

CITY OF CARENCRO, LOUISIANA

Financial Report

Year Ended November 30, 2023

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INDEPENDENT AUDITOR'S REPORT

The Honorable Charlotte Clavier, Mayor,
and Members of the Board of Aldermen
City of Carencro, Louisiana

Report on the Audit of the Financial Statements

Adverse, Qualified, and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Carencro, Louisiana (City), as of and for the year ended November 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental activities	Qualified
Business-type activities	Qualified
Aggregate discretely presented component units	Adverse
General fund	Unmodified
1967 Sales tax fund	Unmodified
1993 Sales tax fund	Unmodified
Tax increment financing district sales tax fund	Unmodified
2016 Sales tax fund	Unmodified
Capital projects fund	Unmodified
Utility fund	Qualified
Aggregate remaining fund information	Qualified

Adverse Opinion on the Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter discussed in the Basis for Adverse, Qualified and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component unit of the City as of November 30, 2023, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinion on the Governmental Activities, Business-type activities, Utility Fund, and Aggregate Remaining Fund Information

In our opinion, except for the effects of the matter described in the Basis for Adverse, Qualified, and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, utility fund, and aggregate remaining fund information of the City as of November 30, 2023, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion on the General Fund, 1967 Sales Tax Fund, 1993 Sales Tax Fund, Tax Increment Financing District Sales Tax Fund, 2016 Sales Tax Fund, and the Capital Projects Fund

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Fund, 1967 Sales Tax Fund, 1993 Sales Tax Fund, Tax Increment Financing District Sales Tax Fund, 2016 Sales Tax Fund, and the Capital Projects Fund of the City, as of November 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse, Qualified, and Unmodified Opinions

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

Matter Giving Rise to the Adverse Opinion on the Aggregate Discretely Presented Component Units

The financial statements do not include financial data for the City's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for these component units to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component unit. The City has not issued such reporting entity financial statements.

Matter Giving Rise to the Qualified Opinion on the Governmental Activities, Business-type activities, Utility Fund, and Aggregate Remaining Fund Information

The City's financial statements do not include financial data related to its Other Post Employment Benefits, if any, in accordance with GASB No. 75. Accounting principles generally accepted in the United States of America require that a liability be recorded for Other Post Employment Benefits, which would affect the liabilities, deferred inflows of resources, deferred outflows of resources, net positions, and expenditures in each fund. The amount by which this departure would affect the liabilities, deferred inflows of resources, deferred outflows of resources, net positions, and expenditures in each fund is unable to be determined.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed. We evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements. We conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying comparative statements, justice system funding schedule, LCDBG schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the comparative statements, justice system funding schedule, LCDBG schedules and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The prior year comparative information on the comparative statements has been derived from the City of Carencro's 2022 financial statements, which were subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and, in our opinion were fairly presented in all material respects in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
May 24, 2024

BASIC FINANCIAL STATEMENTS

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

CITY OF CARENCRO, LOUISIANA

Statement of Net Position

November 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 7,738,911	\$ 1,591,812	\$ 9,330,723
Investments	11,672,345	998,643	12,670,988
Receivables, net	1,260,783	722,068	1,982,851
Internal balances	184,774	(184,774)	-
Due from other governmental agencies	486,486	3,439,157	3,925,643
Prepaid items	29,317	11,380	40,697
Total current assets	<u>21,372,616</u>	<u>6,578,286</u>	<u>27,950,902</u>
Noncurrent assets:			
Restricted assets -			
Cash and interest-bearing deposits	-	399,852	399,852
Investments	-	493,571	493,571
Capital assets -			
Land and construction in progress	13,019,665	12,674,221	25,693,886
Other capital assets, net	27,844,111	34,796,885	62,640,996
Right-of-use lease asset, net	1,060,289	45,320	1,105,609
Total noncurrent assets	<u>41,924,065</u>	<u>48,409,849</u>	<u>90,333,914</u>
Total assets	<u>63,296,681</u>	<u>54,988,135</u>	<u>118,284,816</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>2,379,981</u>	<u>232,911</u>	<u>2,612,892</u>
LIABILITIES			
Current liabilities (payable from current assets):			
Accounts and other payables	1,295,447	1,700,134	2,995,581
Due to other governmental agencies	58,734	-	58,734
Notes payable	56,811	225,284	282,095
Right-of-use lease liability	334,052	33,496	367,548
Total	<u>1,745,044</u>	<u>1,958,914</u>	<u>3,703,958</u>
Current liabilities (payable from restricted assets):			
Customers deposits payable	-	552,466	552,466
Bonds and certificates of indebtedness payable	1,290,000	519,000	1,809,000
Accrued interest	216,941	39,707	256,648
Total	<u>1,506,941</u>	<u>1,111,173</u>	<u>2,618,114</u>
Total current liabilities	<u>3,251,985</u>	<u>3,070,087</u>	<u>6,322,072</u>
Noncurrent liabilities:			
Compensated absences payable	243,164	92,503	335,667
Net pension liability	7,035,729	867,594	7,903,323
Notes payable	59,140	1,460,163	1,519,303
Right-of-use lease liability	761,687	14,231	775,918
Bonds and certificates of indebtedness payable	17,555,000	4,931,000	22,486,000
Total noncurrent liabilities	<u>25,654,720</u>	<u>7,365,491</u>	<u>33,020,211</u>
Total liabilities	<u>28,906,705</u>	<u>10,435,578</u>	<u>39,342,283</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	<u>44,969</u>	<u>304</u>	<u>45,273</u>
NET POSITION			
Net investment in capital assets	21,650,434	38,891,350	60,541,784
Restricted for sales tax dedications	16,806,236	-	16,806,236
Restricted for debt service	1,542,904	301,250	1,844,154
Restricted for capital projects	124,736	-	124,736
Unrestricted (deficit)	(3,399,322)	5,592,564	2,193,242
Total net position	<u>\$ 36,724,988</u>	<u>\$ 44,785,164</u>	<u>\$ 81,510,152</u>

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

CITY OF CARENCRO, LOUISIANA

Statement of Activities
For the Year Ended November 30, 2023

Activities	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position		
					Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities -							
General government	\$ 1,961,881	\$ 706,085	\$ -	\$ 101,032	\$ (1,154,764)	\$ -	\$ (1,154,764)
Public safety -							
Police	5,398,746	568,660	557,339	15,855	(4,256,892)	-	(4,256,892)
Fire	1,801,516	-	204,827	-	(1,596,689)	-	(1,596,689)
City Court	246,741	-	-	-	(246,741)	-	(246,741)
Highway and streets	2,324,117	-	31,073	48,250	(2,244,794)	-	(2,244,794)
Culture and recreation	1,154,010	22,345	-	1,075	(1,130,590)	-	(1,130,590)
Interest on long-term debt	821,501	-	-	-	(821,501)	-	(821,501)
Total governmental activities	<u>13,708,512</u>	<u>1,297,090</u>	<u>793,239</u>	<u>166,212</u>	<u>(11,451,971)</u>	<u>-</u>	<u>(11,451,971)</u>
Business-type activities:							
Gas	1,036,661	783,277	-	-	-	(253,384)	(253,384)
Water	2,654,562	1,882,704	-	6,430,888	-	5,659,030	5,659,030
Sewer	1,901,640	1,721,936	-	1,940,765	-	1,761,061	1,761,061
Sanitation	916,172	875,145	-	-	-	(41,027)	(41,027)
Pelican Park	30,905	-	-	-	-	(30,905)	(30,905)
Carencro Sports Complex	2,577	-	-	-	-	(2,577)	(2,577)
Total business-type activities	<u>6,542,517</u>	<u>5,263,062</u>	<u>-</u>	<u>8,371,653</u>	<u>-</u>	<u>7,092,198</u>	<u>7,092,198</u>
Total primary government	<u>\$ 20,251,029</u>	<u>\$ 6,560,152</u>	<u>\$ 793,239</u>	<u>\$ 8,537,865</u>	<u>(11,451,971)</u>	<u>7,092,198</u>	<u>(4,359,773)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					466,603	-	466,603
Sales and use taxes, levied for general purposes					15,586,356	-	15,586,356
Franchise taxes					667,616	-	667,616
Grants and contributions not restricted to specific programs -							
State sources					15,469	-	15,469
Non-employer contributions					182,173	34,465	216,638
Gain on disposition of capital assets					6,428	404,268	410,696
Interest and investment earnings					1,158,529	133,570	1,292,099
Investment gains					5,247	11,508	16,755
Miscellaneous					65,308	45,077	110,385
Net transfers					(4,057,363)	4,057,363	-
Total general revenues and transfers					<u>14,096,366</u>	<u>4,686,251</u>	<u>18,782,617</u>
Change in net position					2,644,395	11,778,449	14,422,844
Net position - December 1, 2022					<u>34,080,593</u>	<u>33,006,715</u>	<u>67,087,308</u>
Net position - November 30, 2023					<u>\$ 36,724,988</u>	<u>\$ 44,785,164</u>	<u>\$ 81,510,152</u>

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

General Fund

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

Special Revenue Funds

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

1967 Sales Tax Fund -

To account for the receipt and use of proceeds of the City's 1% sales and use tax. These taxes are dedicated to and used for the purpose of paying principal and interest on any bonded debt or funded indebtedness of the City and for purposes of constructing and acquiring the City's sewer system, waterworks and natural gas utilities, paving and improving streets, sidewalks and bridges, constructing street lighting, drainage facilities, fire and police department stations and equipment, public buildings, public parks, public works or for any one or more of said purposes.

1993 Sales Tax Fund -

To account for the receipt and use of proceeds of the City's 1% sales and use tax. These taxes are dedicated to and used for the purpose of paying principal and interest of any bonded debt of the City issued for any lawful capital purpose. The remaining proceeds are dedicated and divided as follows: one-third (1/3) for the purpose of paying the cost of fire and police protection for the City; one-third (1/3) for operating and maintaining recreational facilities and programs for the City; and one-third (1/3) for paying the cost of capital improvements for the City, including acquiring the necessary sites, furnishings, and equipment.

Taxing Increment Financing (TIF) District Sales Tax Fund -

To account for the receipt and use of the proceeds of a 1% sales and use tax levied on the businesses located in the I-49 Corridor Economic Development District, State of Louisiana (the "District"). These taxes are dedicated and used for the purpose of financing economic development projects in the District.

2016 Sales Tax Fund

To account for the receipt and use of proceeds of the City's 1% sales and use tax. These taxes are dedicated to and used for the purpose of constructing, operating, and improving and maintaining the City's sewerage system and providing facilities for and operational support of police and fire protection in the City.

Capital Projects Fund

Capital Projects Fund -

The Capital Projects Fund is used to account for the acquisition and construction of major capital assets other than those financed by proprietary funds.

Enterprise Fund

Utility Fund -

To account for the provision of gas, water, sewer and sanitation services to residents of the City. 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.

