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TOWN OF MAMOU, LOUISIANA

Financial Report

Year Ended December 31, 2007

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Release Date 7/9/08

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mamou, Louisiana, as of and for the year ended December 31, 2007, which collectively comprise the basic financial statements of the Town's primary government as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements referred to above include only the primary government of the Town of Mamou, Louisiana, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the Town's legal entity. The financial statements do not include financial data for the Town's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the Town's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the Town of Mamou, Louisiana as of December 31, 2007, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the primary government of the Town of Mamou, Louisiana, as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated June 16, 2008, on our consideration of the Town of Mamou's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The required supplementary information on pages 40 through 41 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Mamou, Louisiana's basic financial statements. The other supplementary information on pages 44 through 64 is presented for purposes of additional analysis and is not a required part of the basic financial statements. All of the supplementary information, except for the schedule of number of utility customers and the schedule of insurance in force, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in relation to the basic financial statements taken as a whole. The schedule of number of utility customers and the schedule of insurance in force have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on them. The prior year comparative information on the other supplementary information has been derived from the Town of Mamou's 2006 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements taken as a whole, except for the schedule of number of utility customers and the schedule of insurance in force, which were not subjected to the auditing procedures and on which we expressed no opinion.

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

Lafayette, Louisiana
June 16, 2008

BASIC FINANCIAL STATEMENTS

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

TOWN OF MAMOU, LOUISIANA

Statement of Net Assets
December 31, 2007

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$2,439,032	\$ 139,275	\$2,578,307
Receivables, net	213,590	265,595	479,185
Due from other governmental units	2,130	-	2,130
Inventory	-	109,894	109,894
Prepaid items	36,547	7,072	43,619
Total current assets	<u>2,691,299</u>	<u>521,836</u>	<u>3,213,135</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	100,000	373,399	473,399
Capital assets, net	3,203,392	2,451,045	5,654,437
Total noncurrent assets	<u>3,303,392</u>	<u>2,824,444</u>	<u>6,127,836</u>
Total assets	<u>5,994,691</u>	<u>3,346,280</u>	<u>9,340,971</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	139,127	110,742	249,869
Bank overdraft	96,984	-	96,984
Claims payable	141,593	-	141,593
Internal balances	(19,720)	19,720	-
Capital lease payable	13,342	-	13,342
Total current liabilities	<u>371,326</u>	<u>130,462</u>	<u>501,788</u>
Noncurrent liabilities:			
Customers deposits payable	-	255,342	255,342
Contingent liabilities	25,000	-	25,000
Capital lease payable	21,372	-	21,372
Total noncurrent liabilities	<u>46,372</u>	<u>255,342</u>	<u>301,714</u>
Total liabilities	<u>417,698</u>	<u>385,804</u>	<u>803,502</u>
NET ASSETS			
Invested in capital assets, net of related debt	3,168,678	2,451,045	5,619,723
Unrestricted	2,408,315	509,431	2,917,746
Total net assets	<u>\$5,576,993</u>	<u>\$2,960,476</u>	<u>\$8,537,469</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, 2007

Activities	Program Revenues			Net (Expense) Revenues and Changes in Net Assets	
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Governmental activities:					
General government	\$ 892,663	\$ 126,384	\$100,000	\$ -	\$ (666,279)
Public safety:					
Police	888,803	238,492	18,513	8,262	(623,536)
Streets	593,571	-	4,605	12,000	(576,966)
Culture and recreation	278,766	44,600	2,000	41,874	(190,292)
Judicial	124,553	-	-	-	(124,553)
Central garage	42,944	-	-	-	(42,944)
Interest on long-term debt	2,185	-	-	-	(2,185)
Total governmental activities	2,823,485	409,476	125,118	62,136	(2,226,755)
Business-type activities:					
Gas	738,943	962,415	-	-	223,472
Water	353,016	436,078	-	-	83,062
Sewer	421,772	386,761	-	-	(35,011)
Total business-type activities	1,513,731	1,785,254	-	-	271,523
Total	\$4,337,216	\$2,194,730	\$125,118	\$62,136	\$1,955,232
General revenues:					
Taxes -					
Ad valorem taxes, levied for general purposes				68,738	68,738
Ad valorem taxes, levied for streets and recreation				112,152	112,152
Sales and use taxes, levied for general purposes				432,684	432,684
Sales and use taxes, levied for capital improvements				176,279	176,279
Sales and use taxes, levied for industry and tourism inducement				32,051	32,051
Franchise taxes				195,789	195,789
Grants and contributions not restricted to specific programs -					
State sources				13,701	13,701
Interest and investment earnings				76,439	76,439
Hospital lease revenue				765,000	765,000
Hospital receivable revenue				3,940	3,940
Nursing home lease revenue				222,300	222,300
Miscellaneous				118,936	118,936
Transfers to component unit				(327,499)	(327,499)
Transfers				247,627	(247,627)
Total general revenues and transfers				2,138,137	(232,904)
Change in net assets				38,619	(49,999)
Net assets - January 1, 2007				5,665,611	2,921,857
Net assets - December 31, 2007				\$ 5,576,993	\$ 2,960,476

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

General Fund

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

Special Revenue Fund

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

Sales Tax Fund

To account for the receipt and use of proceeds of the Town's two 1% sales and use taxes. These taxes are dedicated and used for the purpose of inducing and attracting commerce, industry and tourism in the Town, including the acquisition and improvement of land and buildings and for constructing, acquiring, improving and/or extending any work of capital improvement for the Town; and any lawful corporate purpose of the Town.

Enterprise Fund

Utility Fund -

To account for the provision of gas, water, and sewerage services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

TOWN OF MAMOU, LOUISIANA

Balance Sheet
Governmental Funds
December 31, 2007

ASSETS	<u>General</u>	<u>Sales Tax Special Revenue</u>	<u>Total</u>
Cash	\$ 125,928	\$ -	\$ 125,928
Interest-bearing deposits	1,861,591	451,513	2,313,104
Receivables:			
Taxes	128,578	-	128,578
Accrued interest	5,695	-	5,695
Due from other governmental units	2,130	-	2,130
Other	2,355	-	2,355
Due from other funds	-	97,710	97,710
Prepaid expenses	24,266	-	24,266
Restricted cash:			
Interest-bearing deposits	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total assets	<u>\$2,250,543</u>	<u>\$549,223</u>	<u>\$2,799,766</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts and other payables	\$ 82,170	\$ 9,496	\$ 91,666
Retainage payable	-	14,820	14,820
Compensated absences payable	32,641	-	32,641
Due to other funds	<u>210,389</u>	<u>-</u>	<u>210,389</u>
Total liabilities	325,200	24,316	349,516
Fund balances -			
Unreserved, undesignated	<u>1,925,343</u>	<u>524,907</u>	<u>2,450,250</u>
Total liabilities and fund balances	<u>\$2,250,543</u>	<u>\$549,223</u>	<u>\$2,799,766</u>

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

TOWN OF MAMOU, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
December 31, 2007

Total fund balances for governmental funds at December 31, 2007		\$2,450,250
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 269,650	
Buildings and improvements, net of \$529,736 accumulated depreciation	1,625,406	
Infrastructure, net of \$785,337 accumulated depreciation	1,003,297	
Equipment, furniture, and fixtures, net of \$387,163 accumulated depreciation	182,386	
Vehicles, net of \$159,358 accumulated depreciation	<u>122,653</u>	3,203,392
Long-term liabilities at December 31, 2007:		
Capital lease payable	(34,714)	
Contingent liability	<u>(25,000)</u>	(59,714)
Net assets of the group self-insurance internal service fund		<u>(16,935)</u>
Total net assets of governmental activities at December 31, 2007		<u>\$5,576,993</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, 2007

	<u>General</u>	<u>Sales Tax Special Revenue</u>	<u>Total</u>
Revenues:			
Taxes	\$ 376,679	\$ 641,014	\$1,017,693
Licenses and permits	126,384	-	126,384
Intergovernmental	100,955	-	100,955
Fines and forfeits	238,492	-	238,492
Miscellaneous	<u>1,335,845</u>	<u>8,258</u>	<u>1,344,103</u>
Total revenues	<u>2,178,355</u>	<u>649,272</u>	<u>2,827,627</u>
Expenditures:			
Current -			
General government:			
Administrative	802,218	45,549	847,767
Public safety:			
Police	846,333	-	846,333
Highways and streets	531,915	-	531,915
Culture and recreation	219,525	-	219,525
Judicial	118,983	-	118,983
Central garage	42,214	-	42,214
Capital outlay	39,809	282,680	322,489
Debt service -			
Principal retirement	12,661	-	12,661
Interest and fiscal charges	<u>2,185</u>	<u>-</u>	<u>2,185</u>
Total expenditures	<u>2,615,843</u>	<u>328,229</u>	<u>2,944,072</u>
Excess (deficiency) of revenues over expenditures	<u>(437,488)</u>	<u>321,043</u>	<u>(116,445)</u>
Other financing sources (uses):			
Transfers in	750,881	-	750,881
Transfers out	-	(503,254)	(503,254)
Transfers in (out) - component unit	<u>(323,117)</u>	<u>-</u>	<u>(323,117)</u>
Total other financing sources (uses)	<u>427,764</u>	<u>(503,254)</u>	<u>(75,490)</u>
Net changes in fund balances	(9,724)	(182,211)	(191,935)
Fund balances, beginning	<u>1,935,067</u>	<u>707,118</u>	<u>2,642,185</u>
Fund balances, ending	<u>\$1,925,343</u>	<u>\$ 524,907</u>	<u>\$2,450,250</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, 2007

