infrastructure	2,524,909	-	-	2,524,909
Equipment, furniture and fixtures	612,964	63,050	18,346	657,668
Vehicles	<u>268,932</u>	<u>59,756</u>	<u>6,700</u>	<u>321,988</u>
Totals	<u>6,854,781</u>	<u>190,754</u>	<u>25,046</u>	<u>7,020,489</u>
Less accumulated depreciation				
Buildings and improvements	966,670	88,652	-	1,055,322
Infrastructure	1,072,664	64,948	-	1,137,612
Equipment, furniture and fixtures	526,083	21,054	18,346	528,791
Vehicles	<u>182,447</u>	<u>32,362</u>	<u>4,377</u>	<u>210,432</u>
Total accumulated depreciation	<u>2,747,864</u>	<u>207,016</u>	<u>22,723</u>	<u>2,932,157</u>
Governmental activities, capital assets, net	<u>\$ 4,106,917</u>	<u>\$ (16,262)</u>	<u>\$ 2,323</u>	<u>\$ 4,088,332</u>

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

	Balance 01/01/14	Additions	Deletions	Balance 12/31/14
Business-type activities:				
Capital assets not being depreciated:				
Land - sewer system	\$ 63,910	\$ -	\$ -	\$ 63,910
Construction in progress	-	-	-	-
Other capital assets:				
Gas system	455,037	16,200	-	471,237
Water system	2,502,222	15,260	-	2,517,482
Sewer system	3,955,893	7,280	-	3,963,173
Machinery and equipment	1,352,870	8,842	3,000	1,358,712
Totals	<u>8,329,932</u>	<u>47,582</u>	<u>3,000</u>	<u>8,374,514</u>
Less accumulated depreciation				
Gas system	455,037	20,627	-	475,664
Water system	1,922,904	76,213	-	1,999,117
Sewer system	2,125,691	119,435	-	2,245,126
Machinery and equipment	627,088	12,119	3,000	636,207
Total accumulated depreciation	<u>5,130,720</u>	<u>228,394</u>	<u>3,000</u>	<u>5,356,114</u>
Business-type activities, capital assets, net	<u>\$ 3,199,212</u>	<u>\$ (180,812)</u>	<u>\$ -</u>	<u>\$ 3,018,400</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 29,516
Police	38,543
Highways and streets	62,494
Culture and recreation	76,406
Judicial	<u>57</u>
 Total depreciation expense	 <u>\$ 207,016</u>

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

Gas	\$ 22,170
Water	78,380
Sewer	<u>127,844</u>
 Total depreciation expense	 <u>\$ 228,394</u>

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(9) Accounts and Other Payables

The accounts and other payables consisted of the following at December 31, 2014:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts payable	\$ 55,764	\$ 94,610	\$ 150,374
Salaries payable	23,729	5,017	28,746
Payroll taxes	18,990	-	18,990
Compensated absences payable	<u>14,570</u>	<u>4,531</u>	<u>19,101</u>
Totals	<u>\$ 113,053</u>	<u>\$ 104,158</u>	<u>\$ 217,211</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, 2014, governmental funds' revenues that have been earned but are unavailable totaled \$49,446, which included delinquent ad valorem tax revenue of \$29,420 and state prisoner housing reimbursements of \$20,026.

(11) Long-Term Debt

During 1999, the Town issued \$5,000,000 of revenue bonds for the construction of the Savoy Cancer Center facility. On January 19, 2006, the Town issued \$3,289,000 of revenue bonds, Series 2006, to refund \$3,170,000 of revenue bonds, Series 1999. These bonds are reported on the financial statements of Savoy Medical Management Group, Inc., a component unit of the Town (see Note 1). These bonds were paid in full in September 2014. At December 31, 2014, there were no bonds outstanding.

(12) Employee Retirement

A. Social Security System

Employees of the Town of Mamou who are not eligible to participate in any other retirement system are members of the Social Security System. The Town and its employees contribute a percentage of each employee's salary to the System (7.65 percent contributed by the Town; 7.65 percent contributed by the employee). The Town's contributions during the years ending December 31, 2014, 2013, and 2012 amounted to \$82,966, \$76,843, and \$85,064, respectively.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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

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

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

Funding Policy - Plan members are required by state statute to contribute 10.0% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 31.5% of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the System for the years ending December 31, 2014, 2013, and 2012 were \$9,998, \$9,340, and \$8,613, respectively, equal to the required contributions for each year.

(13) Litigation and Claims

At December 31, 2014, the Town is involved in several lawsuits claiming damages. In the opinion of the Town's legal counsel, the only exposure to the Town would be any costs in defense of the lawsuits with no liability to the Town in excess of insurance coverage. The Town also has workers' compensation claims that are unlikely to be settled due to the individuals having permanent disabilities and currently receiving medical care. The only exposure to the Town would be administrative fees with no liability in excess of insurance coverage. See Note 15.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(14) Risk Management

A. Commercial Insurance Coverage

The Town is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. During March 2014, it was discovered that one of the Town's insurance policies insuring equipment was not renewed by the independent agent in 2011. Since that time, the Town paid the premiums directly to the agent and was provided falsified proof of coverage documents. Upon discovery, the matter was turned over to the District Attorney. The total amount of premiums paid by the Town for insurance coverage not in effect from February 2011 through March 2014 totaled \$59,406. As of the date of this report, the matter is not settled and it is unknown if the Town will receive any restitution from the insurance agent; however, it is believed that the matter will be settled in the coming months with the Town receiving full restitution. As a result, no receivable has been recorded in these financial statements.