CITY OF CARENCRO, LOUISIANA

Balance Sheet
Governmental Funds
November 30, 2023

	General	1967 Sales Tax	1993 Sales Tax	TIF District Sales Tax	2016 Sales Tax	Capital Projects Fund	Other Governmental Funds	Total
ASSETS								
Cash	\$ 304,080	\$ 75,755	\$ -	\$ -	\$ -	\$ 30,914	\$ 905	\$ 411,654
Interest-bearing deposits	223,339	31,368	184,029	3,457,488	1,599,835	69,877	1,761,321	7,327,257
Investments	304,406	181,306	-	25	10,145,161	1,041,418	29	11,672,345
Receivables:								
Taxes	16,119	326,675	326,675	213,683	326,823	-	377	1,210,352
Employees	24,141	-	-	-	-	-	-	24,141
Other	7,389	-	-	18,901	-	-	-	26,290
Due from other funds	46,185	-	-	-	-	504,525	-	550,710
Due from government agencies	450,236	-	-	36,250	-	-	-	486,486
Prepaid items	29,317	-	-	-	-	-	-	29,317
Total assets	<u>\$ 1,405,212</u>	<u>\$ 615,104</u>	<u>\$ 510,704</u>	<u>\$ 3,726,347</u>	<u>\$ 12,071,819</u>	<u>\$ 1,646,734</u>	<u>\$ 1,762,632</u>	<u>\$ 21,738,552</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 69,429	\$ -	\$ -	\$ 17,049	\$ -	\$ -	\$ 213	\$ 86,691
Accrued liabilities	240,080	-	-	-	-	-	-	240,080
Contracts payable	-	-	-	-	-	567,926	-	567,926
Retainage payable	-	-	-	44,500	-	348,785	-	393,285
Customer rental deposits	7,465	-	-	-	-	-	-	7,465
Due to other governmental agencies	-	8,578	8,578	41,578	-	-	-	58,734
Due to other funds	319,751	-	-	-	-	46,185	-	365,936
Total liabilities	<u>636,725</u>	<u>8,578</u>	<u>8,578</u>	<u>103,127</u>	<u>-</u>	<u>962,896</u>	<u>213</u>	<u>1,720,117</u>
Fund balances:								
Nonspendable - prepaid items	29,317	-	-	-	-	-	-	29,317
Restricted - sales tax dedications	-	606,526	502,126	3,623,220	12,071,819	-	2,545	16,806,236
Restricted - debt service	-	-	-	-	-	-	1,759,845	1,759,845
Restricted - capital projects	-	-	-	-	-	124,707	29	124,736
Unassigned	739,170	-	-	-	-	559,131	-	1,298,301
Total fund balances	<u>768,487</u>	<u>606,526</u>	<u>502,126</u>	<u>3,623,220</u>	<u>12,071,819</u>	<u>683,838</u>	<u>1,762,419</u>	<u>20,018,435</u>
Total liabilities and fund balances	<u>\$ 1,405,212</u>	<u>\$ 615,104</u>	<u>\$ 510,704</u>	<u>\$ 3,726,347</u>	<u>\$ 12,071,819</u>	<u>\$ 1,646,734</u>	<u>\$ 1,762,632</u>	<u>\$ 21,738,552</u>

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

CITY OF CARENCRO, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
November 30, 2023

Total fund balances for governmental funds at November 30, 2023		\$20,018,435
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Capital assets, net		40,863,776
Intangible right-of-use assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		
		1,060,289
The deferred outflows of expenditures for the various pensions are not a use of current resources, and therefore, are not reported in the funds		
		2,379,981
Long-term liabilities, including bonds and certificates of indebtedness payable, are not due and payable in the current period and, therefore, not reported in the governmental funds.		
Long-term liabilities at November 30, 2023:		
Bonds and certificates of indebtedness payable	\$ (18,845,000)	
Accrued interest payable	(216,941)	
Right-of-use liabilities	(1,095,739)	
Notes payable	(115,951)	
Net pension liability	(7,035,729)	
Compensated absences payable	<u>(243,164)</u>	(27,552,524)
The deferred inflows of contributions for the various pensions are not available resources, and therefore, are not reported in in the funds.		
		<u>(44,969)</u>
Total net position of governmental activities at November 30, 2023		<u>\$36,724,988</u>

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

CITY OF CARENCRO, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Year Ended November 30, 2023

	General	1967 Sales Tax	1993 Sales Tax	TIF District Sales Tax	2016 Sales Tax	Capital Projects Fund	Other Governmental Funds	Total
Revenues:								
Taxes	\$ 1,134,219	\$ 4,237,640	\$ 4,237,640	\$ 2,872,588	\$ 4,234,140	\$ -	\$ 4,348	\$ 16,720,575
Licenses and permits	706,085	-	-	-	-	-	-	706,085
Intergovernmental	925,595	-	-	48,250	-	-	-	973,845
Fines and forfeits	568,660	-	-	-	-	-	-	568,660
Miscellaneous	122,299	35,640	53,356	224,299	472,940	279,313	95,659	1,283,506
Total revenues	<u>3,456,858</u>	<u>4,273,280</u>	<u>4,290,996</u>	<u>3,145,137</u>	<u>4,707,080</u>	<u>279,313</u>	<u>100,007</u>	<u>20,252,671</u>
Expenditures:								
Current -								
General government:								
Administrative	1,285,958	49,876	50,216	27,579	50,191	-	1,283	1,465,103
Code department	403,166	-	-	-	-	-	-	403,166
Public safety:								
Police	4,289,628	-	-	-	-	-	-	4,289,628
Fire	1,509,087	-	-	-	-	-	-	1,509,087
City Court	246,741	-	-	-	-	-	-	246,741
Highways and streets	1,240,274	-	-	-	-	-	-	1,240,274
Culture and tourism	89,981	-	965,297	-	-	-	43,675	1,098,953
Capital outlay	827,382	-	-	953,987	-	7,398,741	-	9,180,110
Debt service -								
Principal retirement	354,336	-	-	-	-	-	1,865,000	2,219,336
Interest and fiscal charges	81,130	-	-	-	-	-	641,213	722,343
Total expenditures	<u>10,327,683</u>	<u>49,876</u>	<u>1,015,513</u>	<u>981,566</u>	<u>50,191</u>	<u>7,398,741</u>	<u>2,551,171</u>	<u>22,374,741</u>
Excess (deficiency) of revenues over expenditures	<u>(6,870,825)</u>	<u>4,223,404</u>	<u>3,275,483</u>	<u>2,163,571</u>	<u>4,656,889</u>	<u>(7,119,428)</u>	<u>(2,451,164)</u>	<u>(2,122,070)</u>
Other financing sources (uses):								
Proceeds from right-of-use lease assets	542,083	-	-	-	-	-	-	542,083
Proceeds from issuance of debt	-	-	-	-	-	8,000,000	-	8,000,000
Transfers in	6,796,159	-	347,374	129,585	1,312,976	1,399,981	2,616,966	12,603,041
Transfers out	(1,070,482)	(4,155,492)	(4,109,078)	(2,793,231)	(2,401,956)	(1,948,074)	(859)	(16,479,172)
Total other financing sources (uses)	<u>6,267,760</u>	<u>(4,155,492)</u>	<u>(3,761,704)</u>	<u>(2,663,646)</u>	<u>(1,088,980)</u>	<u>7,451,907</u>	<u>2,616,107</u>	<u>4,665,952</u>
Net changes in fund balances	(603,065)	67,912	(486,221)	(500,075)	3,567,909	332,479	164,943	2,543,882
Fund balances, beginning	1,371,552	538,614	988,347	4,123,295	8,503,910	351,359	1,597,476	17,474,553
Fund balances, ending	<u>\$ 768,487</u>	<u>\$ 606,526</u>	<u>\$ 502,126</u>	<u>\$ 3,623,220</u>	<u>\$ 12,071,819</u>	<u>\$ 683,838</u>	<u>\$ 1,762,419</u>	<u>\$ 20,018,435</u>

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

CITY OF CARENCRO, 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 November 30, 2023

Total net changes in fund balances at November 30, 2023 per
Statement of Revenues, Expenditures and Changes in Fund Balances \$ 2,543,882

The change in net position reported for governmental activities in the
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay	\$8,638,027	
Depreciation expense for the year ended November 30, 2023	(1,553,694)	
Transfer of asset to proprietary fund	(181,232)	
Loss on disposal of asset	<u>(24,573)</u>	6,878,528

Governmental funds report intangible right-of-use assets as expenditures.
However, in the statement of activities, the costs of these assets are
allocated over the lease term and reported as amortization expense.

Right-of-use lease assets	542,083	
Amortization expense for the year ended November 30, 2023	<u>(326,031)</u>	216,052

Because some revenues are not considered measurable at year end,
they are not considered "available" revenues in the governmental funds.

Non-employer pension contributions		182,173
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Debt proceeds are reported as financing sources in the governmental funds
and thus contribute to the change in fund balance. In the statement of
net position, however, issuing debt increases long-term liabilities and does
not affect the statement of activities. Similarly, the retirement of principal is
recorded as an expenditure in the governmental funds but reduces the liability
in the statement of net position.

Proceeds from right-of-use leases	(542,083)	
Proceeds from issuance of debt	(8,000,000)	
Principal payments	<u>2,219,336</u>	(6,322,747)

Some expenses reported in the statement of activities do not require the
use of current financial resources and, therefore, are not reported as
expenditures in the governmental funds.

Decrease in compensated absences	66,945	
Increase in pension expense	(821,280)	
Increase in interest expense	<u>(99,158)</u>	<u>(853,493)</u>

Total changes in net position at November 30, 2023 per Statement of Activities \$ 2,644,395

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

CITY OF CARENCRO, LOUISIANA

Statement of Net Position
Proprietary Fund
November 30, 2023

	Utility Fund	Other Enterprise Fund	Total
ASSETS			
Current assets:			
Cash	\$ 1,398,276	\$ 39,071	\$ 1,437,347
Interest-bearing deposits	154,465	-	154,465
Due from other funds	127	319,750	319,877
Investments	542,100	456,543	998,643
Receivables, net	721,942	126	722,068
Due from other governmental agencies	3,439,157	-	3,439,157
Prepaid items	11,380	-	11,380
Total current assets	<u>6,267,447</u>	<u>815,490</u>	<u>7,082,937</u>
Noncurrent assets:			
Restricted assets -			
Interest-bearing deposits	399,852	-	399,852
Investments	493,571	-	493,571
Capital assets -			
Land and construction in progress	12,408,471	265,750	12,674,221
Other capital assets, net of accumulated depreciation	34,796,885	-	34,796,885
Right-of-use assets	45,320	-	45,320
Total noncurrent assets	<u>48,144,099</u>	<u>265,750</u>	<u>48,409,849</u>
Total assets	<u>54,411,546</u>	<u>1,081,240</u>	<u>55,492,786</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>232,911</u>	<u>-</u>	<u>232,911</u>
LIABILITIES			
Current liabilities (payable from current assets):			
Accounts payable	269,970	490	270,460
Retainage and contracts payable	1,402,195	-	1,402,195
Accrued liabilities	27,353	126	27,479
Due to other funds	504,651	-	504,651
Notes payable	225,284	-	225,284
Right-of-use lease liability	33,496	-	33,496
Total	<u>2,462,949</u>	<u>616</u>	<u>2,463,565</u>
Current liabilities (payable from restricted assets):			
Customers deposits payable	552,466	-	552,466
Bonds payable	519,000	-	519,000
Accrued interest	39,707	-	39,707
Total	<u>1,111,173</u>	<u>-</u>	<u>1,111,173</u>
Total current liabilities	<u>3,574,122</u>	<u>616</u>	<u>3,574,738</u>
Noncurrent liabilities:			
Compensated absences payable	92,503	-	92,503
Right-of-use lease liability	14,231	-	14,231
Net pension liability	867,594	-	867,594
Notes payable	1,460,163	-	1,460,163
Bonds payable	4,931,000	-	4,931,000
Total noncurrent liabilities	<u>7,365,491</u>	<u>-</u>	<u>7,365,491</u>
Total liabilities	<u>10,939,613</u>	<u>616</u>	<u>10,940,229</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	<u>304</u>	<u>-</u>	<u>304</u>
NET POSITION			
Net investment in capital assets	38,625,600	265,750	38,891,350
Restricted for debt service	301,250	-	301,250
Unrestricted	4,777,690	814,874	5,592,564
Total net position	<u>\$ 43,704,540</u>	<u>\$ 1,080,624</u>	<u>\$ 44,785,164</u>