Total net changes in fund balances at December 31, 2007 per Statement of Revenues, Expenditures and Changes in Fund Balances			\$ (191,935)
The change in net assets reported for governmental activities in the statement of activities is different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 322,489	
Depreciation expense for the year ended December 31, 2007		<u>(182,432)</u>	140,057
Difference between proceeds from the sale of assets on the Statement of Revenues, Expenditures and Changes in Fund Balances and the Gain on Disposal of Assets on the Statement of Activities			
			(12,888)
Governmental funds report capital lease repayments as expenditures. However, this expenditure does not appear in the statement of activities since the payment is applied against the capital lease payable balance on the statement of net assets			
			12,661
Net loss of group self-insurance internal service fund			<u>(36,513)</u>
Total changes in net assets at December 31, 2007 per Statement of Activities			<u>\$ (88,618)</u>

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

TOWN OF MAMOU, LOUISIANA

Statement of Net Assets
Proprietary Funds
December 31, 2007

	<u>Business-type Activities -</u> <u>Enterprise Fund</u>	<u>Governmental Activities -</u> <u>Internal Service Fund</u>
ASSETS		
Current assets:		
Cash	\$ 11	\$ -
Interest-bearing deposits	139,264	-
Receivables:		
Accounts	162,887	76,962
Unbilled utility receivables	102,167	-
Accrued interest receivable	541	-
Due from other funds	-	132,399
Inventory - natural gas	109,894	-
Prepaid items	<u>7,072</u>	<u>12,281</u>
Total current assets	<u>521,836</u>	<u>221,642</u>
Noncurrent assets:		
Restricted assets -		
Interest-bearing deposits	373,399	-
Capital assets, net of accumulated depreciation	<u>2,451,045</u>	<u>-</u>
Total noncurrent assets	<u>2,824,444</u>	<u>-</u>
Total assets	<u>3,346,280</u>	<u>221,642</u>
LIABILITIES		
Current liabilities:		
Accounts and other payables	103,140	-
Bank overdraft	-	96,984
Compensated absences payable	7,602	-
Claims payable	-	141,593
Due to other funds	<u>19,720</u>	<u>-</u>
Total current liabilities	<u>130,462</u>	<u>238,577</u>
Noncurrent liabilities:		
Customers' deposits	<u>255,342</u>	<u>-</u>
Total noncurrent liabilities	<u>255,342</u>	<u>-</u>
Total liabilities	<u>385,804</u>	<u>238,577</u>
NET ASSETS		
Invested in capital assets, net of related debt	2,451,045	-
Unrestricted	<u>509,431</u>	<u>(16,935)</u>
Total net assets	<u>\$2,960,476</u>	<u>\$ (16,935)</u>

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

TOWN OF MAMOU, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Assets
 Proprietary Funds
 Year Ended December 31, 2007

	<u>Business-type Activities-</u> <u>Enterprise Fund</u>	<u>Governmental Activities -</u> <u>Internal Service Fund</u>
Operating revenues:		
Charges for services	\$1,723,076	\$ 880,962
Permits, reconnections and penalties	49,011	-
Miscellaneous	13,167	-
Total operating revenues	<u>1,785,254</u>	<u>880,962</u>
Operating expenses:		
Gas department expenses	729,532	-
Water department expenses	268,150	-
Sewerage department expenses	334,518	-
Depreciation expense	179,552	-
Self insurance expenses	-	917,475
Total operating expenses	<u>1,511,752</u>	<u>917,475</u>
Operating income (loss)	<u>273,502</u>	<u>(36,513)</u>
Nonoperating revenues (expenses):		
Interest income	14,723	-
Interest expense	(2,969)	-
Gain on disposal of assets	990	-
Total nonoperating revenues (expenses)	<u>12,744</u>	<u>-</u>
Income (loss) before transfers	<u>286,246</u>	<u>(36,513)</u>
Transfers in (out):		
Transfers out	<u>(247,627)</u>	<u>-</u>
Change in net assets	38,619	(36,513)
Net assets, beginning	<u>2,921,857</u>	<u>19,578</u>
Net assets (deficit), ending	<u>\$2,960,476</u>	<u>\$ (16,935)</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, 2007

	<u>Business-type Activities - Enterprise Fund</u>	<u>Governmental Activities - Internal Service Fund</u>
Cash flows from operating activities:		
Receipts from customers	\$ 1,782,241	\$ 744,000
Payments to suppliers	(1,105,212)	(748,438)
Payments to employees	(351,318)	-
Other receipts	<u>13,167</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>338,878</u>	<u>(4,438)</u>
Cash flows from noncapital financing activities:		
Transfers to other funds	<u>(247,627)</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Principal paid on revenue bonds payable	(91,573)	-
Interest and fiscal charges paid on revenue bonds	(4,552)	-
Net increase in customer meter deposits	14,481	-
Acquisition of property, plant and equipment	(103,016)	-
Disposition of property, plant and equipment	<u>2,639</u>	<u>-</u>
Net cash used by capital and related financing activities	<u>(182,021)</u>	<u>-</u>
Cash flows from investing activities:		
Net purchases of interest-bearing deposits with maturity in excess of ninety days	(7,685)	-
Interest earned	<u>14,701</u>	<u>-</u>
Net cash provided by investing activities	<u>7,016</u>	<u>-</u>
Net decrease in cash and cash equivalents	(83,754)	(4,438)
Cash and cash equivalents, beginning of period	<u>382,640</u>	<u>4,438</u>
Cash and cash equivalents, end of period	<u>\$ 298,886</u>	<u>\$ -</u>

(continued)

TOWN OF MAMOU, LOUISIANA

Statement of Cash Flows
 Proprietary Funds (continued)
 For the Year Ended December 31, 2007

	<u>Business-type Activities -</u> <u>Enterprise Fund</u>	<u>Governmental Activities -</u> <u>Internal Service Fund</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 273,502	\$ (36,513)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	179,552	-
Changes in current assets and liabilities:		
Increase accounts receivable	(20,612)	(76,962)
Increase in provision for uncollectible accounts	28,064	-
Decrease in unbilled utility receivables	1,284	-
Increase in inventory	(64,166)	-
Increase in prepaid items	(1,167)	(1,540)
Decrease in due to other funds	(39,669)	-
Decrease in accounts payable	(14,819)	-
Increase in bank overdraft	-	96,984
Decrease in compensated absences payable	(3,091)	-
Increase in claims payable	-	73,593
Net cash provided (used) by operating activities	<u>\$ 338,878</u>	<u>\$ (4,438)</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	\$ 11	\$ 4,438
Interest-bearing deposits - unrestricted	135,735	-
Interest-bearing deposits - restricted	452,997	-
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(206,103)</u>	<u>-</u>
Total cash and cash equivalents	<u>382,640</u>	<u>4,438</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	11	-
Interest-bearing deposits - unrestricted	139,264	-
Interest-bearing deposits - restricted	373,399	-
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(213,788)</u>	<u>-</u>
Total cash and cash equivalents	<u>298,886</u>	<u>-</u>
Net decrease	<u>\$ (83,754)</u>	<u>\$ (4,438)</u>

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

TOWN OF MAMOU, LOUISIANA

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Mamou (Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

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

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

Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by Statement No. 39 established criteria for determining which component units should be considered part of the Town of Mamou for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the municipality to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.

TOWN OF MAMOU, LOUISIANA

Notes to Financial Statements (Continued)

3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship if all of the following conditions exist:
 - a. The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
 - b. The primary government (or its component units) is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
 - c. The economic resources received or held by an individual organization that the specific primary government (or its component units) is entitled to, or has the ability to otherwise access, are significant to that primary government.
4. Organizations that are closely related to, or financially integrated with the primary government.

The following component units are not presented in the accompanying financial statements:

Savoy Cancer Center, Inc.

The Savoy Cancer Center, Inc. (a nonprofit organization), consisting of the Savoy Cancer Center Operations Fund and the Town of Mamou Cancer Center Building Fund was determined to be a component unit but is not presented in the accompanying financial statements. The Town of Mamou owns the cancer treatment health care facilities located in Mamou, Louisiana, which are operated by Savoy Cancer Center, Inc. (the Center). The Center is a nonprofit organization incorporated on June 29, 1998. The Center was formed for the purpose of operating and managing a facility for treating cancer patients and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The direction, administration and management of the Center is governed by a Board of Directors or Trustees of not less than six (6) nor more than ten (10) members. The members serve terms of one to three years.

On September 16, 1999, an agreement was entered into between the Town and the Center for a fifteen-year (15) term. The Town is the owner of the cancer treatment facility and retains the services of the Center to provide experience, skills, supervision and necessary personnel for the operation and management of the facility. Various reporting and accountability requirements must be performed and submitted to the Town by the Center on a periodic basis. The Center will provide all services specified in the agreement at no fee to the Town.

TOWN OF MAMOU, LOUISIANA

Notes to Financial Statements (Continued)

The Town shall, on a monthly basis or intermittently, as determined by the Center, reimburse the Center for all operating expenses related to the operation and management of the facility. The Town is also required to maintain insurance coverage on behalf of the facility. This agreement may be terminated "for cause" by either party at any time during the term by giving written notice to the other. The Town has the right of termination without cause under specified circumstances in the agreement.

Complete financial statements for the component unit may be obtained at the entity's administrative office (Savoy Cancer Center, Inc., 803 Poinciana, Mamou, LA 70554).

Savoy Medical Center & Savoy Care Center Nursing Home

The Savoy Medical Center and the Savoy Care Center Nursing Home were determined to be component units but are not presented in the accompanying financial statements. The Town of Mamou owns the equipment and physical plant operated by Savoy Medical Center and Savoy Care Center Nursing Home. The Town appoints five of the thirteen members of the governing board of Savoy Medical Center. The Town leases the premises, which includes the land, buildings, fixtures, improvements and equipment for the hospital facility to Rapides Healthcare System, LLC d/b/a Savoy Medical Center for \$765,000 annually. The Town also leases the premises, which includes the land, buildings, fixtures, improvements and equipment for the nursing home facility to MH3F Healthcare Management, LLC d/b/a Savoy Care Center Nursing Home for \$222,300. The lessees agree to pay all taxes, charges, costs and expenses including maintenance, repairs and utilities of the facilities.