In March 2014, the Town also took steps to reinstate commercial insurance coverage for general and auto liability, errors and omissions, property, auto physical damage. The Town is currently self-insured for boiler and machinery 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 Southern Benefit Services, 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, 2015, Sirius American Insurance Company will reimburse the Town for aggregate incurred claims during the period of insurance less any amounts paid with respect to the specific incurred claims. No claims will be reimbursed until all claims in excess of the specific attachment point of \$248,503 exceed a corridor of the greater of the product of the enrollment times the factors of \$59.52 per employee or the annual corridor of \$20,000. Monthly payments are calculated based on the number of employees with single coverage multiplied by a funding factor of \$586 and the number of employees with family coverage multiplied by a funding factor of \$1,444. 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 \$22,156 reported in the fund at December 31, 2014 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, 2014	\$ 33,181
Insurance claims incurred for year ended December 31, 2014	228,657
Payments made for the year ended December 31, 2014	<u>(239,682)</u>
Claims payable, December 31, 2014	<u>\$ 22,156</u>

Claims payable of \$22,156 at December 31, 2014 was determined as follows:

A. Claims incurred prior to December 31, 2014 and paid in January 1, 2015 through March 31, 2015	\$ 19,842
B. Provision for claims incurred but not reported	<u>2,314</u>
Total claims payable	<u>\$ 22,156</u>

The provision for claims incurred but not reported of \$2,314 was calculated utilizing historical information adjusted for current trends.

(15) Contingent Liabilities

At December 31, 2014, the Town had contingent liabilities in the amount of \$25,000 consisting of workers' compensation claims which are the result of the prior operations of the hospital facility owned by the Town. The Town has a certificate of deposit totaling \$100,000 held as security for these claims.

(16) 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, 2014 in the amount of \$444,661, of which \$59,551 was owed for purchases for the month of December 2014.

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(17) 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, 2014 was as follows:

	<u>Gas Department</u>	<u>Water Department</u>	<u>Sewer Department</u>	<u>Total Enterprise Fund</u>
Operating revenues	<u>\$1,001,100</u>	<u>\$ 531,036</u>	<u>\$ 463,497</u>	<u>\$1,995,633</u>
Operating expenses:				
Depreciation	22,170	78,380	127,844	228,394
Other	<u>672,769</u>	<u>263,452</u>	<u>245,619</u>	<u>1,181,840</u>
Total operating expenses	<u>694,939</u>	<u>341,832</u>	<u>373,463</u>	<u>1,410,234</u>
Operating income	<u>\$ 306,161</u>	<u>\$ 189,204</u>	<u>\$ 90,034</u>	<u>\$ 585,399</u>

(18) 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, 2014 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 21,600
Benefits - insurance	3,072
Car allowance	2,400
Cell phone	918
Per diem	550
Registration fees	475
Conference travel	<u>1,391</u>
Total	<u>\$ 30,406</u>

TOWN OF MAMOU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(19) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended December 31, 2014 follows:

Ricky Fontenot, Mayor	\$ 24,000
Aldermen:	
Leisa Deshotel	9,000
Freddie Matthew	9,000
Scott Christ	9,000
Charles Reed	9,000
Robin Young	9,000
Total	<u>\$ 69,000</u>

(20) Interfund Receivables/Payables

A. A summary of interfund receivables and payables at December 31, 2014 follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major governmental funds:		
General Fund	\$ -	\$ 133,196
Sales Tax Fund	18,176	-
Proprietary funds:		
Enterprise Fund	87,139	-
Group Health Self-Insurance Internal Service Fund	<u>27,881</u>	<u>-</u>
Total	<u>\$ 133,196</u>	<u>\$ 133,196</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, 2014:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$1,085,473	\$ -
Sales Tax Special Revenue Fund	-	324,340
Total governmental funds	1,085,473	324,340
Proprietary funds:		
Enterprise Fund	-	761,133
Total	<u>\$1,085,473</u>	<u>\$1,085,473</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.

(21) 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.

Under the Savoy Care Center Nursing Home agreement commencing on April 2013, the Town will receive \$36,200 per month through March 2018.

(22) 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 21) The nursing home is leased to MH3F Healthcare Management, LLC (operating as Savoy Care Center Nursing Home) for \$434,400 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)

(23) New Accounting Pronouncements

In June 2012, the Governmental Accounting Standards Board (GASB) approved Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB Statement No. 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangement that meet the criteria established by this standard. The provisions of GASB Statement No. 68 must be implemented by the Town for the year ending December 31, 2015. The effect of the implementation of this statement on the Town's financial statements has not yet been determined.

(24) Subsequent Event Review

The Town has evaluated subsequent events through June 16, 2015, the date which the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY
INFORMATION**