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

CITY OF CARENCRO, LOUISIANA
Statement of Revenues, Expenses, and Change in Fund Net Position -
Proprietary Fund
For the Year Ended November 30, 2023

	Utility Fund	Other Enterprise Fund	Total
Operating revenues:			
Charges for services	\$ 5,063,364	\$ -	\$ 5,063,364
Penalties, permits, and connection fees	199,698	-	199,698
Miscellaneous	<u>15,451</u>	-	<u>15,451</u>
Total operating revenues	<u>5,278,513</u>	<u>-</u>	<u>5,278,513</u>
Operating expenses:			
Gas	1,036,661	-	1,036,661
Water	2,433,031	-	2,433,031
Sewerage	1,901,640	-	1,901,640
Sanitation	916,172	-	916,172
Pelican Park	-	30,905	30,905
Carencro Sports Complex	<u>-</u>	<u>2,577</u>	<u>2,577</u>
Total operating expenses	<u>6,287,504</u>	<u>33,482</u>	<u>6,320,986</u>
Loss from operations	<u>(1,008,991)</u>	<u>(33,482)</u>	<u>(1,042,473)</u>
Nonoperating revenues (expenses):			
Interest income	133,570	-	133,570
Liquidated damages	29,626	-	29,626
Interest expense and fiscal charges	(221,531)	-	(221,531)
Investment income	11,508	-	11,508
Gain on disposition of assets	-	404,268	404,268
Non-employer contributions	<u>34,465</u>	<u>-</u>	<u>34,465</u>
Total nonoperating revenues (expenses)	<u>(12,362)</u>	<u>404,268</u>	<u>391,906</u>
Income (loss) before transfers and capital contributions	<u>(1,021,353)</u>	<u>370,786</u>	<u>(650,567)</u>
Capital contributions	<u>8,371,653</u>	<u>181,232</u>	<u>8,552,885</u>
Transfers:			
Transfers in	4,028,507	531,606	4,560,113
Transfers out	<u>(680,982)</u>	<u>(3,000)</u>	<u>(683,982)</u>
Total transfers	<u>3,347,525</u>	<u>528,606</u>	<u>3,876,131</u>
Change in net position	10,697,825	1,080,624	11,778,449
Net position, beginning	<u>33,006,715</u>	<u>-</u>	<u>33,006,715</u>
Net position, ending	<u>\$ 43,704,540</u>	<u>\$ 1,080,624</u>	<u>\$ 44,785,164</u>

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

CITY OF CARENCRO, LOUISIANA

Statement of Cash Flows
 Proprietary Fund
 For the Year Ended November 30, 2023

	Utility Fund	Other Enterprise Fund	Total
Cash flows from operating activities:			
Receipts from customers	\$ 5,241,163	\$ -	\$ 5,241,163
Payments to suppliers	(3,141,982)	(2,220)	(3,144,202)
Payments to employees	(1,554,099)	(9,939)	(1,564,038)
Net cash provided (used) by operating activities	<u>545,082</u>	<u>(12,159)</u>	<u>532,923</u>
Cash flows from noncapital financing activities:			
Transfers from other funds	<u>3,020,871</u>	<u>51,230</u>	<u>3,072,101</u>
Cash flows from capital and related financing activities:			
Proceeds from grants	23,433	-	23,433
Principal paid on certificates of indebtedness	(289,000)	-	(289,000)
Principal paid on DHH water loan payable	(214,000)	-	(214,000)
Principl paid on right-of-use lease asset	(14,316)	-	(14,316)
Principal paid on notes payable	(257,357)	-	(257,357)
Interest paid	(219,111)	-	(219,111)
Acquisition of property, plant and equipment	(5,299,170)	-	(5,299,170)
Net cash used by capital and related financing activities	<u>(6,269,521)</u>	<u>-</u>	<u>(6,269,521)</u>
Cash flows from investing activities:			
Purchase of investments and interest-bearing deposits			
with maturity in excess of ninety days	(651,876)	-	(651,876)
Unrealized investment gain	(11,508)	-	(11,508)
Interest on investments	134,956	-	134,956
Net cash used by investing activities	<u>(528,428)</u>	<u>-</u>	<u>(528,428)</u>
Net increase (decrease) in cash and cash equivalents	(3,231,996)	39,071	(3,192,925)
Cash and cash equivalents, beginning of period	<u>5,184,589</u>	<u>-</u>	<u>5,184,589</u>
Cash and cash equivalents, end of period	<u>\$ 1,952,593</u>	<u>\$ 39,071</u>	<u>\$ 1,991,664</u>

(continued)

CITY OF CARENCRO, LOUISIANA

Statement of Cash Flows
Proprietary Fund (Continued)
For the Year Ended November 30, 2023

	Utility Fund	Other Enterprise Fund	Total
Reconciliation of operating loss to net cash provided (used) by operating activities:			
Operating loss	\$(1,008,991)	\$ (33,482)	\$(1,042,473)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	1,489,101	-	1,489,101
Amortization expense	14,364	-	14,364
Pension expense (benefit)	33,837	-	33,837
Bad debt expense	19,427	-	19,427
Changes in current assets and liabilities:			
Accounts receivable	(43,529)	(126)	(43,655)
Unbilled utility receivables	(41,311)	-	(41,311)
Prepaid items	5,190	-	5,190
Accounts payable	94,985	490	95,475
Accrued liabilities	3,223	126	3,349
Customer deposits	(16,285)	-	(16,285)
Compensated absences payable	(4,929)	-	(4,929)
Net cash provided (used) by operating activities	<u>\$ 545,082</u>	<u>\$ (32,992)</u>	<u>\$ 512,090</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	\$ 3,709,036	\$ -	\$ 3,709,036
Interest-bearing deposits - unrestricted	101,633	-	101,633
Interest-bearing deposits - restricted	<u>1,373,920</u>	<u>-</u>	<u>1,373,920</u>
Total cash and cash equivalents	<u>5,184,589</u>	<u>-</u>	<u>5,184,589</u>
Cash and cash equivalents, end of period -			
Cash - unrestricted	\$ 1,398,276	\$ 39,071	\$ 1,437,347
Interest-bearing deposits - unrestricted	154,465	-	154,465
Interest-bearing deposits - restricted	<u>399,852</u>	<u>-</u>	<u>399,852</u>
Total cash and cash equivalents	<u>1,952,593</u>	<u>39,071</u>	<u>1,991,664</u>
Net increase (decrease)	<u>\$(3,231,996)</u>	<u>\$ 39,071</u>	<u>\$(3,192,925)</u>

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

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the City of Carencro (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The City of Carencro was incorporated under the provisions of the Lawrason Act. The City operates under the Mayor-City Council form of government.

As the municipal governing authority, for reporting purposes, the City of Carencro 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, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

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

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Based on these criteria, the City considers the entity below a component unit but does not include the entity in the financial reporting entity.

Parks and Recreation Commission of Carencro, Inc.

The Parks and Recreation Commission of Carencro, Inc., (Commission) is a non-profit corporation established in 1993 for the purpose of maintaining and operating recreational facilities for the general purpose of the City. The members of the governing board of the Commission consist of seven (7) trustees. Of the seven (7) trustees, four (4) must be appointed by the City Council, one (1) must be appointed by the Mayor of the City and two (2) may be appointed by the Commission with the authority reverting to the City Council in the event the Commission appoints no one. The Commission's operational and capital budgets are subject to the approval of the City. Bonded debt issued by the Parks and Recreation Commission must be approved by the City Council. As described in Note 25, the Commission was dissolved at the end of the fiscal year.

Complete financial statements for the component unit may be obtained at the entity's administrative office (Parks and Recreation Commission of Carencro, Inc., P.O. Drawer 10, Carencro, LA 70520).

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the City and for each function of the City'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.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Fund Financial Statements

The accounts of the City 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 City 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 City or meets the following criteria:

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

The major funds of the City are described below:

Governmental Funds:

General Fund

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

Special Revenue Funds -

1967 Sales Tax Fund

The 1967 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

1993 Sales Tax Fund

The 1993 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Taxing Increment Financing (TIF) District Sales Tax Fund

The TIF Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax levied on the businesses located in the I-49 Corridor Economic Development District and is legally restricted to expenditures for economic development projects in the District.

2016 Sales Tax Fund

The 2016 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

Capital Projects Fund

The Capital Projects Fund is used to account for the acquisition and construction of major capital assets other than those financed by proprietary funds.

Proprietary Fund:

Enterprise Fund

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 City of Carencro's enterprise funds are the Utility Fund and the Parks and Recreation Fund.

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

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

1. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

2. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. For all other revenue, 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, claims, and judgements, and compensated absences are recorded only to the extent they have matured.

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

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

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand, savings, and money market deposits, as well as cash on hand. For purposes of the proprietary fund 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.

Investments

Under state law, the City may deposit funds with a fiscal agent 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.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

The City may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana.

In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. In accordance with GASB Codification Section 150, investments meeting the criteria specified in the Statement are stated at fair value, which is quoted market prices.

Interfund receivables and payables

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

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

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 sales and use taxes and federal and state grants. The major receivable balance for business-type activities is accounts receivable for customer utility services, which is reported net of an allowance for bad debts. The allowance amount at November 30, 2023 was \$227,481. 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.

Prepaid items

Prepaid items consist of various payments that the City has made in advance for goods or services to be received in the future. Prepaid expenditures at November 30, 2023 consist of insurance premiums requiring up-front payments.

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 City maintains a threshold level of \$5,000 or more for capitalizing capital assets.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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

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

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

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

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted as to their use. The restricted assets are related to utility meter deposits and revenue bond sinking funds.

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 is reported as liabilities in the government-wide statements. The long-term debt consists primarily of the general obligation bonds payable, capital leases payable, utility meter deposits payable, and compensated absences payable.

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.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Compensated Absences

Sick leave is earned at the rate of one day for each month worked, with a limit of ten days per year. Vacation leave is accumulated as follows:

1-5 years	5 days
6-10 years	10 days
10-20 years	15 days
Over 20 years	20 days

Thirty days of sick leave and one week of vacation may be carried over to a subsequent year. Upon termination of employment, employees are to be paid for accumulated or unused sick and vacation leave.

At November 30, 2023, employees of the City have accumulated and vested \$335,667 of compensated absence benefits. The estimated liabilities include required salary-related payments. Compensated absences have typically been liquidated by the General Fund and Utility Fund.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires an entity to delay recognition of decreases in net position as expenditures until a future period. In other instances, entities are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. At November 30, 2023, the City's deferred outflows of resources and deferred inflows of resources are attributable to pension plans.