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

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

TOWN OF MAMOU, LOUISIANA

Notes to Financial Statements (Continued)

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

Fund Financial Statements

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

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

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the Town are described below:

Governmental Funds -

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

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

TOWN OF MAMOU, LOUISIANA

Notes to Financial Statements (Continued)

Additionally, the Town reports the following fund types:

Proprietary Funds –

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

Enterprise funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town applies all applicable FASB pronouncements issued after November 30, 1989 in accounting and reporting for its enterprise fund. The Town's enterprise fund is the Utility Fund.

Internal service funds

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

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

TOWN OF MAMOU, LOUISIANA

Notes to Financial Statements (Continued)

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

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

Basis of Accounting

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

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

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

TOWN OF MAMOU, LOUISIANA

Notes to Financial Statements (Continued)

D. Assets, Liabilities and Equity

Cash, interest-bearing deposits, and investments

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

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

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

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem and sales and use taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2007 and 2006, an allowance for ad valorem taxes was considered unnecessary due to immateriality. The allowance for customers' utility receivables was \$228,517 and \$200,453 at December 31, 2007 and 2006, respectively. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables."

Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets.

Inventory

Inventory of the Utility Fund consists of natural gas being held as storage on behalf of the Town by the Louisiana Municipal Gas Authority and is valued at a price per MCF determined by the Louisiana Municipal Gas Authority. Supplies and parts on hand are considered immaterial and have been accounted for using the purchase method.

TOWN OF MAMOU, LOUISIANA

Notes to Financial Statements (Continued)

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2007, are recorded as prepaid items.

Restricted Assets

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

Capital Assets

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

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

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

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

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.

TOWN OF MAMOU, LOUISIANA

Notes to Financial Statements (Continued)

Long-term debt

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

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

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

Compensated Absences

Sick leave is earned at the rate of one day for each month worked, with a limit of twelve days per year. An employee may not carry over or accumulate more than forty-eight days of sick leave from one year to another. Sick leave is not payable at termination of employment. Vacation leave is earned over an anniversary year basis at the rate of one day for each month worked, with a limit of twelve days per year. An employee may not carry over or accumulate vacation leave from one employment anniversary date to another.

For fund financial statements, vested or accumulated leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a current fund liability of the governmental fund that will pay it. In the government-wide statements, amounts of vested or accumulated leave that are not expected to be liquidated with expendable available financial resources are recorded as long-term debt.

Equity Classifications

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

TOWN OF MAMOU, LOUISIANA

Notes to Financial Statements (Continued)

- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

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

Interfund Transfers

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

TOWN OF MAMOU, LOUISIANA

Notes to Financial Statements (Continued)

F. Revenue Restrictions

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

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

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

G. Budget and Budgetary Accounting

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

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

TOWN OF MAMOU, LOUISIANA

Notes to Financial Statements (Continued)

H. Capitalization of Interest Expense

It is the policy of the Town of Mamou to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the Proprietary Fund. At December 31, 2007, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

I. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(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, 2007, taxes of 19.23 mills were levied on property with assessed valuations totaling \$9,032,210 and were dedicated as follows:

General corporate purposes	7.28 mills
Streets and recreation maintenance	<u>11.95</u> mills
Total	<u>19.23</u> mills

Total taxes levied were \$179,278. Taxes receivable at December 31, 2007 were \$89,898.

(3) Sales and Use Tax

A. Proceeds of the 1% sales and use tax levied by the Town of Mamou (2007 collections \$320,507) are dedicated for any lawful corporate purposes of the Town.

B. Proceeds of the 1% sales and use tax levied by the Town of Mamou in 1991 (2007 collections \$320,507) 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.

TOWN OF MAMOU, LOUISIANA

Notes to Financial Statements (Continued)

(4) Cash, Interest-Bearing Deposits

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Town may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2007, the Town had cash and interest-bearing deposits (book balances) totaling \$3,051,706 as follows:

Demand deposits	\$ 125,939
Money market accounts	1,025,524
Time deposits	<u>1,900,243</u>
Total	<u>\$ 3,051,706</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2007 were secured as follows:

Bank balances	<u>\$ 3,386,081</u>
Federal deposit insurance	\$ 549,205
Pledged securities (Category 3)	<u>2,836,876</u>
Total FDIC insurance and pledged securities	<u>\$ 3,386,081</u>

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

TOWN OF MAMOU, LOUISIANA

Notes to Financial Statements (Continued)

(5) Receivables

Receivables at December 31, 2007 of \$479,185 consist of the following:

	<u>General</u>	<u>Utility</u>	<u>Internal Service</u>	<u>Total</u>
Accounts	\$ -	\$391,179	\$76,962	\$468,141
Unbilled utility	-	102,167	-	102,167
Allowance for uncollectible accounts	-	(228,517)	-	(228,517)
Ad valorem	89,898	-	-	89,898
Franchise tax	38,680	-	-	38,680
Interest	5,695	541	-	6,236
Other	2,355	225	-	2,580
Totals	<u>\$136,628</u>	<u>\$265,595</u>	<u>\$76,962</u>	<u>\$479,185</u>

(6) Due from Other Governmental Units

Amounts due from other governmental units of \$2,130 at December 31, 2007 consisted of the following:

General Fund:

State of Louisiana - beer tax revenues receivable \$ 2,130

(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, 2007:

Worker's compensation claims deposits \$ 100,000

B. Restricted assets in the enterprise utility fund consisted of the following at December 31, 2007:

Customers' deposits \$ 373,399

TOWN OF MAMOU, LOUISIANA

Notes to Financial Statements (Continued)

(8) Capital Assets

Capital asset activity for the year ended December 31, 2007 was as follows:

	<u>Balance 01/01/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/07</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 254,150	\$ 15,500	\$ -	\$ 269,650
Plaza mural	13,503	-	-	13,503
Other capital assets:				
Buildings	2,152,842	2,300	-	2,155,142
Infrastructure	1,504,010	271,121	-	1,775,131
Equipment, furniture and fixtures	570,031	13,638	14,120	569,549
Vehicles	295,187	19,930	33,106	282,011
Totals	<u>4,789,723</u>	<u>322,489</u>	<u>47,226</u>	<u>5,064,986</u>
Less accumulated depreciation				
Buildings	473,999	55,737	-	529,736
Infrastructure	743,787	41,550	-	785,337
Equipment, furniture and fixtures	356,256	43,708	12,802	387,162
Vehicles	139,458	41,437	21,536	159,359
Total accumulated depreciation	<u>1,713,500</u>	<u>182,432</u>	<u>34,338</u>	<u>1,861,594</u>
Governmental activities, capital assets, net	<u>\$ 3,076,223</u>	<u>\$ 140,057</u>	<u>\$ 12,888</u>	<u>\$ 3,203,392</u>
Business-type activities:				
Capital assets not being depreciated:				
Land - sewer system	\$ 63,910	\$ -	\$ -	\$ 63,910
Other capital assets:				
Gas system	400,731	-	-	400,731
Water system	2,371,572	-	-	2,371,572
Sewer system	2,419,412	6,010	-	2,425,422
Machinery and equipment	1,148,433	97,006	62,155	1,183,284
Totals	<u>6,404,058</u>	<u>103,016</u>	<u>62,155</u>	<u>6,444,919</u>
Less accumulated depreciation				
Gas system	421,678	5,387	-	427,065
Water system	1,416,578	75,412	-	1,491,990
Sewer system	1,424,491	80,798	-	1,505,289
Machinery and equipment	613,319	17,955	61,744	569,530
Total accumulated depreciation	<u>3,876,066</u>	<u>179,552</u>	<u>61,744</u>	<u>3,993,874</u>
Business-type activities, capital assets, net	<u>\$ 2,527,992</u>	<u>\$ (76,536)</u>	<u>\$ 411</u>	<u>\$ 2,451,045</u>

TOWN OF MAMOU, LOUISIANA

Notes to Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 31,751
Police	33,342
Highways and streets	55,449
Culture and recreation	58,511
Judicial	<u>3,379</u>
 Total depreciation expense	 <u>\$ 182,432</u>

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

Gas	\$ 10,401
Water	81,897
Sewer	<u>87,254</u>
 Total depreciation expense	 <u>\$ 179,552</u>

(9) Accounts and Other Payables

The accounts and other payables consisted of the following at December 31, 2007:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts payable	\$ 91,666	\$ 101,978	\$ 193,644
Compensated absences payable	32,641	7,602	40,243
Retainage payable	14,820	-	14,820
Sales tax payable	<u>-</u>	<u>1,162</u>	<u>1,162</u>
 Totals	 <u>\$ 139,127</u>	 <u>\$ 110,742</u>	 <u>\$ 249,869</u>

(10) Changes in Long-Term Debt

A. The following is a summary of long-term debt transactions of the Town for the year ended December 31, 2007:

	<u>Business-type Activities</u>
	<u>Revenue</u>
Long-term debt, January 1, 2007	\$ 91,573
Additions	-
Retirements	<u>(91,573)</u>
Long-term debt, December 31, 2007	<u>\$ -</u>

TOWN OF MAMOU, LOUISIANA

Notes to Financial Statements (Continued)

In 1999, the Town issued \$5,000,000 of revenue bonds for the construction of the Savoy Cancer Center facility. On January 19, 2006, the Town issued \$3,289,000 of revenue bonds, Series 2006, to refund \$3,170,000 of revenue bonds, Series 1999. These bonds are reported on the financial statements of Savoy Cancer Center, Inc., a component unit of the Town (see Note 1). At December 31, 2007 there were \$2,738,000 of bonds outstanding.