TOWN OF MAMOU, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2014

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 346,000	\$ 274,000	\$ 341,340	\$ 67,340
Licenses and permits	147,000	145,000	144,083	(917)
Intergovernmental	72,000	69,339	64,982	(4,357)
Fines and forfeits	20,000	37,000	42,935	5,935
Miscellaneous	<u>1,253,400</u>	<u>939,200</u>	<u>934,678</u>	<u>(4,522)</u>
Total revenues	<u>1,838,400</u>	<u>1,464,539</u>	<u>1,528,018</u>	<u>63,479</u>
Expenditures:				
Current -				
General government:				
Administrative	692,000	657,600	621,258	36,342
Public safety:				
Police	701,000	673,800	678,907	(5,107)
Highways and streets	470,000	605,400	577,730	27,670
Culture and recreation	131,000	137,200	137,945	(745)
Judicial	30,200	32,200	39,045	(6,845)
Health and welfare	335,000	515,000	424,830	90,170
Capital outlay	<u>10,000</u>	<u>44,000</u>	<u>53,756</u>	<u>(9,756)</u>
Total expenditures	<u>2,369,200</u>	<u>2,665,200</u>	<u>2,533,471</u>	<u>131,729</u>
Deficiency of revenues over expenditures	<u>(530,800)</u>	<u>(1,200,661)</u>	<u>(1,005,453)</u>	<u>195,208</u>
Other financing sources (uses):				
Transfers from -				
Utility Fund	30,000	637,000	806,013	169,013
Sales Tax Fund	<u>400,000</u>	<u>444,000</u>	<u>279,460</u>	<u>(164,540)</u>
Total other financing sources (uses)	<u>430,000</u>	<u>1,081,000</u>	<u>1,085,473</u>	<u>4,473</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(100,800)	(119,661)	80,020	199,681
Fund balance, beginning	<u>668,623</u>	<u>668,623</u>	<u>668,623</u>	-
Fund balance, ending	<u>\$ 567,823</u>	<u>\$ 548,962</u>	<u>\$ 748,643</u>	<u>\$ 199,681</u>

TOWN OF MAMOU, LOUISIANA
Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2014

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 688,572	\$ 629,694	\$ 618,159	\$ (11,535)
Intergovernmental	-	-	21,000	21,000
Miscellaneous -				
Interest	1,000	700	704	4
Other	-	-	432	432
Total revenues	<u>689,572</u>	<u>630,394</u>	<u>640,295</u>	<u>9,901</u>
Expenditures:				
Current -				
General government	47,472	59,094	59,321	(227)
Capital outlay	<u>185,600</u>	<u>197,300</u>	<u>136,998</u>	<u>60,302</u>
Total expenditures	<u>233,072</u>	<u>256,394</u>	<u>196,319</u>	<u>60,075</u>
Excess of revenues over expenditures	456,500	374,000	443,976	69,976
Other financing uses:				
Transfers out	<u>(400,000)</u>	<u>(489,000)</u>	<u>(324,340)</u>	<u>164,660</u>
Excess (deficiency) of revenues over expenditures and other uses	56,500	(115,000)	119,636	234,636
Fund balances, beginning	<u>636,381</u>	<u>636,381</u>	<u>636,381</u>	-
Fund balances, ending	<u>\$ 692,881</u>	<u>\$ 521,381</u>	<u>\$ 756,017</u>	<u>\$ 234,636</u>

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

TOWN OF MAMOU, LOUISIANA

Statement of Net Position

December 31, 2014

With Comparative Totals for December 31, 2013

	2014			2013 Totals
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$1,530,129	\$ 440,020	\$1,970,149	\$1,695,291
Receivables, net	114,097	254,583	368,680	399,483
Due from other governmental units	21,764	-	21,764	7,600
Inventory	-	28,741	28,741	11,670
Prepaid items	<u>33,665</u>	<u>7,690</u>	<u>41,355</u>	<u>55,914</u>
Total current assets	<u>1,699,655</u>	<u>731,034</u>	<u>2,430,689</u>	<u>2,169,958</u>
Noncurrent assets:				
Restricted assets -				
Cash and interest-bearing deposits	100,000	224,468	324,468	322,066
Capital assets, net	<u>4,088,332</u>	<u>3,018,400</u>	<u>7,106,732</u>	<u>7,306,129</u>
Total noncurrent assets	<u>4,188,332</u>	<u>3,242,868</u>	<u>7,431,200</u>	<u>7,628,195</u>
Total assets	<u>5,887,987</u>	<u>3,973,902</u>	<u>9,861,889</u>	<u>9,798,153</u>
LIABILITIES				
Current liabilities:				
Accounts and other payables	113,053	104,158	217,211	195,540
Claims payable	22,156	-	22,156	33,181
Internal balances	<u>87,139</u>	<u>(87,139)</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>222,348</u>	<u>17,019</u>	<u>239,367</u>	<u>228,721</u>
Noncurrent liabilities:				
Customers deposits payable	-	224,468	224,468	222,066
Contingent liabilities	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>
Total noncurrent liabilities	<u>25,000</u>	<u>224,468</u>	<u>249,468</u>	<u>247,066</u>
Total liabilities	<u>247,348</u>	<u>241,487</u>	<u>488,835</u>	<u>475,787</u>
NET POSITION				
Invested in capital assets, net of related debt	4,088,332	3,018,400	7,106,732	7,306,129
Restricted for debt service	75,000	-	75,000	75,000
Unrestricted	<u>1,477,307</u>	<u>714,015</u>	<u>2,191,322</u>	<u>1,941,597</u>
Total net position	<u>\$5,640,639</u>	<u>\$3,732,415</u>	<u>\$9,373,054</u>	<u>\$9,322,726</u>