Equity Classifications

Net position represents the difference between assets and deferred outflows of revenues less liabilities and deferred inflows of resources. In the government-wide statements, the City reports three components as follows:

1. Net investment in capital assets – This component consists of net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
2. Restricted net position – This component is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the City's debt. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Constraints may be placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project. At November 30, 2023, the City reported \$18,775,126 of restricted net position, \$16,806,236 of which was restricted by enabling legislation.

3. Unrestricted net position – This component consists of all other net position that does not meet the definition of the above two components and is available for general use by the City.

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balances of the governmental funds are classified as follows.

1. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. Committed – amounts that can be used only for specific purposes determined by a formal decision of the City Council, which is the highest level of decision-making authority for the City.
4. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City’s adopted policy, only the City Council may assign amounts for specific purposes.
5. Unassigned – all other spendable amounts.

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

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

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

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

Interfund Transfers

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

F. Revenue Restrictions

The City 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 11
Gas, water and sewer revenue	Debt service and utility operations

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

G. 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, deferred outflows, liabilities, and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(2) Cash, Interest-Bearing Deposits and Investments

A. Cash and Interest-bearing Deposits

Under state law, the City 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 City may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At November 30, 2023, the City had cash and interest-bearing deposits (book balances) totaling as follows:

Demand deposits	\$ 1,086,895
Money market accounts	8,643,680
Total	<u>\$ 9,730,575</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the City or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at November 30, 2023, are secured as follows:

Bank balances	<u>\$ 11,058,524</u>
Federal deposit insurance	\$ 425,944
Pledged securities	<u>10,632,580</u>
Total	<u>\$ 11,058,524</u>

Deposits in the amount of \$10,632,580 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the City's name. The City does not have a policy for custodial credit risk.

B. Investments

At November 30, 2023, the City had the following investments and maturities:

<u>Investment Type</u>	<u>% of Portfolio</u>	<u>Fair Value</u>	<u>Investment Maturities</u>			
			<u>Less Than 1 Year</u>	<u>1 - 5 Years</u>	<u>10-15 Years</u>	<u>15-20 Years</u>
U.S. treasury securities	3%	\$ 398,780	\$ 155,012	\$ 243,768	\$ -	\$ -
U.S. agency securities	1%	186,256	19,808	81,429	45,488	39,531
LAMP	<u>96%</u>	<u>12,579,523</u>	<u>12,579,523</u>	-	-	-
Total	<u>100%</u>	<u>\$ 13,164,559</u>	<u>\$ 12,754,343</u>	<u>\$ 325,197</u>	<u>\$ 45,488</u>	<u>\$ 39,531</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Custodial Credit Risk – In the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's requires all investments to be kept in the City's name and all ownership to be evidenced by an acceptable safekeeping receipt issued by a third-party financial institution which is acceptable to the City. Accordingly, the City had no custodial credit risk related to its investments at November 30, 2023.

Credit Rate Risk – The risks are managed by restricting investments to those authorized by R.S. 33:5162. The City's investment policy limits investments to fully insured and/or fully collateralized certificates of deposits and direct and indirect obligations of U.S. government agencies. At November 30, 2023, the Government's investment in U.S. treasury notes and U.S. agency securities were rated AA+ by Standards & Poor's.

Concentration of Credit Risk – The risk relates to the amount of investments in any one entity. At November 30, 2023, no more than 5 percent of the City's total investments were invested in any single issue.

Interest Rate Risk – The City does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The City participates in Louisiana Asset Management Pool (LAMP). LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No.79. The following facts are relevant for investment pools:

- **Credit risk** – LAMP has a fund rating of AAAM issued by Standard & Poor's.
- **Custodial credit risk** – LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- **Concentration of credit risk** – LAMP's pooled investments are excluded from the 5 percent disclosure requirements.
- **Interest rate risk** – LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 50 days as of November 30, 2023.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. LAMP is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(3) Receivables

Receivables at November 30, 2023 consist of the following:

	Governmental Activities	Business-type Activities	Total
Accounts (net)	\$ -	\$ 465,427	\$ 465,427
Unbilled utility	-	252,934	252,934
Franchise tax	16,119	-	16,119
Sales tax	1,194,233	-	1,194,233
Employee	24,141	3,707	27,848
Other	26,290	-	26,290
Total	<u>\$1,260,783</u>	<u>\$ 722,068</u>	<u>\$1,982,851</u>

(4) Due From Other Governmental Agencies

Amounts due from other governmental agencies at November 30, 2023 consist of the following:

Fund Financial Statements:

Governmental Funds -

State grant funds	\$ 3,000
Lafayette Parish School Board	84,559
Federal grant funds	<u>398,927</u>
	<u>\$ 486,486</u>

Proprietary funds -

State grant funds	\$ 281,905
Federal grant funds	<u>3,157,252</u>
	<u>\$ 3,439,157</u>

Government-wide financial statements:

Total amount reported in governmental funds	\$ 486,486
Total amount reported in proprietary funds	<u>3,439,157</u>
	<u>\$ 3,925,643</u>

(5) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the fiscal year ended November 30, 2023, taxes were levied by the City in September 2022 and were billed to the taxpayers by the Assessor in November 2022. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values and determined by the Tax Assessor of Lafayette Parish and are collected by the Sheriff. City property tax revenues are budgeted in the year billed.

For the year ended November 30, 2023, taxes of 4.66 mills were levied on property with assessed valuations totaling \$101,919,851 and were dedicated to general corporate purposes. Total taxes levied were \$474,946. There were no ad valorem taxes receivable at November 30, 2023.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(6) Capital Assets

Capital asset activity for the year ended November 30, 2023 was as follows:

	Balance 12/01/22	Additions	Deletions	Balance 11/30/23
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,366,247	\$ -	\$ -	\$ 1,366,247
Construction in progress	5,537,148	8,082,118	1,965,848	11,653,418
Other capital assets:				
Land improvements	195,441	-	-	195,441
Buildings	6,042,477	319,716	591,777	5,770,416
Infrastructure	27,522,901	1,842,631	18,592	29,346,940
Equipment, furniture and fixtures	2,309,366	359,409	69,690	2,599,085
Vehicles	3,287,772	-	-	3,287,772
Totals	<u>46,261,352</u>	<u>10,603,874</u>	<u>2,645,907</u>	<u>54,219,319</u>
Less accumulated depreciation				
Land improvements	58,286	11,489	-	69,775
Buildings	2,963,774	167,027	410,545	2,720,256
Infrastructure	6,009,177	1,009,817	18,592	7,000,402
Equipment, furniture and fixtures	1,591,005	247,436	45,117	1,793,324
Vehicles	1,653,861	117,925	-	1,771,786
Total accumulated depreciation	<u>12,276,103</u>	<u>1,553,694</u>	<u>474,254</u>	<u>13,355,543</u>
Governmental activities, capital assets, net	<u>\$ 33,985,249</u>	<u>\$ 9,050,180</u>	<u>\$ 2,171,653</u>	<u>\$ 40,863,776</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 2,266,273	\$ -	\$ -	\$ 2,266,273
Construction in progress	10,356,531	10,426,368	10,374,951	10,407,948
Other capital assets:				
Gas system	2,636,113	60,200	-	2,696,313
Water system	21,345,099	208,381	-	21,553,480
Sewer system	19,401,554	10,315,995	-	29,717,549
Machinery and equipment	2,335,237	8,152	51,654	2,291,735
Totals	<u>58,340,807</u>	<u>21,019,096</u>	<u>10,426,605</u>	<u>68,933,298</u>
Less accumulated depreciation				
Gas system	1,183,218	66,931	-	1,250,149
Water system	7,820,063	673,580	-	8,493,643
Sewer system	9,544,903	598,180	-	10,143,083
Machinery and equipment	1,476,561	150,410	51,654	1,575,317
Total accumulated depreciation	<u>20,024,745</u>	<u>1,489,101</u>	<u>51,654</u>	<u>21,462,192</u>
Business-type activities, capital assets, net	<u>\$ 38,316,062</u>	<u>\$ 19,529,995</u>	<u>\$ 10,374,951</u>	<u>\$ 47,471,106</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 83,066
Police	140,398
Fire	239,412
Highways and streets	1,035,761
Culture and recreation	<u>55,057</u>
Total depreciation expense	<u>\$ 1,553,694</u>

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

Gas	\$ 97,012
Water	718,703
Sewer	665,865
Sanitation	<u>7,521</u>
Total depreciation expense	<u>\$ 1,489,101</u>

(7) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at November 30, 2023:

Customers' deposits	\$ 552,466
2012 Revenue bond sinking fund	224,040
2018 Revenue bond sinking fund	<u>116,917</u>
Total	<u>\$ 893,423</u>

(8) Accounts and Other Payables

The accounts and other payables consisted of the following at November 30, 2023:

	Governmental Activities	Business-type Activities	Total
Accounts	\$ 86,691	\$ 270,460	\$ 357,151
Retainage and contracts payable	961,211	1,402,195	2,363,406
Customer rental deposits	7,465	-	7,465
Accrued liabilities	<u>240,080</u>	<u>27,479</u>	<u>267,559</u>
Totals	<u>\$ 1,295,447</u>	<u>\$ 1,700,134</u>	<u>\$ 2,995,581</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(9) Long-Term Liabilities

The following is a summary of the changes for the year ended November 30, 2023:

	Balance 12/1/2022	Additions	Reductions	Balance 11/30/2023
Governmental Activities:				
Sales tax revenue bonds	\$ 12,710,000	\$ 8,000,000	\$ 1,865,000	\$ 18,845,000
Notes payable	170,940	-	54,989	115,951
Compensated absences	310,109	13,472	80,417	243,164
Total governmental activities	<u>\$ 13,191,049</u>	<u>\$ 8,013,472</u>	<u>\$ 2,000,406</u>	<u>\$ 19,204,115</u>
Business-type Activities:				
Series 2012 refunding bond	\$ 1,500,000	\$ -	\$ 289,000	\$ 1,211,000
Series 2018 utility revenue bond	4,310,676	142,324	214,000	4,239,000
Notes payable	1,942,803	-	257,356	1,685,447
Compensated absences	97,432	13,738	18,667	92,503
Total business-type activities	<u>\$ 7,850,911</u>	<u>\$ 156,062</u>	<u>\$ 779,023</u>	<u>\$ 7,227,950</u>

Long-term liabilities payable at November 30, 2023 is comprised of the following:

Governmental activities:

Direct borrowing general obligation bonds –

		Current Portion
\$5,000,000 Sales Tax Bonds, Series 2021, due in annual installments of \$400,000 to \$575,000 through December 1, 2030; interest at 1.95%; payable from TIF sales tax revenues	\$ 3,810,000	\$ -
\$5,800,000 Sales Tax Bonds, Series 2014, due in annual installments of \$480,000 to \$640,000 through July 1, 2024; interest at 2.15%; payable from 1967 sales tax revenues	640,000	640,000
\$3,750,000 Sales Tax Bonds, Series 2014A, due in annual installments of \$70,000 to \$350,000 through April 1, 2029; interest at 2.79%; payable from 1993 sales tax revenues	1,975,000	305,000
\$5,000,000 Sales Tax Bonds, Series 2019, due in annual installments of \$155,000 to \$900,000 through July 1, 2029; interest at 2.68%; payable from 1967 sales tax revenues	4,420,000	150,000
\$8,000,000 Sales Tax Bonds, Series 2022, due in annual installments of \$195,000 to \$890,000 through April 1, 2038; interest at 4.580%; payable from 1993 sales tax revenues	<u>8,000,000</u>	<u>195,000</u>
Total bonds	<u>\$ 18,845,000</u>	<u>\$ 1,290,000</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