B. Capital leases –

\$65,450 equipment lease dated August 1, 2005, due in monthly installments of \$1,237, including interest at 5.25% through July 1, 2010, secured by General Fund revenues	\$ 34,714
Less: current portion of capital lease payable	<u>13,342</u>
Noncurrent portion of capital lease payable	<u>\$ 21,372</u>

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

Under the terms of the \$393,692 Water Revenue Refunding Bonds, Series 1998, all income and revenues of every nature derived from the operation of the system are pledged and dedicated to the retirement of said bonds. These bonds were paid in full in October 2007.

Water Revenue Bond and Interest Sinking Fund

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

Water Depreciation and Contingency Fund

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

Utility Rates

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

TOWN OF MAMOU, LOUISIANA

Notes to Financial Statements (Continued)

(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, 2007 and 2006 amounted to \$101,757 and \$100,980, respectively.

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

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

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

Funding Policy - Plan members are required by state statute to contribute 7.5% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 13.75% 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, 2007 and 2006 were \$7,688 and \$8,474, respectively, equal to the required contributions for each year.

(13) Litigation and Claims

At December 31, 2007, the Town is involved in several lawsuits claiming damages. In the opinion of the Town's legal counsel, the only exposure to the Town would be any costs in defense of the lawsuits with no liability to the Town in excess of insurance coverage. The Town also has worker's compensation claims that are unlikely to be settled due to the individuals having permanent disabilities and are currently receiving medical care. The only exposure to the Town would be administrative fees with no liability in excess of insurance coverage. See Note 15.

TOWN OF MAMOU, LOUISIANA

Notes to 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. There have been no significant reductions in the insurance coverage during the year.

B. Group Self-Insurance

Effective July 1, 1998, the Town established a self-insurance health plan to account for and finance its uninsured risk of loss for commercial group health insurance. The plan is administered by Southern Benefit Services, and the plan year ends on June 30 of each year. Under this plan, the International Insurance Agency Services, LLC agreed to reimburse the Town for specific incurred claims related to any one covered employee or dependent which exceeds the retention by the Town, which is \$25,000. For the plan year ending June 30, 2008, the International Insurance Agency Services, Inc. will reimburse the Town for aggregate incurred claims during the period of insurance less any amounts paid with respect to the specific incurred claims, which exceeds the greater of \$449,393 or the total of monthly payments by the Town. Monthly payments are calculated based on the number of employees with single coverage multiplied by a funding factor of \$421 and the number of employees with family coverage multiplied by a funding factor of \$1,052. The Town currently funds the plan based upon actual claims incurred instead of the funding factors discussed above.

The General and Utility Funds of the Town participate in the program and make payments to the Self-Insurance Fund based upon amounts needed to pay prior and current year claims. The claims liability of \$141,593 reported in the fund at December 31, 2007 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, 2007	\$ 68,000
Insurance claims incurred for year ended December 31, 2007	892,491
Payments made for the year ended December 31, 2007	<u>(818,898)</u>
Claims payable, December 31, 2007	<u>\$ 141,593</u>

TOWN OF MAMOU, LOUISIANA

Notes to Financial Statements (Continued)

Claims payable of \$141,593 at December 31, 2007 was determined as follows:

A. Claims incurred prior to December 31, 2007 and paid in January 1, 2008 through March 31, 2008	\$ 126,771
B. Provision for claims incurred but not reported	<u>14,822</u>
Total claims payable	<u>\$ 141,593</u>

The provision for claims incurred but not reported of \$14,822 was calculated utilizing historical information adjusted for current trends.

(15) Contingent Liabilities

At December 31, 2007, the Town had contingent liabilities in the amount of \$25,000 consisting of workers' compensation claims which are the result of the prior operations of the hospital facility owned by the Town. The Town has certificates of deposit totaling \$100,000 held as security for these claims.

(16) Segment Information for the Enterprise Fund

The Town of Mamou maintains one enterprise fund with three departments, which provide gas, water, and sewerage services. Segment information for the year ended December 31, 2007, was as follows:

	<u>Gas Department</u>	<u>Water Department</u>	<u>Sewer Department</u>	<u>Total Enterprise Fund</u>
Operating revenues	<u>\$ 962,415</u>	<u>\$ 436,078</u>	<u>\$ 386,761</u>	<u>\$ 1,785,254</u>
Operating expenses:				
Depreciation	10,401	81,897	87,254	179,552
Other	<u>729,532</u>	<u>268,150</u>	<u>334,518</u>	<u>1,332,200</u>
Total operating expenses	<u>739,933</u>	<u>350,047</u>	<u>421,772</u>	<u>1,511,752</u>
Operating income (loss)	<u>\$ 222,482</u>	<u>\$ 86,031</u>	<u>\$ (35,011)</u>	<u>\$ 273,502</u>

TOWN OF MAMOU, LOUISIANA

Notes to Financial Statements (Continued)

(17) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended December 31, 2007 follows:

Wilda Chamberlain, Mayor	24,000
Aldermen:	
Ricky Fontenot	9,000
J.L. Saucier	9,000
Jody Soileau	9,000
Richard Christ	9,000
Joe Deshotels	<u>9,000</u>
Total	<u>\$ 69,000</u>

(18) Interfund Receivables/Payables

A. A summary of interfund receivables and payables at December 31, 2007 follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major governmental funds:		
General Fund	\$ -	\$ 210,389
Sales Tax Fund	97,710	
Proprietary funds:		
Enterprise Fund	-	19,720
Group Health Self-Insurance Internal Service Fund	<u>132,399</u>	<u>-</u>
Total	<u>\$ 230,109</u>	<u>\$ 230,109</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 Financial Statements (Continued)

B. Transfers consisted of the following at December 31, 2007:

Major governmental funds:		
General Fund	\$ 750,881	\$ -
Sales Tax Special Revenue Fund	-	503,254
Total governmental funds	750,881	503,254
Proprietary funds:		
Enterprise Fund	-	247,627
Total	\$ 750,881	\$ 750,881

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

(19) Operating Lease Revenues

The Town has negotiated the lease of Savoy Medical Center and Savoy Care Center Nursing Home. Under the Savoy Medical Center lease agreement, the Town will receive \$63,750 per month for a primary term of five years commencing on February 1, 2005 and ending on January 31, 2010. This lease includes an option by lessee to renew for three additional periods of five years; however, the Town has been notified that the current lessee, Rapides Healthcare System will not be renewing the lease in 2010. The Town is currently exploring its options, and Town officials are optimistic that a new operator will be secured to manage the hospital under a similar lease agreement. Under the Savoy Care Center Nursing Home agreement, the Town will receive \$18,525 per month on a month-to-month basis commencing on February 1, 2005.

(20) Economic Dependency

The Town of Mamou owns a hospital facility and nursing home within the Town. The hospital is leased to Rapides Healthcare System, LLC operating as Savoy Medical Center for \$765,000 per year. The nursing home is leased to MH3F Healthcare Management, LLC operating as Savoy Care Center Nursing Home for \$222,300 per year. These leases provide a significant portion of the Town's total revenues. If the Town were to cease receiving these lease revenues, the Town's ability to continue to provide services at present levels would be threatened.

(21) Enterprise Fund Contracts

The Town of Mamou, under contract dated January 1, 1997, is required to purchase its natural gas from the Louisiana Municipal Gas Authority. The contract automatically renews annually unless notice is given in writing six months in advance. The Town purchased natural gas during the year ended December 31, 2007 in the amount of \$519,526 of which \$76,208 was owed for purchases for the month of December 2007.

**REQUIRED SUPPLEMENTARY
INFORMATION**

TOWN OF MAMOU, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 300,500	\$ 329,000	\$ 376,679	\$ 47,679
Licenses and permits	120,000	125,000	126,384	1,384
Intergovernmental	27,400	33,900	100,955	67,055
Fines and forfeits	310,000	240,000	238,492	(1,508)
Miscellaneous	<u>1,033,600</u>	<u>1,255,400</u>	<u>1,335,845</u>	<u>80,445</u>
Total revenues	<u>1,791,500</u>	<u>1,983,300</u>	<u>2,178,355</u>	<u>195,055</u>
Expenditures:				
Current:				
General government:				
Administrative	767,400	762,550	802,218	(39,668)
Public safety:				
Police	923,400	862,400	846,333	16,067
Highways and streets	542,800	544,800	531,915	12,885
Culture and recreation	139,200	140,900	219,525	(78,625)
Judicial	107,000	118,700	118,983	(283)
Central garage	31,000	31,500	42,214	(10,714)
Capital outlay	13,000	20,400	39,809	(19,409)
Debt service	<u>15,000</u>	<u>15,000</u>	<u>14,846</u>	<u>154</u>
Total expenditures	<u>2,538,800</u>	<u>2,496,250</u>	<u>2,615,843</u>	<u>(119,593)</u>
Deficiency of revenues over expenditures	<u>(747,300)</u>	<u>(512,950)</u>	<u>(437,488)</u>	<u>75,462</u>
Other financing sources (uses):				
Transfers from -				
Utility Fund	-	-	247,627	247,627
Sales Tax Fund	350,000	300,000	503,254	203,254
Transfer to component unit	<u>(425,000)</u>	<u>(370,000)</u>	<u>(323,117)</u>	<u>46,883</u>
Total other financing sources (uses)	<u>(75,000)</u>	<u>(70,000)</u>	<u>427,764</u>	<u>497,764</u>
Deficiency of revenues and other sources over expenditures and other uses	(822,300)	(582,950)	(9,724)	573,226
Fund balance, beginning	<u>1,935,067</u>	<u>1,935,067</u>	<u>1,935,067</u>	<u>-</u>
Fund balance, ending	<u>\$1,112,767</u>	<u>\$1,352,117</u>	<u>\$1,925,343</u>	<u>\$ 573,226</u>