TOWN OF MAMOU, LOUISIANA

Balance Sheet
Governmental Funds
December 31, 2014

With Comparative Amounts as of December 31, 2013

	2014			2013
	General	Sales Tax Special Revenue	Total	
ASSETS				
Cash	\$ 81,200	\$ -	\$ 81,200	\$ 143,211
Interest-bearing deposits	703,259	738,234	1,441,493	1,130,404
Receivables:				
Taxes	106,632	-	106,632	142,045
Accrued interest	15	-	15	15
Other	7,450	-	7,450	-
Due from other funds	-	18,176	18,176	17,399
Due from other governmental units	21,764	-	21,764	7,600
Prepaid expenses	23,625	-	23,625	35,570
Restricted cash:				
Interest-bearing deposits	100,000	-	100,000	100,000
Total assets	<u>\$1,043,945</u>	<u>\$ 756,410</u>	<u>\$1,800,355</u>	<u>\$1,576,244</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts and other payables	\$ 98,090	\$ 393	\$ 98,483	\$ 89,078
Compensated absences payable	14,570	-	14,570	16,485
Due to other funds	133,196	-	133,196	133,190
Total liabilities	<u>245,856</u>	<u>393</u>	<u>246,249</u>	<u>238,753</u>
Deferred inflows of resources:				
Unavailable revenue	49,446	-	49,446	32,487
Fund balances -				
Nonspendable	23,625	-	23,625	35,570
Restricted - operations and maintenance	-	482,692	482,692	373,876
Restricted - capital expenditures	-	185,317	185,317	164,374
Restricted - industry and tourism inducement	-	88,008	88,008	98,131
Restricted - worker's compensation claims	100,000	-	100,000	100,000
Unassigned	625,018	-	625,018	533,053
Total fund balances	<u>748,643</u>	<u>756,017</u>	<u>1,504,660</u>	<u>1,305,004</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$1,043,945</u>	<u>\$ 756,410</u>	<u>\$1,800,355</u>	<u>\$1,576,244</u>

TOWN OF MAMOU, LOUISIANA

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

For the Year Ended December 31, 2014

With Comparative Actual Amounts for the Year Ended December 31, 2013

	2014			2013
	General	Sales Tax Special Revenue	Total	
Revenues:				
Taxes	\$ 341,340	\$ 618,159	\$ 959,499	\$ 975,161
Licenses and permits	144,083	-	144,083	143,189
Intergovernmental	64,982	21,000	85,982	571,408
Fines and forfeits	42,935	-	42,935	82,617
Miscellaneous	934,678	1,136	935,814	674,247
Total revenues	<u>1,528,018</u>	<u>640,295</u>	<u>2,168,313</u>	<u>2,446,622</u>
Expenditures:				
Current -				
General government:				
Administrative	621,258	59,321	680,579	712,975
Public safety:				
Police	678,907	-	678,907	704,102
Highways and streets	577,730	-	577,730	435,736
Culture and recreation	137,945	-	137,945	138,703
Judicial	39,045	-	39,045	43,284
Health and welfare	424,830	-	424,830	509,334
Capital outlay	53,756	136,998	190,754	653,135
Total expenditures	<u>2,533,471</u>	<u>196,319</u>	<u>2,729,790</u>	<u>3,197,269</u>
Excess (deficiency) of revenues over expenditures	<u>(1,005,453)</u>	<u>443,976</u>	<u>(561,477)</u>	<u>(750,647)</u>
Other financing sources (uses):				
Transfers in	1,085,473	-	1,085,473	1,269,644
Transfers out	-	(324,340)	(324,340)	(592,227)
Total other financing sources (uses)	<u>1,085,473</u>	<u>(324,340)</u>	<u>761,133</u>	<u>677,417</u>
Net changes in fund balances	80,020	119,636	199,656	(73,230)
Fund balances, beginning	<u>668,623</u>	<u>636,381</u>	<u>1,305,004</u>	<u>1,378,234</u>
Fund balances, ending	<u>\$ 748,643</u>	<u>\$ 756,017</u>	<u>\$1,504,660</u>	<u>\$1,305,004</u>

TOWN OF MAMOU, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended December 31, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

	2014			Variance with Final Budget Positive (Negative)	2013 Actual
	Budget		Actual		
	Original	Final			
Taxes:					
Ad valorem	\$ 180,000	\$ 108,000	\$ 186,094	\$ 78,094	\$ 140,506
Franchise -					
Electric	126,000	126,000	124,444	(1,556)	130,003
Telephone	16,000	16,000	12,112	(3,888)	14,251
Cable TV	24,000	24,000	18,690	(5,310)	19,849
Total taxes	<u>346,000</u>	<u>274,000</u>	<u>341,340</u>	<u>67,340</u>	<u>304,609</u>
Licenses and permits:					
Occupational licenses	145,000	143,500	142,776	(724)	142,008
Permits	2,000	1,500	1,307	(193)	1,181
Total licenses and permits	<u>147,000</u>	<u>145,000</u>	<u>144,083</u>	<u>(917)</u>	<u>143,189</u>
Intergovernmental:					
Federal grants -					
USDA	40,000	31,756	31,756	-	-
State of Louisiana -					
Beer taxes	7,000	7,500	7,348	(152)	7,863
Highway maintenance	5,000	5,000	5,000	-	5,000
DARE	5,000	7,083	7,083	-	3,438
State grants	-	-	-	-	8,190
Housing of state prisoners	15,000	18,000	12,097	(5,903)	29,488
Housing Authority	-	-	1,698	1,698	4,301
Total intergovernmental	<u>72,000</u>	<u>69,339</u>	<u>64,982</u>	<u>(4,357)</u>	<u>58,280</u>
Fines and forfeits:					
Fines and court costs	20,000	37,000	42,935	5,935	82,617
Miscellaneous:					
Interest	1,000	1,200	1,151	(49)	1,391
Local contribution - Hospital lease revenue	765,000	427,500	427,500	-	191,250
Nursing home lease revenue	434,400	434,400	434,400	-	386,933
Hospital workers compensation recoveries	-	35,100	27,855	(7,245)	51,544
Recreation complex	35,000	9,000	7,925	(1,075)	9,415
Other sources	18,000	32,000	35,847	3,847	28,037
Total miscellaneous	<u>1,253,400</u>	<u>939,200</u>	<u>934,678</u>	<u>(4,522)</u>	<u>668,570</u>
Total revenues	<u>\$1,838,400</u>	<u>\$1,464,539</u>	<u>\$1,528,018</u>	<u>\$ 63,479</u>	<u>\$1,257,265</u>