		<u>Current Portion</u>
Note payable -		
\$275,235 note payable dated March 24, 2020, due in five annual installments of \$60,639 including interest of 3.314% through March 24, 2025; payable from any non-restricted revenues of the City.	<u>\$ 115,951</u>	<u>\$ 56,811</u>
Business-Type activities:		
Direct borrowing certificates of indebtedness –		
\$4,225,000 Refunding Certificates of Indebtedness, Series 2012, due in annual installments of \$94,000 to \$386,000 through April 1, 2029; interest at 2.80%; payable from City's excess annual revenues	<u>\$1,211,000</u>	<u>\$299,000</u>
Direct borrowing utility revenue bond –		
\$5,000,000 Series 2018 taxable utility revenue bond, due in annual installments of 266,265 to \$322,718 through August 1, 2039, including interest at 2.45%; payable from utility system revenues.	<u>\$4,239,000</u>	<u>\$220,000</u>
Notes payable -		
\$265,240 note payable agreement dated October 10, 2019, due in monthly installments of \$4,819 including interest at 3.45% percent through October 10, 2024.	\$ 47,383	\$ 47,383
\$2,004,963 note payable dated June 1, 2021, due in monthly installments of \$21,210, including imputed interest at 3.95% through May 1, 2031.	<u>\$1,638,064</u>	<u>177,901</u>
Total notes payable	<u>\$1,685,447</u>	<u>\$225,284</u>

Proceeds of the Series 2018 taxable utility revenue bond are received from the Louisiana Department of Health and Hospitals to finance the costs of drinking water infrastructure improvements. During the year ended November 30, 2023, the City drew \$142,324, and has exhausted the full amount to be drawn.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

The debt as of November 30, 2023 is due as follows:

Governmental Activities:

<u>November 30,</u>	<u>Sales Tax Revenue Bonds</u>		<u>Note Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,290,000	\$ 544,999	\$ 56,811	\$ 3,828
2025	1,840,000	578,799	59,140	1,945
2026	1,885,000	528,682	-	-
2027	1,940,000	477,212	-	-
2028	1,990,000	424,206	-	-
2029-2033	5,835,000	1,386,104	-	-
2034-2038	4,065,000	482,619	-	-
Totals	<u>\$ 18,845,000</u>	<u>\$ 4,422,621</u>	<u>\$ 115,951</u>	<u>\$ 5,773</u>

Business-Type Activities:

<u>November 30,</u>	<u>Certificate of Indebtedness</u>		<u>Utility Revenue Bonds</u>		<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 299,000	\$ 29,722	\$ 220,000	\$ 82,661	\$ 225,284	\$ 56,158
2025	310,000	21,196	225,000	78,370	201,416	53,101
2026	319,000	12,390	231,000	73,984	209,372	45,145
2027	92,000	6,636	237,000	69,478	217,642	36,875
2028	94,000	4,032	242,000	64,857	226,239	28,278
2029-2033	97,000	1,358	1,300,000	251,218	605,494	30,821
2034-2038	-	-	1,469,000	118,112	-	-
2039	-	-	315,000	6,143	-	-
Totals	<u>\$1,211,000</u>	<u>\$ 75,334</u>	<u>\$4,239,000</u>	<u>\$ 744,823</u>	<u>\$1,685,447</u>	<u>\$ 250,378</u>

(10) Due to Other Governmental Agencies

Due to other governmental agencies in the amount of \$58,734 for governmental activities consists of the amount due to Lafayette Parish School System for sales tax revenues overpaid to the City as of November 30, 2023.

(11) Sales and Use Tax

Proceeds of the 1967 1% sales and use tax levied by the City of Carencro were \$4,237,640 during the year ended November 30, 2023 and are dedicated to the following purposes:

Paying principal and interest on any bonded debt or funded indebtedness of the City; constructing, acquiring, extending, improving and/or maintaining sewers, waterworks and natural gas utilities, streets, sidewalks and bridges, street lighting facilities, drainage facilities, fire and police department stations and equipment, garbage disposal and sanitation equipment and facilities, public buildings, public parks and recreational facilities, public works equipment and furnishings or for any one or more of said purposes.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Proceeds of the 1993 1% sales and use tax were \$4,237,640 during the year ended November 30, 2023 and are dedicated to the following purposes:

Paying principal and interest on any bonded debt or fund indebtedness of the City of Carencro issued for capital purposes; remaining proceeds are divided as follows: one-third (1/3) for fire and police protection; one-third (1/3) for operating and maintaining recreational facilities and programs; and one third (1/3) for capital improvements for the City.

Proceeds of the TIF District 1% sales and use tax were \$2,872,588 during the year ended November 30, 2023 and are dedicated for financing economic development projects in the I-49 Corridor Economic Development District and paying principal and interest on any bonded debt or funded indebtedness of the City of Carencro issued for projects in the District.

Proceeds of the 2016 1% sales and use tax were \$4,234,140 during the year ended November 30, 2023 and are dedicated to and used for the purpose of constructing, operating, and improving and maintaining the City's sewerage system and providing facilities for and operational support of police and fire protection in the City.

Proceeds of the hotel/motel 4% sales and use tax were \$4,348 during the year ended November 30, 2023 and are dedicated and used to fund the construction and maintenance of water and sewer infrastructure, economic development and tourism within the City.

(12) Flow of Funds; Restrictions on Use - Utilities Revenues

Under the terms of the covenants included in the contract for the issuance of \$4,225,000 Certificates of Indebtedness Series 2012 and for the issuance of \$5,000,000 Utilities Revenue Bonds, the City is required to budget the funds each fiscal year sufficient to pay the principal of and interest on the Certificates. Any excess annual revenues remaining in that fiscal year shall be free for expenditure for any other lawful corporate purpose.

There will also be established and maintained a fund called the "Certificates of Indebtedness (2012) Sinking Fund." The City is required to deposit into the Sinking Fund at least monthly in advance of the date on which each payment of principal and/or interest on the certificates funds sufficient to promptly pay the maturing principal and/or interest so falling due on such date.

There will also be established and maintained a fund called the "Utilities Revenue Bond Debt Service Fund." The City is required to deposit into the Sinking Fund at least monthly in advance of the date on which each payment of principal and/or interest on the certificates funds sufficient to promptly pay the maturing principal and/or interest so falling due on such date.

The City was in compliance with all covenants of the contracts at November 30, 2023.

(13) Employee Retirement Systems

The City participates in three cost-sharing defined benefit plans, each administered by separate public employee retirement systems. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all plans administered by these public employee retirement systems to the State Legislature. These plans are not closed to new entrants.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Substantially all City employees participate in one of the following retirement systems:

Plan Descriptions:

Municipal Employees' Retirement Systems (MERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:1731 and 11:1781. The Government participates in Plan B.

State of Louisiana - Municipal Police Employees' Retirement System (MPERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:2211 and 11:2220.

State of Louisiana – Firefighters' Retirement System (FRS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:2251-2254 and 11:2256.

The systems' financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Interest income is recognized when earned.

A brief summary of eligibility and benefits of the plans are provided in the following table:

	MERS	MPERS	FRS
Final average salary	Final average compensation	Highest 36 months or 60 months ²	Highest 36 months
Years of service required and/or age eligible for benefits	30 years of any age 10 years age 60 20 years any age ²	25 years of any age ^{1,4} 20 years age 50 ^{1,2,3} 12 years age 55 ^{1,4} 20 years any age ^{1,5} 30 years any age ^{2,5} 25 years age 55 ^{2,5} 10 years age 60 ^{2,5}	25 years of any age 20 years age 50 12 years age 55
Benefit percent per years of service	2.00%	2.50 - 3.33% ⁶	3.33%

¹ Membership commencing prior to January 1, 2013

² Membership commencing January 1, 2013

³ With actuarially reduced benefits

⁴ Under hazardous duty sub plan commencing January 1, 2013

⁵ Under non hazardous duty sub plan commencing January 1, 2013

⁶ Membership commencing January 1, 2013 non hazardous duty plan 2.5%, hazardous duty plan 3.0%, membership prior to January 1, 2013 3.33%.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. Contributions of employees, employers, and non-employer contributing entities effective for the year ended November 30, 2023 for the defined benefit pension plans in which the City is a participating employer were as follows:

<u>Plan</u>	<u>Active Member Contribution Percentage</u>	<u>Employer Contribution Percentage</u>	<u>Amount from Nonemployer Contributing Entities</u>	<u>Amount of City Contributions</u>
MERS	5.00%	15.50%	\$ 58,415	\$ 270,164
MPERS	10.00%	31.25%	123,566	638,694
FRS	10.00%	33.25%	34,657	132,319

Net Pension Liability

The City's net pension liability at November 30, 2023 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the City is a participating employer. The City's net pension liability for each plan was measured as of the plan's measurement date (June 30, 2023 for all plans) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability for each of the plans in which it participates was based on the City's required contributions in proportion to total required contributions for all employers.

As of the most recent measurement date, the City's proportion for each plan and the change in proportion from the prior measurement date were as follows:

<u>Plan</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Proportionate Share (%) of Net Pension Liability</u>	<u>Increase/(Decrease) from Prior Measurement Date</u>
MERS	\$ 1,470,499	1.833858%	0.047373%
MPERS	5,660,383	0.535769%	0.021738%
FRS	772,441	0.118349%	0.012551%
Total	<u>\$ 7,903,323</u>		

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Since the measurement date of the net pension liability was June 30, 2023, the net pension liability is based upon fiduciary net position for each of the plans as of those dates. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the City's net pension liability is available in the separately issued plan financial reports for those fiscal years. The financial report for each plan may be accessed on their website as follows:

- MERS - <http://www.mersla.com/>
- MPERS - <http://lampers.org/>
- FRS - <http://www.ffret.com/>

Actuarial Assumptions

The following table provides information concerning actuarial assumptions used in the determination of the total pension liability for each of the defined benefit plans in which the primary government is a participating employer:

	MERS	MPERS	FRS
Date of experience study on which significant assumptions are based	7/1/2013 - 6/30/2018	7/1/2014 - 6/30/2019	7/1/2014 - 6/30/2019
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Expected remaining service lives	3	4	7
Investment rate of return (net of investment expense)	6.85%	6.75%	6.90%
Inflation Rate	2.50%	2.50%	2.50%
Projected salary increases	4.9% - 7.4%	4.7% - 12.3%	5.2% - 14.1%
Projected benefit changes including COLAs	None	None	None
Source of mortality assumptions	(1), (2), (3)	(4), (5), (6)	(6), (7), (8)

- (1) PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
- (2) PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
- (3) PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP 2018 scale.
- (4) Pub-2010 Healthy Retiree Table multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale.
- (5) Pub-2010 Employee Table multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale.
- (6) Pub-2010 Disabled Retiree Table multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scales.
- (7) Pub-2010 Healthy Retiree Table multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale.
- (8) Pub-2010 Employee Table multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Cost of Living Adjustments

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

Long-term Rate of Return

For MERS, MPERS, and FRS the long-term expected rate of return for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

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

Asset Class	MERS*		MPERS*	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	29%	1.26%	34.0%	1.12%
Equities	56%	2.44%	52.0%	3.29%
Alternative Investments	15%	0.65%	14.0%	0.95%
Total	100%	4.35%	100%	5.36%
Inflation		2.50%		2.54%
Expected Return		6.85%		7.90%

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Asset Class	FRS*	
	Target Allocation	Long-term Expected Real Rate of Return
Domestic Fixed Income	20.00%	1.89%
U.S. Tips	2.00%	1.72%
Emerging Market Debt	2.00%	4.30%
Multisector Fixed Income	2.00%	***
Domestic Equity	29.50%	6.24%
International Equity	11.50%	6.49%
Global Equity	10.00%	6.49%
Emerging Market Equity	5.00%	8.37%
Global Tactical Asset Allocation	0.00%	4.02%
Private Equity	9.00%	9.57%
Real Assets	3.00%	5.62%
Real Estate	6.00%	4.41%
Total	100%	59%

*Arithmetic real rates of return

***Multisector Fixed Income was added to the target asset allocation policy subsequent to the actuary's calculation of the 2023 long-term expected real rate of return.