TOWN OF MAMOU, LOUISIANA
Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Taxes	\$ 703,000	\$ 642,000	\$ 641,014	\$ (986)
Intergovernmental	-	-	-	-
Miscellaneous -				
Interest	3,000	3,000	6,508	3,508
Other	-	-	1,750	1,750
Total revenues	<u>706,000</u>	<u>645,000</u>	<u>649,272</u>	<u>4,272</u>
Expenditures:				
Current:				
General government	39,000	45,000	45,549	(549)
Capital outlay	<u>347,000</u>	<u>367,000</u>	<u>282,680</u>	<u>84,320</u>
Total expenditures	<u>386,000</u>	<u>412,000</u>	<u>328,229</u>	<u>83,771</u>
Excess of revenues over expenditures	320,000	233,000	321,043	88,043
Other financing uses:				
Transfers out	<u>(579,000)</u>	<u>(525,000)</u>	<u>(503,254)</u>	<u>21,746</u>
Deficiency of revenues over expenditures and other uses	(259,000)	(292,000)	(182,211)	109,789
Fund balances, beginning	<u>707,118</u>	<u>707,118</u>	<u>707,118</u>	-
Fund balances, ending	<u>\$ 448,118</u>	<u>\$ 415,118</u>	<u>\$ 524,907</u>	<u>\$ 109,789</u>

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

TOWN OF MAMOU, LOUISIANA

Statement of Net Assets

December 31, 2007

With Comparative Totals for December 31, 2006

	2007			2006 Totals
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$2,439,032	\$ 139,275	\$2,578,307	\$2,625,043
Receivables, net	213,590	265,595	479,185	409,198
Due from other governmental units	2,130	-	2,130	1,996
Inventory	-	109,894	109,894	45,728
Prepaid items	36,547	7,072	43,619	41,368
Total current assets	<u>2,691,299</u>	<u>521,836</u>	<u>3,213,135</u>	<u>3,123,333</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing deposits	100,000	373,399	473,399	552,997
Capital assets, net	<u>3,203,392</u>	<u>2,451,045</u>	<u>5,654,437</u>	<u>5,604,215</u>
Total noncurrent assets	<u>3,303,392</u>	<u>2,824,444</u>	<u>6,127,836</u>	<u>6,157,212</u>
Total assets	<u>5,994,691</u>	<u>3,346,280</u>	<u>9,340,971</u>	<u>9,280,545</u>
LIABILITIES				
Current liabilities:				
Accounts and other payables	139,127	110,742	249,869	218,505
Claims payable	141,593	-	141,593	68,000
Internal balances	(19,720)	19,720	-	-
Capital lease payable	13,342	-	13,342	12,661
Bonds payable	-	-	-	51,557
Accrued interest	-	-	-	1,583
Total current liabilities	<u>274,342</u>	<u>130,462</u>	<u>404,804</u>	<u>352,306</u>
Noncurrent liabilities:				
Customers deposits payable	-	255,342	255,342	240,861
Contingent liabilities	25,000	-	25,000	25,000
Capital lease payable	21,372	-	21,372	34,714
Bonds payable	-	-	-	40,196
Total noncurrent liabilities	<u>46,372</u>	<u>255,342</u>	<u>301,714</u>	<u>340,771</u>
Total liabilities	<u>320,714</u>	<u>385,804</u>	<u>706,518</u>	<u>693,077</u>
NET ASSETS				
Invested in capital assets, net of related debt	3,168,678	2,451,045	5,619,723	5,516,644
Unrestricted	<u>2,408,315</u>	<u>509,431</u>	<u>2,917,746</u>	<u>3,070,824</u>
Total net assets	<u>\$5,576,993</u>	<u>\$2,960,476</u>	<u>\$8,537,469</u>	<u>\$8,587,468</u>

TOWN OF MAMOU, LOUISIANA

Balance Sheet
Governmental Funds
December 31, 2007

With Comparative Amounts as of December 31, 2006

	2007			2006
	General	Sales Tax Special Revenue	Total	
ASSETS				
Cash	\$ 125,928	\$ -	\$ 125,928	\$ 125,403
Interest-bearing deposits	1,861,591	451,513	2,313,104	2,359,456
Receivables:				
Taxes	128,578	-	128,578	117,163
Accrued interest	5,695	-	5,695	5,473
Due from other governmental units	2,130	-	2,130	1,996
Other	2,355	-	2,355	10,835
Due from other funds	-	97,710	97,710	71,843
Prepaid expenses	24,266	-	24,266	24,722
Restricted cash:				
Interest-bearing deposits	100,000	-	100,000	100,000
Total assets	<u>\$2,250,543</u>	<u>\$ 549,223</u>	<u>\$2,799,766</u>	<u>\$2,816,891</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and other payables	\$ 82,170	\$ 9,496	\$ 91,666	\$ 59,138
Retainage payable	-	14,820	14,820	-
Compensated absences payable	32,641	-	32,641	30,715
Due to other funds	210,389	-	210,389	84,853
Total liabilities	<u>325,200</u>	<u>24,316</u>	<u>349,516</u>	<u>174,706</u>
Fund balances -				
Unreserved, undesignated	1,925,343	524,907	2,450,250	1,958,066
Total fund balances	<u>1,925,343</u>	<u>524,907</u>	<u>2,450,250</u>	<u>2,642,185</u>
Total liabilities and fund balances	<u>\$2,250,543</u>	<u>\$ 549,223</u>	<u>\$2,799,766</u>	<u>\$2,816,891</u>

TOWN OF MAMOU, LOUISIANA

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

For the Year Ended December 31, 2007

With Comparative Actual Amounts for the Year Ended December 31, 2006

	2007			2006
	General	Sales Tax Special Revenue	Total	
Revenues:				
Taxes	\$ 376,679	\$ 641,014	\$1,017,693	\$1,042,786
Licenses and permits	126,384	-	126,384	120,435
Intergovernmental	100,955	-	100,955	55,786
Fines and forfeits	238,492	-	238,492	277,838
Miscellaneous	1,335,845	8,258	1,344,103	1,314,210
Total revenues	<u>2,178,355</u>	<u>649,272</u>	<u>2,827,627</u>	<u>2,811,055</u>
Expenditures:				
Current -				
General government:				
Administrative	802,218	45,549	847,767	826,478
Public safety:				
Police	846,333	-	846,333	832,227
Highways and streets	531,915	-	531,915	526,614
Culture and recreation	219,525	-	219,525	189,704
Judicial	118,983	-	118,983	104,804
Central garage	42,214	-	42,214	38,731
Capital outlay	39,809	282,680	322,489	248,010
Debt service -				
Principal retirement	12,661	-	12,661	101,015
Interest and fiscal charges	2,185	-	2,185	5,502
Total expenditures	<u>2,615,843</u>	<u>328,229</u>	<u>2,944,072</u>	<u>2,873,085</u>
Excess (deficiency) of revenues over expenditures	<u>(437,488)</u>	<u>321,043</u>	<u>(116,445)</u>	<u>(62,030)</u>
Other financing sources (uses):				
Transfers in	750,881	-	750,881	592,065
Transfers out	-	(503,254)	(503,254)	(293,518)
Transfers in (out) - component unit	<u>(323,117)</u>	<u>-</u>	<u>(323,117)</u>	<u>(368,223)</u>
Total other financing sources (uses)	<u>427,764</u>	<u>(503,254)</u>	<u>(75,490)</u>	<u>(69,676)</u>
Net changes in fund balances	(9,724)	(182,211)	(191,935)	(131,706)
Fund balances, beginning	<u>1,935,067</u>	<u>707,118</u>	<u>2,642,185</u>	<u>2,773,891</u>
Fund balances, ending	<u>\$1,925,343</u>	<u>\$ 524,907</u>	<u>\$2,450,250</u>	<u>\$2,642,185</u>

TOWN OF MAMOU, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended December 31, 2007
With Comparative Actual Amounts for the Year Ended December 31, 2006

	2007			Variance with Final Budget Positive (Negative)	2006 Actual
	Budget		Actual		
	Original	Final			
Taxes:					
Ad valorem	\$ 130,000	\$ 130,000	\$ 180,890	\$ 50,890	\$ 174,856
Franchise -					
Electric	128,000	154,000	155,294	1,294	147,666
Telephone	15,500	18,000	18,227	227	19,949
Cable TV	27,000	27,000	22,268	(4,732)	20,666
Total taxes	<u>300,500</u>	<u>329,000</u>	<u>376,679</u>	<u>47,679</u>	<u>363,137</u>
Licenses and permits:					
Occupational licenses	120,000	125,000	125,164	164	119,116
Permits	-	-	1,220	1,220	1,319
Total licenses and permits	<u>120,000</u>	<u>125,000</u>	<u>126,384</u>	<u>1,384</u>	<u>120,435</u>
Intergovernmental:					
Federal grants -					
Federal Emergency Mgmt. Assistance	-	-	-	-	11,035
LETPP grant	-	-	8,262	8,262	-
State of Louisiana -					
Beer taxes	6,500	6,500	8,593	2,093	8,945
Tobacco taxes	-	5,000	5,108	108	-
Highway maintenance	3,900	3,900	4,605	705	4,605
Rural Development grant	-	-	12,000	12,000	-
DARE grant	17,000	18,500	18,513	13	16,990
State grants	-	-	41,874	41,874	-
Acadiana Arts Council grant	-	-	-	-	2,408
Evangeline Parish Tourist Commission grant	-	-	2,000	2,000	1,000
Total intergovernmental	<u>27,400</u>	<u>33,900</u>	<u>100,955</u>	<u>67,055</u>	<u>44,983</u>
Fines and forfeits:					
Fines and court costs	310,000	240,000	238,492	(1,508)	277,838
Miscellaneous:					
Interest	10,000	35,000	69,931	34,931	60,684
Hospital lease revenue	780,000	760,000	765,000	5,000	765,000
Hospital receivable revenue	32,000	2,300	3,940	1,640	2,849
Nursing home lease revenue	200,000	225,000	222,300	(2,700)	222,300
Sale of assets	5,000	16,000	15,674	(326)	15,221
Hospital workers compensation recoveries	-	60,000	63,015	3,015	140,445
Rentals	6,600	6,600	5,285	(1,315)	6,175
Recreation complex	-	17,500	39,315	21,815	18,013
Cleco community development grant	-	100,000	100,000	-	-
Other sources	-	33,000	51,385	18,385	76,221
Total miscellaneous	<u>1,033,600</u>	<u>1,255,400</u>	<u>1,335,845</u>	<u>80,445</u>	<u>1,306,908</u>
Total revenues	<u>\$1,791,500</u>	<u>\$1,983,300</u>	<u>\$2,178,355</u>	<u>\$ 195,055</u>	<u>\$2,113,301</u>