TOWN OF MAMOU, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

	2014			Variance with Final Budget Positive (Negative)	2013 Actual
	Budget		Actual		
	Original	Final			
Current:					
General government -					
Administrative:					
Mayor and council salaries	\$ 69,000	\$ 69,000	\$ 69,000	\$ -	\$ 69,000
Other salaries and wages	243,000	222,000	210,692	11,308	225,207
Group insurance	50,000	60,000	58,401	1,599	59,160
Insurance	80,000	44,300	33,823	10,477	44,288
Payroll taxes	25,000	22,300	26,077	(3,777)	24,474
Materials and supplies	26,000	31,500	39,827	(8,327)	35,009
Advertisements and recordings	5,000	5,000	4,668	332	4,876
Legal fees	18,000	12,000	24,525	(12,525)	26,544
Accounting and auditing	42,000	40,500	11,615	28,885	13,110
Professional fees	80,000	81,000	61,013	19,987	71,430
Miscellaneous	12,000	15,000	34,943	(19,943)	17,877
Utilities and telephone	16,000	17,300	17,501	(201)	16,499
Repairs and maintenance	12,000	22,600	14,754	7,846	7,009
Training	4,000	5,100	6,026	(926)	7,984
Hospital workers' comp claims	10,000	10,000	8,393	1,607	10,037
Total administrative	<u>692,000</u>	<u>657,600</u>	<u>621,258</u>	<u>36,342</u>	<u>632,504</u>
Public safety -					
Police:					
Salaries	331,500	350,000	337,759	12,241	324,491
Payroll taxes	25,500	26,300	30,743	(4,443)	31,292
Retirement contribution	10,000	10,000	9,998	2	9,341
Group insurance	75,000	85,000	91,854	(6,854)	109,883
Utilities and telephone	30,000	25,700	25,854	(154)	27,531
Insurance	110,000	83,900	94,707	(10,807)	109,841
Auto	43,000	39,500	30,923	8,577	32,327
Gas and repairs	16,000	9,200	15,506	(6,306)	9,751
Professional fees	-	4,000	4,429	(429)	4,191
Court and lab fees	5,000	-	-	-	10,825
Miscellaneous	17,000	12,700	12,185	515	11,828
Supplies	38,000	24,900	22,799	2,101	21,788
Training	-	2,600	2,150	450	1,013
Total police department	<u>701,000</u>	<u>673,800</u>	<u>678,907</u>	<u>(5,107)</u>	<u>704,102</u>

(continued)

TOWN OF MAMOU, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended December 31, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

	2014			Variance with Final Budget Positive (Negative)	2013 Actual
	Budget		Actual		
	Original	Final			
Highways and streets -					
Salaries	161,000	232,500	225,229	7,271	152,689
Payroll taxes	13,000	17,600	20,000	(2,400)	13,584
Maintenance and supplies	70,000	112,400	83,568	28,832	68,692
Lighting	58,000	55,100	56,029	(929)	58,255
Group insurance	40,000	60,000	58,401	1,599	16,899
Telephone	3,000	3,000	2,934	66	2,894
Insurance	100,000	93,600	92,226	1,374	74,015
Miscellaneous	16,000	20,600	19,420	1,180	21,644
Auto	7,000	8,600	17,931	(9,331)	18,353
Equipment rental	-	-	427	(427)	1,687
Professional fees	2,000	2,000	1,565	435	7,024
Total highways and streets	<u>470,000</u>	<u>605,400</u>	<u>577,730</u>	<u>27,670</u>	<u>435,736</u>
Culture and recreation -					
Repairs and maintenance	11,000	11,800	11,022	778	23,904
Materials and supplies	14,000	14,900	16,882	(1,982)	15,608
Auto	1,000	-	20	(20)	793
Utilities and telephone	46,000	52,900	52,959	(59)	45,487
Insurance	56,000	44,600	44,162	438	51,121
Miscellaneous	1,000	-	-	-	590
Cleaning and janitorial	2,000	13,000	12,900	100	1,200
Total culture and recreation	<u>131,000</u>	<u>137,200</u>	<u>137,945</u>	<u>(745)</u>	<u>138,703</u>
Judicial -					
Salaries	14,000	14,600	14,459	141	14,047
Payroll taxes	1,000	1,100	1,147	(47)	1,161
Insurance	200	400	376	24	231
Group insurance	-	-	8,221	(8,221)	8,463
Materials and supplies	1,000	2,100	1,808	292	892
Telephone	2,000	2,000	2,034	(34)	2,000
Professional fees	12,000	12,000	11,000	1,000	16,490
Total judicial	<u>30,200</u>	<u>32,200</u>	<u>39,045</u>	<u>(6,845)</u>	<u>43,284</u>

(continued)

TOWN OF MAMOU, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended December 31, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