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net positions was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS, MPERS, and FRS was 6.85%, 6.75%, and 6.9% respectively, for the year ended June 30, 2023.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended November 30, 2023, the City recognized \$346,304, \$1,330,388, and \$220,436 in pension expense for MERS, MPERS, and FRS, respectively.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

At November 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			
	MERS	MPERS	FRS	Total
Differences between expected and actual experience	\$ 21,131	\$ 398,718	\$ 24,116	\$ 443,965
Changes in assumptions	-	94,455	46,740	141,195
Net difference between projected and actual earnings on pension plan investments	190,751	611,072	104,695	906,518
Changes in proportion and differences between actual contributions and proportionate share of contributions	69,340	444,803	158,986	673,129
Employer contributions to the pension plans subsequent to the measurement date of the net pension liability	113,542	273,022	61,521	448,085
Total	<u>\$394,764</u>	<u>\$1,822,070</u>	<u>\$ 396,058</u>	<u>\$2,612,892</u>

	Deferred Inflows of Resources			
	MERS	MPERS	FRS	Total
Differences between expected and actual experience	\$ 515	\$ 2,373	\$ 26,465	\$ 29,353
Changes in proportion and differences between actual contributions and proportionate share of contributions	-	-	15,920	15,920
Total	<u>\$ 515</u>	<u>\$ 2,373</u>	<u>\$ 42,385</u>	<u>\$ 45,273</u>

Deferred outflows of resources of \$448,085 resulting from the employer contributions subsequent to the measurement date will be recognized as pension expense during the year ending November 30, 2023.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year Ended November 30	MERS	MPERS	FRS	TOTAL
2024	\$ 118,314	\$ 628,877	\$ 94,651	\$ 841,842
2025	45,748	294,470	46,456	386,674
2026	124,728	653,701	109,700	888,129
2027	(8,083)	(30,373)	14,826	(23,630)
2028	-	-	13,909	13,909
Thereafter	-	-	12,610	12,610
	<u>\$ 280,707</u>	<u>\$1,546,675</u>	<u>\$ 292,152</u>	<u>\$2,119,534</u>

Sensitivity of the Government’s Proportional Share of the Net Pension Liabilities to Changes in the Discount Rate:

The following presents the Government’s proportionate shares of the net pension liabilities of the plans, calculated using their respective discount rates, as well as what the Government’s proportionate shares of the net pension liabilities would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Plan	Current Discount Rate	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
MERS	6.85%	\$ 2,077,828	\$ 1,470,499	\$ 956,798
MPERS	6.75%	7,964,605	5,660,383	3,735,509
FRS	6.90%	1,191,645	772,441	422,806
Total		<u>\$11,234,078</u>	<u>\$ 7,903,323</u>	<u>\$5,115,113</u>

Payables to the Pension Plans

At November 30, 2023, the City had no outstanding payables to MERS or FRS. The City had an outstanding payable to MPERS in the amount of \$98,525 for November contributions.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(14) Leases

The City recognizes a lease liability and an intangible right-of-use lease asset (lease asset) in the government wide and proprietary fund financial statements. The lease activity for the year follows:

Governmental Activities -

	Balance 12/1/2022	Additions	Deletions	Balance 11/30/2023
Intangible right-of-use assets	\$ 1,000,858	\$ 542,083	\$ -	\$ 1,542,941
Less: accumulated amortization	156,621	326,031	-	482,652
Intangible right-of-use assets, net	<u>\$ 844,237</u>	<u>\$ 216,052</u>	<u>\$ -</u>	<u>\$ 1,060,289</u>

Business-Type Activities and Proprietary Fund -

	Balance 12/1/2022	Additions	Deletions	Balance 11/30/2023
Intangible right-of-use assets	\$ 120,025	\$ 22,752	\$ -	\$ 142,777
Less: accumulated amortization	60,341	37,116	-	97,457
Intangible right-of-use assets, net	<u>\$ 59,684</u>	<u>\$ 59,868</u>	<u>\$ -</u>	<u>\$ 45,320</u>

The leased assets will be amortized over the lease terms. Unamortized lease assets to be amortized in future periods is as follows:

<u>Year Ended November 30</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>TOTAL</u>
2024	\$ 328,718	\$ 32,121	\$ 360,839
2025	304,889	8,933	313,822
2026	230,828	4,266	235,094
2027	165,468	-	165,468
2028	30,386	-	30,386
	<u>\$ 1,060,289</u>	<u>\$ 45,320</u>	<u>\$ 1,105,609</u>

The following is a summary of changes in the lease liability for the year ended November 30, 2023:

Governmental Activities -

	Balance 12/1/2022	Additions	Deletions	Balance 11/30/2023	Due Within One Year
Right-of-use lease liability	<u>\$ 853,003</u>	<u>\$ 542,083</u>	<u>\$ 299,347</u>	<u>\$ 1,095,739</u>	<u>\$ 334,052</u>

Business-Type Activities and Proprietary Fund -

	Balance 12/1/2022	Additions	Deletions	Balance 11/30/2023	Due Within One Year
Right-of-use lease liability	<u>\$ 62,043</u>	<u>\$ 22,752</u>	<u>\$ 37,068</u>	<u>\$ 47,727</u>	<u>\$ 33,496</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

At the commencement of the lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease terms. For purposes of discontinuing future payments on the lease, the City used the interest rates of 3.25%-8.45%. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial indirect costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of its useful life or the lease term.

Minimum lease payments through the lease term are as follows:

Year Ended November 30	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 334,052	\$ 49,452	\$ 383,504	\$ 33,496	\$ 1,657	\$ 35,153
2025	300,176	44,437	344,613	9,562	473	10,035
2026	233,329	34,541	267,870	4,669	231	4,900
2027	195,451	28,934	224,385	-	-	-
2028	32,731	4,845	37,576	-	-	-
	<u>\$1,095,739</u>	<u>\$ 162,209</u>	<u>\$1,257,948</u>	<u>\$ 47,727</u>	<u>\$ 2,361</u>	<u>\$ 50,088</u>

(15) On-Behalf Payment for Salaries

GASB Statement No. 24, *Accounting and Reporting for Certain Grants and Other Financial Assistance* requires the City to report and disclose in the financial statements on-behalf salary and fringe benefits made by the State of Louisiana to certain groups of City employees.

Supplemental salary payments are made by the State of Louisiana directly to certain groups of employees. The City is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contribution made by the State. For the fiscal year ended November 30, 2023, the State paid supplemental salaries in the amount of \$334,452 to fire and law enforcement employees. The payments are recorded as intergovernmental revenue and public safety expenses/expenditures in the GAAP basis government-wide and General Fund financial statements.

(16) Compensation of City Officials

A detail of compensation paid to the City Council for the year ended November 30, 2023 follows:

Alfred Sinegal	\$ 14,997
Antoine Babineaux, Jr.	14,997
Taylor James	14,997
Jordan Arceneaux	14,997
Danielle Capritto	14,997
	<u>\$ 74,985</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(17) Compensation, Benefits, and Payments to Agency Head

The schedule of compensation, benefits, and other payments to Charlotte Clavier, Mayor, for the year ended November 30, 2023 follows:

Salary	\$ 89,432
Benefits - insurance	7,087
Benefits - retirement	13,862
Vehicle allowance	9,600
Travel	682
Auto Expense	118
Other	784
Total	<u>\$ 121,565</u>

(18) Natural Gas Contract

Under contract dated May 1, 1989, the City of Carencro is required to purchase its natural gas from Louisiana Municipal Natural Gas Purchasing and Distribution Authority for an initial term of three (3) years and shall continue thereafter from year to year unless written notice to the contrary is given by either party to the other at least six (6) months prior to the expiration of the initial term or any renewal thereof. During the fiscal year ended November 30, 2023, the City's natural gas purchases amounted to \$252,071, of which \$20,793 was owed for purchases for the month of November 2023.

(19) Contingent Liabilities

The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The City's management believes that any liability for reimbursement which may arise as the result of these audits would not be material to the financial statements.

At November 30, 2023, the City is involved in several lawsuits claiming damages. In the opinion of the City's legal counsel, the only exposure to the City would be any costs in defense of the lawsuits with no liability to the City in excess of insurance coverage.

(20) Risk Management

The City 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, nor have settlements exceeded coverage for the past three years except as discussed below.

During the fiscal year, the City's Park and Recreation building caught fire and was destroyed. As of November 30, 2023, the City has received \$585,500 in insurance proceeds for the replacement of the building. The City expects to receive additional proceeds; however, the City is of the opinion that total replacement cost will exceed the funds received.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(21) Fair Value Measurement

Professional standards require the disclosure for fair value measurements of financial assets and liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. The standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of inputs used to measure fair value are as follows:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b. Level 2 inputs are observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- c. Level 3 inputs are unobservable inputs for the asset or liability.

The following methods and assumptions were used by the Government in estimating fair values of financial instruments:

- a. The carrying amount reported in the statement of net position for the following approximates fair value due to the short maturities of these instruments: cash, accounts receivable, and accounts payable.
- b. The fair value for investment securities are based on quoted market prices at the reporting date multiplied by the quantity held. The carrying value equals fair value.

The following table presents assets that are measured at fair value on a recurring basis at November 30, 2023:

Governmental Funds:

Description	Total	Level 1	Level 2	Level 3
U.S. Treasuries	\$ 126,724	\$ 126,724	\$ -	\$ -
U.S. Agency Securities	54,583	54,583	-	-
	\$ 181,307	\$ 181,307	\$ -	\$ -

Proprietary Fund:

Description	Total	Level 1	Level 2	Level 3
U.S. Treasuries	\$ 272,056	\$ 272,056	\$ -	\$ -
U.S. Agency Securities	131,673	131,673	-	-
	\$ 403,729	\$ 403,729	\$ -	\$ -

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(22) Interfund Transactions

A. Interfund receivables and payables consisted of the following at November 30, 2023:

	<u>Receivable</u>	<u>Payable</u>
Governmental funds:		
Major governmental funds -		
General Fund	\$ 46,185	\$ 319,751
Capital Projects Fund	<u>504,525</u>	<u>46,185</u>
Total governmental funds	550,710	365,936
Proprietary funds:		
Utility Fund	127	504,651
Culture and Recreation	<u>319,750</u>	<u>-</u>
Total proprietary funds	<u>319,877</u>	<u>504,651</u>
Total	<u>\$ 870,587</u>	<u>\$ 870,587</u>

These balances resulted from short-term loans made to other funds. All interfund balances will be repaid within one year.