TOWN OF MAMOU, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2007
With Comparative Actual Amounts for the Year Ended December 31, 2006

	2007			Variance with Final Budget Positive (Negative)	2006 Actual
	Budget		Actual		
	Original	Final			
Current:					
General government:					
Administrative -					
Mayor and council salaries	\$ 4,000	\$ 69,000	\$ 69,000	\$ -	\$ 69,000
Other salaries and wages	328,500	268,000	265,666	2,334	251,585
Group insurance	94,500	122,500	117,687	4,813	95,081
Insurance	40,500	52,500	64,837	(12,337)	25,201
Payroll taxes	36,500	37,000	28,180	8,820	28,022
Materials and supplies	30,000	41,000	40,871	129	28,354
Advertisements and recordings	-	-	8,269	(8,269)	8,993
Legal fees	32,000	21,000	12,610	8,390	17,425
Accounting and auditing	64,000	43,000	50,040	(7,040)	82,313
Professional fees	75,000	43,000	12,213	30,787	15,713
Miscellaneous	18,100	23,050	37,570	(14,520)	38,817
Utilities and telephone	24,700	21,500	19,283	2,217	24,622
Repairs and maintenance	14,600	15,500	13,870	1,630	14,161
Equipment rental	-	-	450	(450)	627
Training	5,000	5,500	4,776	724	5,277
Hospital workers' comp claims	-	-	56,896	(56,896)	62,321
Hurricane expenditures	-	-	-	-	3,632
Total administrative	<u>767,400</u>	<u>762,550</u>	<u>802,218</u>	<u>(39,668)</u>	<u>771,144</u>
Public safety:					
Police -					
Salaries	442,350	411,300	397,679	13,621	409,014
Payroll taxes	49,150	45,700	36,109	9,591	37,063
Retirement contribution	9,200	7,300	7,688	(388)	8,474
Group insurance	134,400	133,000	133,735	(735)	116,001
Utilities and telephone	38,500	37,000	36,913	87	37,755
Insurance	57,600	57,000	71,025	(14,025)	59,998
Auto	42,000	35,000	35,481	(481)	35,564
Gas and repairs	21,600	27,000	24,784	2,216	20,096
Professional fees	6,500	4,000	4,228	(228)	5,020
Miscellaneous	74,100	52,600	42,935	9,665	62,552
Supplies	37,000	45,000	47,434	(2,434)	35,407
Equipment rental	1,000	-	822	(822)	-
Training	10,000	7,500	7,500	-	5,283
Total police department	<u>923,400</u>	<u>862,400</u>	<u>846,333</u>	<u>16,067</u>	<u>832,227</u>

(continued)

TOWN OF MAMOU, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (continued)
For the Year Ended December 31, 2007
With Comparative Actual Amounts for the Year Ended December 31, 2006

	2007			Variance with Final Budget Positive (Negative)	2006 Actual
	Budget		Actual		
	Original	Final			
Highways and streets:					
Salaries	189,000	171,000	160,783	10,217	178,716
Payroll taxes	21,000	19,000	13,586	5,414	15,951
Maintenance and supplies	70,500	84,000	82,560	1,440	86,483
Lighting	67,000	68,000	67,183	817	58,653
Group insurance	90,750	94,500	90,940	3,560	92,801
Telephone	4,300	4,300	4,287	13	4,820
Insurance	30,250	31,500	43,674	(12,174)	25,551
Inmate labor	14,000	7,500	7,846	(346)	12,108
Miscellaneous	17,000	17,000	15,548	1,452	15,377
Auto	36,000	45,000	41,320	3,680	32,510
Equipment rental	-	-	1,382	(1,382)	1,194
Professional fees	3,000	3,000	2,551	449	2,142
Training	-	-	255	(255)	308
Total highways and streets	<u>542,800</u>	<u>544,800</u>	<u>531,915</u>	<u>12,885</u>	<u>526,614</u>
Culture and recreation -					
Salaries	37,350	37,350	64,548	(27,198)	47,983
Payroll taxes	4,150	4,150	5,783	(1,633)	4,152
Repairs and maintenance	6,000	6,000	7,319	(1,319)	14,646
Materials and supplies	22,000	25,000	33,550	(8,550)	33,249
Auto	5,000	3,000	2,561	439	4,989
Utilities and telephone	33,000	33,500	47,990	(14,490)	42,281
Insurance	25,000	25,000	40,557	(15,557)	31,407
Equipment rental	200	200	269	(69)	20
Group insurance	6,200	6,200	10,699	(4,499)	9,280
Miscellaneous	300	500	463	37	293
Professional fees	-	-	2,019	(2,019)	924
Concession purchases	-	-	3,270	(3,270)	480
Advertising	-	-	497	(497)	-
Total culture and recreation	<u>139,200</u>	<u>140,900</u>	<u>219,525</u>	<u>(78,625)</u>	<u>189,704</u>

(continued)

TOWN OF MAMOU, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (continued)
For the Year Ended December 31, 2007
With Comparative Actual Amounts for the Year Ended December 31, 2006

	2007			Variance with Final Budget Positive (Negative)	2006 Actual
	Budget		Actual		
	Original	Final			
Judicial:					
Salaries	72,000	72,000	68,867	3,133	61,601
Payroll taxes	8,000	8,000	5,979	2,021	5,457
Office rental	2,100	2,100	1,750	350	2,100
Insurance	1,800	3,600	881	2,719	2,359
Group insurance	10,200	20,400	32,096	(11,696)	23,200
Materials and supplies	4,500	6,000	4,745	1,255	2,166
Repairs and maintenance	1,700	1,000	230	770	1,054
Telephone	4,400	4,400	3,722	678	3,458
Professional fees	-	-	-	-	2,705
Miscellaneous	2,300	1,200	713	487	704
Total judicial	<u>107,000</u>	<u>118,700</u>	<u>118,983</u>	<u>(283)</u>	<u>104,804</u>
Central Garage:					
Salaries	27,000	27,000	27,807	(807)	34,415
Payroll taxes	3,000	3,000	2,231	769	2,770
Insurance	1,000	1,500	1,477	23	1,546
Group insurance	-	-	10,699	(10,699)	-
Total central garage	<u>31,000</u>	<u>31,500</u>	<u>42,214</u>	<u>(10,714)</u>	<u>38,731</u>
Capital outlay:					
General government:					
Land	-	-	15,500	(15,500)	-
Total general government	<u>-</u>	<u>-</u>	<u>15,500</u>	<u>(15,500)</u>	<u>-</u>
Public Safety:					
Police -					
Autos	13,000	16,000	19,929	(3,929)	41,941
Equipment	-	-	-	-	6,520
Total police	<u>13,000</u>	<u>16,000</u>	<u>19,929</u>	<u>(3,929)</u>	<u>48,461</u>
Culture and recreation:					
Land	-	-	-	-	56,150
Total culture and recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,150</u>
Judicial					
Equipment	-	4,400	4,380	20	6,782
Total judicial	<u>-</u>	<u>4,400</u>	<u>4,380</u>	<u>20</u>	<u>6,782</u>
Total capital outlay	<u>13,000</u>	<u>20,400</u>	<u>39,809</u>	<u>(19,409)</u>	<u>104,611</u>
Debt service:					
Retirement of principal	12,000	12,000	12,661	(661)	12,015
Interest and fiscal charges	3,000	3,000	2,185	815	2,832
Total debt service	<u>15,000</u>	<u>15,000</u>	<u>14,846</u>	<u>154</u>	<u>14,847</u>
Total expenditures	<u>\$2,538,800</u>	<u>\$2,496,250</u>	<u>\$2,615,843</u>	<u>\$(119,593)</u>	<u>\$2,582,682</u>

TOWN OF MAMOU, LOUISIANA
Special Revenue Fund
Sales Tax Fund

Budgetary Comparison Schedule
For the Year Ended December 31, 2007
With Comparative Actual Amounts for the Year Ended December 31, 2006