	2014		Actual	Variance with Final Budget Positive (Negative)	2013 Actual
	Budget				
	Original	Final			
Health and welfare -					
Operation and maintenance - hospital	<u>335,000</u>	<u>515,000</u>	<u>424,830</u>	<u>90,170</u>	<u>509,334</u>
Capital outlay:					
General government:					
Building improvements	-	-	-	-	13,000
Public safety -					
Police:					
Vehicles and equipment	<u>10,000</u>	<u>44,000</u>	<u>53,756</u>	<u>(9,756)</u>	<u>3,070</u>
Total capital outlay	<u>10,000</u>	<u>44,000</u>	<u>53,756</u>	<u>(9,756)</u>	<u>16,070</u>
Total expenditures	<u>\$2,369,200</u>	<u>\$2,665,200</u>	<u>\$2,533,471</u>	<u>\$131,729</u>	<u>\$2,479,733</u>

TOWN OF MAMOU, LOUISIANA
Special Revenue Fund
Sales Tax Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2014
With Comparative Actual Amounts for the Year Ended December 31, 2013

	2014			Variance with Final Budget Positive (Negative)	2013 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 688,572	\$ 629,694	\$ 618,159	\$ (11,535)	\$ 670,552
Intergovernmental:					
LCDBG	-	-	-	-	486,928
LGAP	-	-	21,000	21,000	26,200
Miscellaneous:					
Interest	1,000	700	704	4	1,065
Other	-	-	432	432	4,612
Total revenues	<u>689,572</u>	<u>630,394</u>	<u>640,295</u>	<u>9,901</u>	<u>1,189,357</u>
Expenditures:					
Current -					
General government:					
Audit and accounting	-	7,000	7,280	(280)	6,790
Miscellaneous	13,772	12,594	12,540	54	13,469
Industry and tourism inducement	33,700	39,500	39,501	(1)	60,212
Total general government	<u>47,472</u>	<u>59,094</u>	<u>59,321</u>	<u>(227)</u>	<u>80,471</u>
Capital outlay -					
General government:					
Furniture	-	-	-	-	2,480
LED display sign	15,000	15,000	14,995	5	-
Equipment	20,000	22,500	5,471	17,029	-
Software upgrade	20,000	40,000	28,500	11,500	-
Public safety:					
Building improvements	-	-	-	-	11,945
Highways and streets:					
Street improvements	65,600	42,300	40,407	1,893	569,000
Building improvements	35,000	30,000	11,800	18,200	-
Vehicles and equipment	30,000	24,700	15,680	9,020	33,640
Culture and recreation:					
Equipment	-	-	-	-	20,000
Ballpark improvements	-	7,500	4,800	2,700	-
Building improvements	-	15,300	15,345	(45)	-
Total capital outlay	<u>185,600</u>	<u>197,300</u>	<u>136,998</u>	<u>60,302</u>	<u>637,065</u>
Total expenditures	<u>233,072</u>	<u>256,394</u>	<u>196,319</u>	<u>60,075</u>	<u>717,536</u>
Excess of revenues over expenditures	<u>456,500</u>	<u>374,000</u>	<u>443,976</u>	<u>69,976</u>	<u>471,821</u>
Other financing uses:					
Transfers to -					
Utility Fund	-	(45,000)	(44,880)	120	-
General Fund	(400,000)	(444,000)	(279,460)	164,540	(592,227)
Total other financing uses	<u>(400,000)</u>	<u>(489,000)</u>	<u>(324,340)</u>	<u>164,660</u>	<u>(592,227)</u>
Excess (deficiency) of revenues over expenditures and other uses	56,500	(115,000)	119,636	234,636	(120,406)
Fund balance, beginning	<u>636,381</u>	<u>636,381</u>	<u>636,381</u>	<u>-</u>	<u>756,787</u>
Fund balance, ending	<u>\$ 692,881</u>	<u>\$ 521,381</u>	<u>\$ 756,017</u>	<u>\$ 234,636</u>	<u>\$ 636,381</u>

TOWN OF MAMOU, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
December 31, 2014

Records maintained by the Town indicated the following number of customers were being serviced during the month of December 2014 and 2013:

<u>Department</u>	<u>2014</u>	<u>2013</u>
Gas (metered)	950	1,004
Water	1,711	1,721
Sewerage	1,292	1,258

TOWN OF MAMOU, LOUISIANA

Schedule of Insurance In Force
(Unaudited)
December 31, 2014

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	190,000
Commercial general liability -	
Premises/operations	500,000
Products/completed operations	500,000
Medical payments per person	1,000
Medical payments per accident	10,000
Fire legal liability	50,000
Law enforcement officers' comprehensive liability	500,000
Automobile liability	500,000
Public officials' errors and omissions liability	500,000
Commercial fire and extended coverage -	
Buildings	6,661,800
Contents	3,673,100
Vehicle physical damage	138,610