Transfers consisted of the following for the year ended November 30, 2023:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds:		
Major governmental funds -		
General Fund	\$ 6,796,159	\$ 1,070,482
1967 Sales Tax Special Revenue Fund	-	4,155,492
1993 Sales Tax Special Revenue Fund	347,374	4,109,078
TIF District Sales Tax Special Revenue Fund	129,585	2,793,231
2016 Sales Tax Special Revenue Fund	1,312,976	2,401,956
Capital Projects Fund	1,399,981	1,948,074
Non-major governmental funds	<u>2,616,966</u>	<u>859</u>
Total governmental funds	<u>12,603,041</u>	<u>16,479,172</u>
Proprietary fund:		
Utility Fund	4,028,507	680,982
Culture and Recreation	<u>531,606</u>	<u>3,000</u>
Total proprietary funds	<u>4,560,113</u>	<u>683,982</u>
Total	<u>\$ 17,163,154</u>	<u>\$ 17,163,154</u>

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

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(23) Transactions Between Primary Government and Discretely Presented Component Unit

External transactions consisted of the following for the year ended November 30, 2023:

1993 Sales Tax Special Revenue Fund

Payments to PARC, Inc. to fund culture and recreation activities

\$ (965,297)

(24) Net Position

Net position is presented as net investment in capital assets, restricted, and unrestricted on the City's government-wide statement of net position. The City's net position is affected by transactions that resulted in the recognition of deferred outflows of resources and deferred inflows of resources and the balance of the related asset or liability is significant. As discussed in Note 13, the City's recognition of net pension liability in accordance with GASBS No. 68 significantly affected the City's unrestricted component of net position as of November 30, 2023.

(25) Dissolution of Component Unit

On July 17, 2023 the City of Carencro adopted a final ordinance dissolving the Parks and Recreation Commission of Carencro, Inc. (PARC) effective December 1, 2023. As a result of the dissolution, the net assets of the commission will be distributed to the City of Carencro and the City of Carencro will assume all operations of the commission.

As a result of a fire and the termination of key administrative staff, the Commission was unable to provide adequate records for an audit. As such, the Commission financial statements contained a disclaimer of opinion for the year ended November 30, 2023.

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended November 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,025,500	\$ 1,135,524	\$ 1,134,219	\$ (1,305)
Licenses and permits	793,000	735,250	706,085	(29,165)
Intergovernmental	716,340	706,405	925,595	219,190
Fines and forfeits	576,000	571,398	568,660	(2,738)
Miscellaneous	43,900	676,596	122,299	(554,297)
Total revenues	<u>3,154,740</u>	<u>3,825,173</u>	<u>3,456,858</u>	<u>(368,315)</u>
Expenditures:				
Current -				
General government:				
Administrative	1,116,795	1,348,016	1,285,958	62,058
Code department	388,806	472,982	403,166	69,816
Public safety:				
Police	3,964,489	4,563,202	4,289,628	273,574
Fire	1,149,511	1,437,200	1,509,087	(71,887)
City court	216,300	249,289	246,741	2,548
Highways and streets	1,234,695	1,535,716	1,240,274	295,442
Culture and tourism	86,383	88,383	89,981	(1,598)
Capital outlay	377,000	655,576	827,382	(171,806)
Debt service-				
Principal retirement	54,989	56,148	354,336	(298,188)
Interest and fiscal charges	5,650	4,491	81,130	(76,639)
Total expenditures	<u>8,594,618</u>	<u>10,411,003</u>	<u>10,327,683</u>	<u>83,320</u>
Deficiency of revenues over expenditures	<u>(5,439,878)</u>	<u>(6,585,830)</u>	<u>(6,870,825)</u>	<u>(284,995)</u>
Other financing sources (uses):				
Proceeds from right-of-use lease assets	-	-	542,083	542,083
Transfers in	5,550,000	6,785,147	6,796,159	11,012
Transfers out	-	(649)	(1,070,482)	(1,069,833)
Total other financing sources (uses)	<u>5,550,000</u>	<u>6,784,498</u>	<u>6,267,760</u>	<u>(516,738)</u>
Net change in fund balance	110,122	198,668	(603,065)	(801,733)
Fund balance, beginning	<u>1,371,552</u>	<u>1,371,552</u>	<u>1,371,552</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,481,674</u>	<u>\$ 1,570,220</u>	<u>\$ 768,487</u>	<u>\$ (801,733)</u>

See notes to the required supplementary information.

CITY OF CARENCRO, LOUISIANA
1967 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended November 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 4,000,000	\$ 4,200,000	\$ 4,237,640	\$ 37,640
Miscellaneous	<u>3,650</u>	<u>29,664</u>	<u>35,640</u>	<u>5,976</u>
Total revenues	<u>4,003,650</u>	<u>4,229,664</u>	<u>4,273,280</u>	<u>43,616</u>
Expenditures:				
Current -				
General government	<u>39,500</u>	<u>50,008</u>	<u>49,876</u>	<u>132</u>
Excess of revenues over expenditures	<u>3,964,150</u>	<u>4,179,656</u>	<u>4,223,404</u>	<u>43,748</u>
Other financing uses:				
Transfers out	<u>(3,673,634)</u>	<u>(4,224,764)</u>	<u>(4,155,492)</u>	<u>69,272</u>
Net change in fund balance	290,516	(45,108)	67,912	113,020
Fund balance, beginning	<u>538,614</u>	<u>538,614</u>	<u>538,614</u>	<u>-</u>
Fund balance, ending	<u>\$ 829,130</u>	<u>\$ 493,506</u>	<u>\$ 606,526</u>	<u>\$ 113,020</u>

See notes to the required supplementary information.

CITY OF CARENCRO, LOUISIANA
1993 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended November 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 4,000,000	\$ 4,200,000	\$ 4,237,640	\$ 37,640
Miscellaneous	<u>4,000</u>	<u>50,697</u>	<u>53,356</u>	<u>2,659</u>
Total revenues	<u>4,004,000</u>	<u>4,250,697</u>	<u>4,290,996</u>	<u>40,299</u>
Expenditures:				
Current:				
General government	39,500	50,454	50,216	238
Culture and recreation	<u>1,363,333</u>	<u>993,716</u>	<u>965,297</u>	<u>28,419</u>
Total expenditures	<u>1,402,833</u>	<u>1,044,170</u>	<u>1,015,513</u>	<u>28,657</u>
Excess of revenues over expenditures	<u>2,601,167</u>	<u>3,206,527</u>	<u>3,275,483</u>	<u>68,956</u>
Other financing sources (uses):				
Transfers in	-	90,000	347,374	257,374
Transfers out	<u>(2,800,000)</u>	<u>(4,534,844)</u>	<u>(4,109,078)</u>	<u>425,766</u>
Total other financing sources (uses)	<u>(2,800,000)</u>	<u>(4,444,844)</u>	<u>(3,761,704)</u>	<u>683,140</u>
Net change in fund balance	(198,833)	(1,238,317)	(486,221)	752,096
Fund balance, beginning	<u>988,347</u>	<u>988,347</u>	<u>988,347</u>	<u>-</u>
Fund balance, ending	<u>\$ 789,514</u>	<u>\$ (249,970)</u>	<u>\$ 502,126</u>	<u>\$ 752,096</u>

See notes to the required supplementary information.

CITY OF CARENCRO, LOUISIANA
TIF District Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended November 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,500,000	\$ 2,850,000	\$ 2,872,588	\$ 22,588
Intergovernmental - local	-	15,000	48,250	33,250
Miscellaneous	17,500	188,096	224,299	36,203
Total revenues	<u>2,517,500</u>	<u>3,053,096</u>	<u>3,145,137</u>	<u>92,041</u>
Expenditures:				
Current:				
General government	27,500	27,608	27,579	29
Capital outlay	300,000	1,375,139	953,987	421,152
Total expenditures	<u>327,500</u>	<u>1,402,747</u>	<u>981,566</u>	<u>421,181</u>
Excess of revenues over expenditures	<u>2,190,000</u>	<u>1,650,349</u>	<u>2,163,571</u>	<u>513,222</u>
Other financing sources (uses):				
Transfers in	-	500,000	129,585	(370,415)
Transfers out	(1,834,775)	(3,072,424)	(2,793,231)	279,193
Total other financing sources (uses)	<u>(1,834,775)</u>	<u>(2,572,424)</u>	<u>(2,663,646)</u>	<u>(91,222)</u>
Net change in fund balance	355,225	(922,075)	(500,075)	422,000
Fund balance, beginning	<u>4,123,295</u>	<u>4,123,295</u>	<u>4,123,295</u>	<u>-</u>
Fund balance, ending	<u>\$ 4,478,520</u>	<u>\$ 3,201,220</u>	<u>\$ 3,623,220</u>	<u>\$ 422,000</u>

See notes to the required supplementary information.

CITY OF CARENCRO, LOUISIANA
2016 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended November 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 4,000,000	\$ 4,200,000	\$ 4,234,140	\$ 34,140
Miscellaneous	25,000	470,971	472,940	1,969
Total revenues	4,025,000	4,670,971	4,707,080	36,109
Expenditures:				
Current:				
General government	40,500	51,404	50,191	1,213
Excess of revenues over expenditures	3,984,500	4,619,567	4,656,889	37,322
Other financing sources (uses):				
Transfers in	-	1,579,976	1,312,976	(267,000)
Transfers out	-	(2,669,976)	(2,401,956)	268,020
Total other financing sources (uses)	-	(1,090,000)	(1,088,980)	1,020
Net change in fund balance	3,984,500	3,529,567	3,567,909	38,342
Fund balance, beginning	8,503,910	8,503,910	8,503,910	-
Fund balance, ending	\$ 12,488,410	\$ 12,033,477	\$ 12,071,819	\$ 38,342

See notes to the required supplementary information.