	2007			Variance with Final Budget Positive (Negative)	2006 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 703,000	\$ 642,000	\$ 641,014	\$ (986)	\$ 679,649
Intergovernmental	-	-	-	-	10,803
Miscellaneous:					
Interest	3,000	3,000	6,508	3,508	4,616
Other	-	-	1,750	1,750	1,500
Total revenues	<u>706,000</u>	<u>645,000</u>	<u>649,272</u>	<u>4,272</u>	<u>696,568</u>
Expenditures:					
Current -					
General government:					
Audit and accounting	5,000	5,000	5,085	(85)	6,824
Industry and tourism inducement	34,000	40,000	40,464	(464)	46,475
Total general government	<u>39,000</u>	<u>45,000</u>	<u>45,549</u>	<u>(549)</u>	<u>53,299</u>
Capital outlay -					
General government:					
Renovations to city hall	-	-	-	-	8,281
Vehicles	-	-	-	-	27,087
Equipment	-	2,000	1,759	241	18,183
Christmas decorations	-	-	-	-	5,704
Public safety:					
Vehicles	-	-	-	-	32,303
Highways and streets:					
Street improvements	145,000	137,000	105,595	31,405	-
Vehicles	-	-	-	-	14,900
Equipment	-	8,000	7,500	500	5,614
Culture and recreation:					
Vehicles	-	-	-	-	5,000
Equipment	-	-	-	-	12,824
Plaza mural project	135,000	150,000	165,526	(15,526)	13,503
Ballpark	65,000	65,000	-	65,000	-
Judicial:					
Renovations to courtroom	2,000	5,000	2,300	2,700	-
Total capital outlay	<u>347,000</u>	<u>367,000</u>	<u>282,680</u>	<u>84,320</u>	<u>143,399</u>
Total expenditures	<u>386,000</u>	<u>412,000</u>	<u>328,229</u>	<u>83,771</u>	<u>196,698</u>
Excess of revenues over expenditures	<u>320,000</u>	<u>233,000</u>	<u>321,043</u>	<u>88,043</u>	<u>499,870</u>
Other financing uses:					
Transfers to -					
Debt Service Fund	(92,000)	(92,000)	-	92,000	-
Utility Fund	(287,000)	(133,000)	-	133,000	-
General Fund	(200,000)	(300,000)	(503,254)	(203,254)	(239,323)
Total other financing uses	<u>(579,000)</u>	<u>(525,000)</u>	<u>(503,254)</u>	<u>21,746</u>	<u>(239,323)</u>
Excess (deficiency) of revenues over expenditures and other uses	<u>(259,000)</u>	<u>(292,000)</u>	<u>(182,211)</u>	<u>109,789</u>	<u>260,547</u>
Fund balance, beginning	707,118	707,118	707,118	-	446,571
Fund balance, ending	<u>\$ 448,118</u>	<u>\$ 415,118</u>	<u>\$ 524,907</u>	<u>\$ 109,789</u>	<u>\$ 707,118</u>

TOWN OF MAMOU, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
December 31, 2007

Records maintained by the Town indicated the following number of customers were being serviced during the month of December 2007 and 2006:

<u>Department</u>	<u>2007</u>	<u>2006</u>
Gas (metered)	1,096	1,140
Water	1,680	1,678
Sewerage	1,259	1,250

TOWN OF MAMOU, LOUISIANA

Schedule of Insurance In Force
(Unaudited)
December 31, 2007

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	30,000
Notary public bond	5,000
Commercial general liability -	
Premises/operations	500,000
Products/completed operations	500,000
Boiler and Machinery - equipment	525,000
Medical payments per person	1,000
Medical payments per accident	10,000
Fire legal liability	50,000
Law enforcement officers' comprehensive liability	500,000
Automobile liability	500,000
Public officials' errors and omissions liability	500,000
Commercial fire and extended coverage -	
Buildings	5,027,500
Contents	3,040,500
Boiler and machinery - equipment	5,200,000
Inland marine - tractors and equipment	204,500
Vehicle physical damage	138,886

TOWN OF MAMOU, LOUISIANA

Combined Schedule of Interest-Bearing Deposits - All Funds
December 31, 2007

		<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Total Book Value</u>
Major Governmental Funds:				
General Fund -				
Certificate of Deposit - Worker's Comp Security	(C)	4.50%	11/21/08	\$ 100,000
Certificate of Deposit - Hospital Revenue Fund	(C)	2.20%	02/16/08	536,455
Certificate of Deposit - Hospital Revenue Fund	(C)	4.35%	05/08/08	750,000
Certificate of Deposit - Hospital Revenue CIT	(C)	4.25%	05/21/08	300,000
Savings Account - Hospital Revenue	(G)	1.75%	N/A	174,644
Interest-bearing checking - General	(G)	1.50%	N/A	62,505
Interest-bearing checking - Payroll	(G)	1.50%	N/A	37,124
Interest-bearing checking - Law Enforcement Grants	(S)	1.25%	N/A	58
Interest-bearing checking - Insurance Contingency	(S)	1.25%	N/A	805
Total General Fund				<u>1,961,591</u>
Special Revenue Funds -				
Sales Tax Fund				
Interest-bearing checking - Sales Tax Fund	(S)	1.00%	N/A	437,006
Interest-bearing checking - Construction Account	(S)	1.25%	N/A	14,507
Total Sales Tax Fund				<u>451,513</u>
Total Governmental Funds				<u>\$2,413,104</u>

(continued)

TOWN OF MAMOU, LOUISIANA

Combined Schedule of Interest-Bearing Deposits - All Funds (Continued)
December 31, 2007

		<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Total Book Value</u>
Proprietary Fund:				
Utility Fund:				
Operating Account -				
Interest-bearing checking	(C)	1.00%	N/A	37,303
Water Revenue Fund -				
Interest-bearing checking	(S)	1.00%	N/A	36,016
Meter Deposit Fund -				
Certificate of Deposit	(S)	3.50%	07/28/08	168,832
Certificate of Deposit	(G)	4.00%	03/23/08	44,956
Interest-bearing checking	(G)	1.50%	N/A	159,611
Water Depreciation & Contingency Fund -				
Interest-bearing checking	(S)	3.00%	N/A	<u>65,945</u>
 Total Proprietary Fund				 <u>512,663</u>
 Total Interest-bearing Deposits and Investments - All Funds				 <u>\$2,925,767</u>

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

- (C) Citizens Bank, Ville Platte, Louisiana
- (G) Guaranty Bank, Mamou, Louisiana
- (S) Sabine State Bank, Many, Louisiana

TOWN OF MAMOU, LOUISIANA

Comparative Statement of Net Assets
 Proprietary Funds
 December 31, 2007 and 2006

ASSETS	Business-type Activities -		Governmental Activities -	
	Enterprise Fund		Internal Service Fund	
	2007	2006	2007	2006
Current assets:				
Cash	\$ 11	\$ 11	\$ -	\$ 4,438
Interest-bearing deposits	139,264	135,735	-	-
Receivables:				
Accounts, net	162,887	171,757	76,962	-
Unbilled utility receivables	102,167	103,451	-	-
Accrued interest receivable	541	519	-	-
Due from other funds	-	-	132,399	72,399
Inventory - natural gas	109,894	45,728	-	-
Prepaid items	7,072	5,905	12,281	10,741
Total current assets	<u>521,836</u>	<u>463,106</u>	<u>221,642</u>	<u>87,578</u>
Noncurrent assets:				
Restricted assets -				
Interest-bearing deposits	373,399	452,997	-	-
Capital assets, net of accumulated depreciation	2,451,045	2,527,992	-	-
Total noncurrent assets	<u>2,824,444</u>	<u>2,980,989</u>	<u>-</u>	<u>-</u>
Total assets	<u>3,346,280</u>	<u>3,444,095</u>	<u>221,642</u>	<u>87,578</u>
LIABILITIES				
Current liabilities:				
Accounts and other payables	103,140	117,959	-	-
Bank overdraft	-	-	96,984	-
Compensated absences payable	7,602	10,693	-	-
Claims payable	-	-	141,593	68,000
Due to other funds	19,720	59,389	-	-
Payable from restricted assets -				
Revenue bonds	-	51,557	-	-
Accrued interest payable	-	1,583	-	-
Total current liabilities	<u>130,462</u>	<u>241,181</u>	<u>238,577</u>	<u>68,000</u>
Noncurrent liabilities:				
Customers' deposits	255,342	240,861	-	-
Revenue bonds payable	-	40,196	-	-
Total noncurrent liabilities	<u>255,342</u>	<u>281,057</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>385,804</u>	<u>522,238</u>	<u>238,577</u>	<u>68,000</u>
NET ASSETS				
Invested in capital assets, net of related debt	2,451,045	2,487,796	-	-
Unrestricted	509,431	434,061	(16,935)	19,578
Total net assets	<u>\$2,960,476</u>	<u>\$2,921,857</u>	<u>\$ (16,935)</u>	<u>\$ 19,578</u>

TOWN OF MAMOU, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets
 Proprietary Funds
 Years Ended December 31, 2007 and 2006

	<u>Business-type Activities-</u> <u>Enterprise Fund</u>		<u>Governmental Activities-</u> <u>Internal Service Fund</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Operating revenues:				
Charges for services	\$1,723,076	\$1,847,931	\$ 880,962	\$ 695,264
Permits, reconnections and penalties	49,011	45,960	-	-
Miscellaneous	13,167	3,312	-	-
Total operating revenues	<u>1,785,254</u>	<u>1,897,203</u>	<u>880,962</u>	<u>695,264</u>
Operating expenses:				
Gas department expenses	729,532	904,297	-	-
Water department expenses	268,150	262,257	-	-
Sewerage department expenses	334,518	267,993	-	-
Depreciation expense	179,552	180,592	-	-
Self insurance expenses	-	-	917,475	608,738
Total operating expenses	<u>1,511,752</u>	<u>1,615,139</u>	<u>917,475</u>	<u>608,738</u>
Operating income (loss)	<u>273,502</u>	<u>282,064</u>	<u>(36,513)</u>	<u>86,526</u>
Nonoperating revenues (expenses):				
Interest income	14,723	12,887	-	-
Interest expense	(2,969)	(7,194)	-	-
Gain (loss) on disposal of assets	990	(38,756)	-	-
Total nonoperating revenues (expenses)	<u>12,744</u>	<u>(33,063)</u>	<u>-</u>	<u>-</u>
Income (loss) before contributions and transfers	<u>286,246</u>	<u>249,001</u>	<u>(36,513)</u>	<u>86,526</u>
Transfers in (out):				
Transfers out	<u>(247,627)</u>	<u>(298,547)</u>	<u>-</u>	<u>-</u>
Change in net assets	38,619	(49,546)	(36,513)	86,526
Net assets (deficit), beginning	<u>2,921,857</u>	<u>2,971,403</u>	<u>19,578</u>	<u>(66,948)</u>
Net assets (deficit), ending	<u>\$2,960,476</u>	<u>\$2,921,857</u>	<u>\$ (16,935)</u>	<u>\$ 19,578</u>