TOWN OF MAMOU, LOUISIANA

Combined Schedule of Interest-Bearing Deposits - All Funds
December 31, 2014

		<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Total Book Value</u>
Major Governmental Funds:				
General Fund -				
Certificate of Deposit - Workers' Compensation Security	(C)	0.55%	11/21/14	\$ 100,000
Savings Account - Hospital Revenue	(J)	0.25%	N/A	138,957
Interest-bearing checking - General	(J)	0.10%	N/A	352,317
Interest-bearing checking - Payroll	(J)	0.05%	N/A	9,533
Interest-bearing checking - General	(J)	0.15%	N/A	201,622
Interest-bearing checking - Insurance Contingency	(S)	0.20%	N/A	<u>830</u>
Total General Fund				<u>803,259</u>
Special Revenue Funds -				
Sales Tax Fund				
Interest-bearing checking - Sales Tax Fund	(S)	0.15%	N/A	723,307
Interest-bearing checking - Construction Account	(S)	0.20%	N/A	<u>14,927</u>
Total Sales Tax Fund				<u>738,234</u>
Total Governmental Funds				<u>1,541,493</u>
Proprietary Fund:				
Utility Fund:				
Operating Account -				
Interest-bearing checking	(C)	0.15%	N/A	192,232
Certificate of Deposit	(J)	0.20%	03/16/14	49,338
Water Revenue Fund -				
Interest-bearing checking	(S)	0.15%	N/A	65,987
Interest-bearing checking	(S)	0.20%	N/A	32,080
Meter Deposit Fund -				
Certificate of Deposit	(S)	0.35%	07/28/14	183,729
Interest-bearing checking	(J)	0.10%	N/A	<u>141,121</u>
Total Proprietary Fund				<u>664,487</u>
Total Interest-bearing Deposits - All Funds				<u>\$2,205,980</u>

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

(C) Citizens Bank, Ville Platte, Louisiana

(J) Jeff Davis Bank, Mamou, Louisiana

(S) Sabine State Bank, Many, Louisiana

TOWN OF MAMOU, LOUISIANA

Comparative Statement of Net Position
 Proprietary Funds
 December 31, 2014 and 2013

ASSETS	Business-type Activities - Enterprise Fund		Governmental Activities - Internal Service Fund	
	2014	2013	2014	2013
Current assets:				
Cash	\$ 1	\$ 1	\$ 7,436	\$ 8,490
Interest-bearing deposits	440,019	413,185	-	-
Receivables -				
Accounts, net	170,319	169,014	-	-
Unbilled utility receivables	83,271	88,526	-	-
Accrued interest receivable	10	35	-	-
Other	983	208	-	-
Due from other funds	87,139	87,910	27,881	27,881
Inventory - natural gas	28,741	11,670	-	-
Prepaid items	7,690	10,985	10,040	9,359
Total current assets	<u>818,173</u>	<u>781,534</u>	<u>45,357</u>	<u>45,730</u>
Noncurrent assets:				
Restricted assets -				
Interest-bearing deposits	224,468	222,066	-	-
Capital assets, net of accumulated depreciation	<u>3,018,400</u>	<u>3,199,212</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>3,242,868</u>	<u>3,421,278</u>	<u>-</u>	<u>-</u>
Total assets	<u>4,061,041</u>	<u>4,202,812</u>	<u>45,357</u>	<u>45,730</u>
LIABILITIES				
Current liabilities:				
Accounts and other payables	99,627	84,515	-	-
Compensated absences payable	4,531	5,462	-	-
Claims payable	-	-	<u>22,156</u>	<u>33,181</u>
Total current liabilities	<u>104,158</u>	<u>89,977</u>	<u>22,156</u>	<u>33,181</u>
Noncurrent liabilities:				
Customers' deposits	<u>224,468</u>	<u>222,066</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>328,626</u>	<u>312,043</u>	<u>22,156</u>	<u>33,181</u>
NET POSITION				
Invested in capital assets, net of related debt	3,018,400	3,199,212	-	-
Unrestricted	<u>714,015</u>	<u>691,557</u>	<u>23,201</u>	<u>12,549</u>
Total net position	<u>\$3,732,415</u>	<u>\$3,890,769</u>	<u>\$23,201</u>	<u>\$12,549</u>

TOWN OF MAMOU, LOUISIANA

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

Proprietary Funds

Years Ended December 31, 2014 and 2013

	<u>Business-type Activities-</u> <u>Enterprise Fund</u>		<u>Governmental Activities-</u> <u>Internal Service Fund</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Operating revenues:				
Charges for services	\$1,918,251	\$1,796,195	\$ 349,703	\$ 289,145
Permits, reconnections and penalties	55,887	59,606	-	-
Miscellaneous	<u>21,495</u>	<u>13,970</u>	<u>-</u>	<u>-</u>
Total operating revenues	<u>1,995,633</u>	<u>1,869,771</u>	<u>349,703</u>	<u>289,145</u>
Operating expenses:				
Gas department expenses	672,769	596,038	-	-
Water department expenses	263,452	277,147	-	-
Sewerage department expenses	245,619	239,719	-	-
Depreciation expense	228,394	225,131	-	-
Self insurance expenses	<u>-</u>	<u>-</u>	<u>339,051</u>	<u>283,182</u>
Total operating expenses	<u>1,410,234</u>	<u>1,338,035</u>	<u>339,051</u>	<u>283,182</u>
Operating income	585,399	531,736	10,652	5,963
Nonoperating revenues (expenses):				
Interest income	1,345	1,823	-	-
Gain on disposal of assets	<u>775</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total nonoperating revenues	<u>2,120</u>	<u>1,823</u>	<u>-</u>	<u>-</u>
Income before contributions and transfers	587,519	533,559	10,652	5,963
Capital contributions	<u>15,260</u>	<u>83,500</u>	<u>-</u>	<u>-</u>
Income before transfers	602,779	617,059	10,652	5,963
Transfers out	<u>(761,133)</u>	<u>(677,417)</u>	<u>-</u>	<u>-</u>
Change in net assets	(158,354)	(60,358)	10,652	5,963
Net position, beginning	<u>3,890,769</u>	<u>3,951,127</u>	<u>12,549</u>	<u>6,586</u>
Net position, ending	<u>\$3,732,415</u>	<u>\$3,890,769</u>	<u>\$ 23,201</u>	<u>\$ 12,549</u>