TOWN OF MAMOU, LOUISIANA
Enterprise Fund
Utility Fund

Departmental Analysis of Revenues and Expenses
Years Ended December 31, 2007 and 2006

	Totals			Gas		Water		Sewer	
	2007	2006	2007	2006	2007	2006	2007	2006	
Operating revenues:									
Customers service charges	\$1,723,076	\$1,847,931	\$ 931,111	\$1,063,127	\$ 413,373	\$ 412,629	\$ 378,592	\$ 372,175	
Permits, reconnections and penalties	49,011	45,960	20,438	20,609	22,404	18,885	6,169	6,466	
Miscellaneous	13,167	3,312	10,866	1,284	301	195	2,000	1,833	
Total operating revenues	1,785,254	1,897,203	962,415	1,085,020	436,078	431,709	386,761	380,474	
Operating expenses:									
Salaries	251,174	247,937	84,045	67,850	73,481	80,124	93,648	99,963	
Payroll taxes	21,485	21,164	6,865	5,714	6,241	6,785	8,379	8,665	
Group Insurance	75,568	78,880	16,048	37,120	32,096	13,920	27,424	27,840	
Gas purchased	519,526	666,535	519,526	666,535	-	-	-	-	
Maintenance and supplies	183,512	115,948	40,509	45,873	46,027	44,241	96,976	25,834	
Safe water drinking fee	4,752	4,752	-	-	4,752	4,752	-	-	
Lab fees	5,520	5,295	-	-	-	-	5,520	5,295	
Depreciation expense	179,552	180,592	10,401	9,716	81,897	82,121	87,254	88,755	
Utilities	127,817	119,377	7,179	7,231	68,045	65,991	52,593	46,155	
Telephone	5,167	5,333	2,204	2,059	-	-	2,963	3,274	
Truck operation	23,953	22,108	7,451	6,383	4,144	4,515	12,358	11,210	
Bad debts	28,063	54,708	14,593	27,901	8,138	16,412	5,332	10,395	
Insurance	38,578	39,882	9,044	11,097	12,323	12,188	17,211	16,597	
Miscellaneous	8,123	12,706	2,668	4,415	1,931	3,218	3,524	5,073	
Professional fees	35,196	37,890	19,120	21,950	8,943	8,343	7,133	7,597	
Training	3,766	2,032	280	169	2,029	1,768	1,457	95	
Total operating expenses	1,511,752	1,615,139	739,933	914,013	350,047	344,378	421,772	356,748	
Net operating income (loss)	\$ 273,502	\$ 282,064	\$ 222,482	\$ 171,007	\$ 86,031	\$ 87,331	\$ (35,011)	\$ 23,726	

**COMPLIANCE
AND
INTERNAL CONTROL**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information Town of Mamou, Louisiana's (the Town) primary government as of and for the year ended December 31, 2007, and have issued our report thereon dated June 16, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town's ability to initiate, authorize, record, process, or report financial data reliably in

accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Town's financial statements that is more than inconsequential will not be prevented or detected by the Town's internal control. We consider the deficiencies described in the accompanying summary schedule of current and prior year audit findings as items 07-1(IC) and 07-2 (IC) to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Town's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 07-1(IC) and 07-2 (IC) to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Mamou's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying summary schedule of current and prior year audit findings as item 07-3(C).

We also noted certain other matters we have reported to management of the Town in a separate letter dated June 16, 2008. The Town's responses to the findings identified in our audit are described in the accompanying summary schedule of current and prior year audit findings. We did not audit the Town's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information of the Town's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report maybe limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

Lafayette, Louisiana
June 16, 2008

TOWN OF MAMOU, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended December 31, 2007

<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 (12/31/07) --</u>					
<u>Internal Control:</u>					
07-1 (IC) 2006	The Town does not have complete and accurate records for customer deposits. A system of controls should be developed to ensure that an accurate listing is maintained. Also, controls should be developed to ensure that the deposits of terminated customers are applied to any outstanding receivable balances.	Partial	Efforts will be made to maintain a complete and accurate listing and to apply customer deposits to closed accounts on a timely basis.	Guy Pucheu, Town Clerk	Dec-08
07-2 (IC) 2007	The Town should evaluate and establish controls over the operations of the skating rink with specific emphasis on admissions and concession inventory.	No	The Town will evaluate and implement adequate controls over the skating rink operations and specifically admissions, concession sales and concession inventory.	Guy Pucheu, Town Clerk	Dec-08
<u>Compliance:</u>					
07-3 (C) 2007	The Town did not properly follow the Public Bid Law when purchasing a generator for the Town's utility system. The Town should establish procedures for making purchases or entering into a contract for the completion of any public work in accordance with the Public Bid Law, R.S. 38:2211-2233.2.	Yes	The Town's purchases shall be advertised and awarded to the lowest responsible bidder, all records shall be retained for a minimum of six years, and an emergency should only be declared when the circumstances meet the definition of an emergency as defined by the Public Bid Law.	Guy Pucheu, Town Clerk	Jul-08
<u>Management Letter:</u>					
07-4 (ML) 2006	A continuing significant gas loss occurred. Despite efforts to locate and repair gas leaks, this loss has not decreased from prior years. The Town should investigate possible reasons for the significant gas loss and continue efforts to reduce the loss.	Partial	The Town will continue to investigate possible reasons for the increasing gas loss and continue efforts to reduce the loss.	Guy Pucheu, Town Clerk	Dec-08

TOWN OF MAMOU, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan (Continued)
Year Ended December 31, 2007

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>Management Letter (continued):</u>						
07-5 (ML)	2006	The Town's policy is that past due accounts will be cut off within 30 days of delinquent status until the account is brought current. The Town is not following this policy on a consistent basis. It is recommended that procedures in place for disconnecting delinquent accounts be followed.	Partial	The Town will start disconnecting service to customers within 30 days of delinquent status in accordance with Town policy.	Guy Pucheu, Town Clerk	Jul-08
07-6 (ML)	2007	During the fiscal year ended December 31, 2007, the Group Self-Insurance Fund experienced an operating loss of \$36,513. Consideration should be given to exploring plan adjustments in order for the fund to be self-sufficient.	No	The Town will consider either evaluating plan benefits, and consider increasing deductibles in order to reduce plan expenses, increasing plan premiums charged to participants, or a combination of both.	Guy Pucheu, Town Clerk	Dec-08
07-7 (ML)	2007	87% of the Town's delinquent customer accounts are related to terminated customers. We recommend that any remaining deposits be applied against these balances.	No	The Town will offset these receivables against customers' deposits and the remaining balances will be charged against the allowance for doubtful accounts.	Guy Pucheu, Town Clerk	Dec-08
<u>PRIOR YEAR (12/31/06) --</u>						
<u>Internal Control:</u>						
06-1 (IC)	2006	The Town does not have complete and accurate records for customer deposits. A system of controls should be developed to ensure that an accurate listing is maintained.	No	See current year finding 07-1 (IC)		
<u>Compliance:</u>						
06-2 (C)	2006	The water bond covenant requires customers to be disconnected after becoming 25 days delinquent. The Town has not been disconnecting service to water customers when they become delinquent on a consistent basis.	Yes			

TOWN OF MAMOU, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan (Continued)
Year Ended December 31, 2007

<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>
06-3 (ML)	2006	A continuing significant gas loss occurred. Despite efforts to locate and repair gas leaks, this loss has not decreased from prior years. The Town should investigate possible reasons for the significant gas loss and continue efforts to reduce the loss.	No	See current year finding 07-4 (ML)		
06-4 (ML)	2006	The Town's policy is that past due accounts will be cut off within 30 days of delinquent status until the account is brought current. The Town is not following this policy on a consistent basis. It is recommended that procedures in place for disconnecting delinquent accounts be followed.	No	See current year finding 07-5 (ML)		

Management Letter:

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MANAGEMENT LETTER

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

We have completed our audit of the basic financial statements of the Town of Mamou, Louisiana for the year ended December 31, 2007, and submit the following recommendations for your consideration:

- (1) A continuing significant gas loss occurred. Despite efforts to locate and repair gas leaks, this loss has not decreased from prior years. The Town should investigate possible reasons for the significant gas loss and continue efforts to reduce the loss.
- (2) The Town's policy is that past due accounts will be cut off within 30 days of delinquent status until the account is brought current. The Town is not following this policy on a consistent basis. It is recommended that procedures in place for disconnecting delinquent accounts be followed.
- (3) During the fiscal year ended December 31, 2007, the Group Self-Insurance Fund experienced an operating loss of \$36,513. Consideration should be given to exploring plan adjustments in order for the fund to be self-sufficient.
- (4) The Town does not have complete and accurate records for customer deposits. A system of controls should be developed to ensure that an accurate listing is maintained. The Town's delinquent customer accounts includes terminated customers, which account for 87% of the total delinquent accounts. We recommend that any remaining deposits be applied against these balances.

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

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

Lafayette, Louisiana
June 16, 2008

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