TOWN OF MAMOU, LOUISIANA
Enterprise Fund
Utility Fund

Departmental Analysis of Revenues and Expenses
Years Ended December 31, 2014 and 2013

	Totals		Gas		Water		Sewer	
	2014	2013	2014	2013	2014	2013	2014	2013
Operating revenues:								
Customers service charges	\$1,918,251	\$1,796,195	\$ 954,991	\$831,086	\$515,117	\$517,320	\$448,143	\$447,789
Permits, reconnections and penalties	55,887	59,606	27,944	27,418	15,089	17,286	12,854	14,902
Miscellaneous	21,495	13,970	18,165	10,080	830	985	2,500	2,905
Total operating revenues	<u>1,995,633</u>	<u>1,869,771</u>	<u>1,001,100</u>	<u>868,584</u>	<u>531,036</u>	<u>535,591</u>	<u>463,497</u>	<u>465,596</u>
Operating expenses:								
Salaries	202,452	184,324	74,154	70,702	62,490	56,269	65,808	57,353
Payroll taxes	17,064	15,269	6,230	5,954	5,259	4,683	5,575	4,632
Group Insurance	66,622	67,596	16,726	21,117	22,113	21,117	27,783	25,362
Gas purchased	444,661	354,636	444,661	354,636	-	-	-	-
Maintenance and supplies	155,731	167,340	47,701	60,793	61,633	64,736	46,397	41,811
Safe water drinking fee	4,752	4,752	-	-	4,752	4,752	-	-
Lab fees	11,990	7,440	-	-	5,347	1,015	6,643	6,425
Depreciation expense	228,394	225,131	22,170	20,466	78,380	75,453	127,844	129,212
Utilities	121,374	137,051	6,758	6,365	68,266	76,757	46,350	53,929
Telephone	7,903	6,785	4,216	3,206	-	-	3,687	3,579
Truck operation	26,108	26,090	11,393	10,755	6,577	7,363	8,138	7,972
Bad debt recovery	(6,229)	(2,847)	(2,493)	(1,550)	(2,271)	(804)	(1,465)	(493)
Insurance	62,883	76,157	18,886	22,169	20,974	25,961	23,023	28,027
Miscellaneous	9,862	4,007	7,828	1,377	826	1,334	1,208	1,296
Professional fees	51,261	60,028	32,209	40,514	7,486	12,034	11,566	7,480
Training	5,406	4,276	4,500	-	-	1,930	906	2,346
Total operating expenses	<u>1,410,234</u>	<u>1,338,035</u>	<u>694,939</u>	<u>616,504</u>	<u>341,832</u>	<u>352,600</u>	<u>373,463</u>	<u>368,931</u>
Operating income	<u>\$ 585,399</u>	<u>\$ 531,736</u>	<u>\$ 306,161</u>	<u>\$252,080</u>	<u>\$189,204</u>	<u>\$182,991</u>	<u>\$ 90,034</u>	<u>\$ 96,665</u>

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

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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

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

We have audited, 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, and each major fund of the Town of Mamou, Louisiana, as of and for the year ended December 31, 2014, 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 16, 2015. The report on the Town of Mamou, Louisiana's reporting entity was adverse because the financial statements do not include financial data of the component unit of the Town of Mamou, Louisiana, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the omitted component unit.

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) to determine the 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 consider 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as items 2014-001 and 2014-002.

Town of Mamou, Louisiana's Response to Findings

The Town of Mamou, Louisiana's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan. The Town of Mamou, Louisiana's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Legislative Auditor as a public document.

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

Lafayette, Louisiana
June 16, 2015

TOWN OF MAMOU, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended December 31, 2014

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
CURRENT YEAR (12/31/14) --						
<u>Internal Control:</u>						
There were no internal control findings to be reported.						
<u>Compliance:</u>						
2014-001	2014	During the Thanksgiving holidays in November 2014, Scott Rickey McGee, a general laborer in the utility department, was on call and had unsupervised access to the Mamou City Barn, where utility department parts and supplies are located. He dismantled water valves and meters (valued at \$9,134) in order to sell the brass casing as scrap. After the holidays, a routine inventory check uncovered the missing water meters. Upon discovery of the theft, Mr. McGee was immediately terminated from employment. The appropriate law enforcement agency and the District were immediately notified and a criminal investigation was initiated. The individual was formally charged on February 5, 2015, at which time he pled not guilty. He has until June 18, 2015 to enter a final plea or negotiate a plea bargain with the District Attorney. No restitution has been made; however, items with an estimated value of \$2,158 were recovered during the investigation.		In the future, in addition to routine inventory checks, additional verification will be performed immediately following employees' unsupervised access to the Mamou City Barn.	Ricky Fontenot, Mayor	Immediately

(continued)

TOWN OF MAMOU, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan (Continued)
Year Ended December 31, 2014

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<u>CURRENT YEAR (12/31/14) --</u>						
<u>Compliance:</u>						
2014-002	2014	The Town did not notify the Louisiana Legislative Auditor in writing when an incident of theft occurred, as required by Louisiana Revised Statute 24:523.		The Town was unaware of the requirement to notify the Louisiana Legislative Auditor in writing when notifying the District Attorney of an incident of theft. On May 18, 2015, a letter was sent to the Louisiana Legislative Auditor upon learning of the requirement.	Ricky Fontenot, Mayor	Immediately

Management Letter:

There were no management letter comments to be reported.

PRIOR YEAR (12/31/13) --

Internal Control:

There were no internal control findings to be reported.

Compliance:

There were no compliance findings to be reported.

Management Letter:

There were no management letter comments to be reported.