CITY OF CARENCRO, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
For the Year Ended November 30, 2023

Plan/ Fiscal Year	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Municipal Employees' Retirement System					
6/30/2023	1.833858%	\$ 1,470,499	\$ 1,573,986	93.4%	73.25%
6/30/2022	1.786485%	1,568,504	1,436,273	109.2%	69.56%
6/30/2021	1.596402%	924,809	1,226,871	75.4%	79.14%
6/30/2020	1.433324%	1,298,916	1,110,786	116.9%	66.26%
6/30/2019	1.284063%	1,123,315	981,621	114.4%	66.14%
6/30/2018	1.307021%	1,105,520	968,604	114.1%	65.60%
6/30/2017	1.279821%	1,107,343	949,500	116.6%	63.49%
6/30/2016	1.286743%	1,066,591	927,589	115.0%	63.34%
6/30/2015	1.280409%	870,226	845,432	102.9%	68.71%
Municipal Police Employees' Retirement System					
6/30/2023	0.535769%	5,660,383	1,820,515	310.9%	71.30%
6/30/2022	0.514031%	5,254,309	1,510,646	347.8%	70.80%
6/30/2021	0.465691%	2,482,388	1,420,738	174.7%	84.08%
6/30/2020	0.404790%	3,741,203	1,250,286	299.2%	70.94%
6/30/2019	0.316168%	2,871,335	987,333	290.8%	71.89%
6/30/2018	0.255428%	2,159,404	753,802	286.5%	71.89%
6/30/2017	0.253787%	2,215,668	757,792	292.4%	70.08%
6/30/2016	0.299971%	2,811,573	757,451	371.2%	66.04%
6/30/2015	0.265326%	2,078,552	709,359	293.0%	70.73%
Firefighters' Retirement System					
6/30/2023	0.118349%	772,441	317,699	243.1%	77.69%
6/30/2022	0.105798%	746,013	272,572	273.7%	74.68%
6/30/2021	0.101032%	358,042	254,016	141.0%	86.78%
6/30/2020	0.095112%	659,274	236,793	278.4%	72.61%
6/30/2019	0.101602%	636,223	245,558	259.1%	73.96%
6/30/2018	0.079075%	454,846	187,438	242.7%	74.76%
6/30/2017	0.038542%	220,917	89,172	247.7%	73.55%
6/30/2016	0.289980%	189,763	40,455	469.1%	68.16%
6/30/2015	0.013216%	71,328	37,689	189.3%	72.45%

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

See notes to the required supplementary information.

CITY OF CARENCRO, LOUISIANA

Schedule of Employer Contributions
For the Year Ended November 30, 2023

Year Ended November 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
Municipal Employees' Retirement System					
2023	\$270,164	\$270,164	\$ -	\$ 1,742,994	15.50%
2022	224,686	224,686	-	1,449,587	15.50%
2021	196,225	196,225	-	1,265,968	15.50%
2020	173,217	173,217	-	1,183,985	14.63%
2019	142,246	142,246	-	1,049,012	13.56%
2018	131,833	131,833	-	1,104,129	11.94%
2017	113,456	113,456	-	1,031,418	11.00%
2016	96,328	96,328	-	950,918	10.13%
2015	82,951	82,951	-	873,168	9.50%
Municipal Police Employees' Retirement System					
2023	638,694	638,694	-	2,043,821	31.25%
2022	494,049	494,049	-	1,660,670	29.75%
2021	466,521	466,521	-	1,382,284	33.75%
2020	438,911	438,911	-	1,329,228	33.02%
2019	356,702	356,702	-	1,102,634	32.35%
2018	257,272	257,272	-	819,860	31.38%
2017	238,705	238,705	-	761,906	31.33%
2016	247,445	247,445	-	812,894	30.44%
2015	239,594	239,594	-	781,200	30.67%
Firefighters Retirement System					
2023	132,319	132,319	-	400,967	33.00%
2022	89,604	89,604	-	263,541	34.00%
2021	85,376	85,376	-	264,732	32.25%
2020	71,198	71,198	-	240,290	29.63%
2019	65,783	65,783	-	243,460	27.02%
2018	59,993	59,993	-	226,389	26.50%
2017	31,665	31,665	-	122,875	25.77%
2016	18,708	18,708	-	70,810	26.42%
2015	20,223	20,223	-	71,158	28.42%

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

See notes to the required supplementary information.

CITY OF CARENCRO, LOUISIANA

Notes to the Required Supplementary Information

(1) Budget and Budgetary Accounting

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

- a. Prior to November 15, the City Clerk submits to the Mayor and City Council a proposed operating budget for the fiscal year commencing the following December 1.
- b. 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.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- d. 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 an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
- e. 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.
- f. All budgetary appropriations lapse at the end of each fiscal year.
- g. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted and as amended by the Board of Aldermen.

(2) Pension Plans

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

(3) Excess of Expenditures Over Appropriations

For the year ended November 30, 2023, the General Fund had actual expenditures over appropriations, at the functional level, as follows:

Fund/Function	Budget	Actual	Excess
General Fund:			
Culture and tourism	\$ 88,383	\$ 89,981	\$ (1,598)
Capital outlay	655,576	827,382	(171,806)
Debt service	60,639	435,466	(374,827)

SUPPLEMENTARY INFORMATION

CITY OF CARENCRO, LOUISIANA
Statement of Net Position
November 30, 2023
With Comparative Totals as of November 30, 2022

	2023			2022 Totals
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 7,738,911	\$ 1,591,812	\$ 9,330,723	\$ 19,707,345
Investments	11,672,345	998,643	12,670,988	638,951
Receivables, net	1,260,783	722,068	1,982,851	1,778,454
Internal balances	184,774	(184,774)	-	-
Due from other governmental agencies	486,486	3,439,157	3,925,643	2,224,355
Prepaid items	29,317	11,380	40,697	56,183
Total current assets	<u>21,372,616</u>	<u>6,578,286</u>	<u>27,950,902</u>	<u>24,405,288</u>
Noncurrent assets:				
Restricted assets -				
Cash and interest-bearing deposits	-	399,852	399,852	1,373,920
Investments	-	493,571	493,571	47,687
Capital assets -				
Land and construction in progress	13,019,665	12,674,221	25,693,886	19,526,199
Other capital assets, net	27,844,111	34,796,885	62,640,996	52,775,112
Right-of-use assets, net	1,060,289	45,320	1,105,609	903,921
Total noncurrent assets	<u>41,924,065</u>	<u>48,409,849</u>	<u>90,333,914</u>	<u>74,626,839</u>
Total assets	<u>63,296,681</u>	<u>54,988,135</u>	<u>118,284,816</u>	<u>99,032,127</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	<u>2,379,981</u>	<u>232,911</u>	<u>2,612,892</u>	<u>3,029,854</u>
LIABILITIES				
Current liabilities:				
Accounts and other payables	1,295,447	1,700,134	2,995,581	1,507,823
Due to other governmental agencies	58,734	-	58,734	90,770
Unearned revenue	-	-	-	2,995,903
Notes payable	56,811	225,284	282,095	296,483
Right-of-use lease liability	334,052	33,496	367,548	260,999
Total	<u>1,745,044</u>	<u>1,958,914</u>	<u>3,703,958</u>	<u>5,151,978</u>
Total current liabilities	<u>1,745,044</u>	<u>1,958,914</u>	<u>3,703,958</u>	<u>5,151,978</u>
Bonds and certificates of indebtedness payable	1,290,000	519,000	1,809,000	1,968,000
Customers deposits payable	-	552,466	552,466	536,181
Accrued interest	216,941	39,707	256,648	159,910
Total	<u>1,506,941</u>	<u>1,111,173</u>	<u>2,618,114</u>	<u>2,664,091</u>
Total current liabilities	<u>3,251,985</u>	<u>3,070,087</u>	<u>6,322,072</u>	<u>7,816,069</u>
Noncurrent liabilities:				
Compensated absences payable	243,164	92,503	335,667	407,541
Net pension liability	7,035,729	867,594	7,903,323	7,568,826
Notes payable	59,140	1,460,163	1,519,303	1,817,260
Right-of-use lease liability	761,687	14,231	775,918	654,047
Bonds and certificates of indebtedness payable	17,555,000	4,931,000	22,486,000	16,552,676
Total noncurrent liabilities	<u>25,654,720</u>	<u>7,365,491</u>	<u>33,020,211</u>	<u>27,000,350</u>
Total liabilities	<u>28,906,705</u>	<u>10,435,578</u>	<u>39,342,283</u>	<u>34,816,419</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	<u>44,969</u>	<u>304</u>	<u>45,273</u>	<u>158,254</u>
NET POSITION				
Net investment in capital assets	21,650,434	38,625,600	60,276,034	50,733,757
Restricted for sales tax dedications	16,806,236	-	16,806,236	14,168,955
Restricted for debt service	1,542,904	301,250	1,844,154	2,308,171
Restricted for capital projects	124,736	-	124,736	351,391
Unrestricted (deficit)	(3,399,322)	5,858,314	2,193,242	(474,966)
Total net position	<u>\$ 36,724,988</u>	<u>\$ 44,785,164</u>	<u>\$ 81,510,152</u>	<u>\$ 67,087,308</u>

CITY OF CARENCRO, LOUISIANA

Comparative Balance Sheet
General and Special Revenue Funds
November 30, 2023 and 2022

	General		1967 Sales Tax Special Revenue		1993 Sales Tax Special Revenue		TIF District Sales Tax Special Revenue		2016 Sales Tax Special Revenue	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	ASSETS									
Cash	\$ 304,080	\$ 715,608	\$ 75,755	\$ 38,507	\$ -	\$ -	\$ -	\$ 717,146	\$ -	\$ -
Interest-bearing deposits	223,339	424,539	31,368	28,020	184,029	695,628	3,457,488	3,458,902	1,599,835	8,197,848
Investments	304,406	-	181,306	179,368	-	-	25	-	10,145,161	-
Receivables:										
Taxes	16,119	15,527	326,675	306,651	326,675	306,651	213,683	189,482	326,823	306,737
Due from other governmental agencies	450,236	320,889	-	-	-	-	36,250	3,000	-	-
Due from other funds	46,185	-	-	-	-	-	-	-	-	-
Due from employees	24,141	-	-	-	-	-	-	-	-	-
Other receivables	7,389	-	-	-	-	-	18,901	-	-	-
Prepaid items	29,317	39,613	-	-	-	-	-	-	-	-
Total assets	<u>\$ 1,405,212</u>	<u>\$ 1,516,176</u>	<u>\$ 615,104</u>	<u>\$ 552,546</u>	<u>\$ 510,704</u>	<u>\$ 1,002,279</u>	<u>\$ 3,726,347</u>	<u>\$ 4,368,530</u>	<u>\$ 12,071,819</u>	<u>\$ 8,504,585</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 69,429	\$ 140,189	-	\$ 675	\$ -	\$ 675	\$ 17,049	\$ 42,463	\$ -	\$ 675
Accrued liabilities	240,080	-	-	-	-	-	-	-	-	-
Retainage payable	-	-	-	-	-	-	44,500	138,516	-	-
Customer rental deposits	7,465	4,435	-	-	-	-	-	-	-	-
Due to other governmental agencies	-	-	8,578	13,257	8,578	13,257	41,578	64,256	-	-
Due to other funds	319,751	-	-	-	-	-	-	-	-	-
Total liabilities	<u>636,725</u>	<u>144,624</u>	<u>8,578</u>	<u>13,932</u>	<u>8,578</u>	<u>13,932</u>	<u>103,127</u>	<u>245,235</u>	<u>-</u>	<u>675</u>
Fund balances -										
Nonspendable - prepaid items	29,317	39,613	-	-	-	-	-	-	-	-
Restricted - sales tax dedications	-	-	606,526	538,614	502,126	988,347	3,623,220	4,123,295	12,071,819	8,503,910
Unassigned	739,170	1,331,939	-	-	-	-	-	-	-	-
Total fund balances	<u>768,487</u>	<u>1,371,552</u>	<u>606,526</u>	<u>538,614</u>	<u>502,126</u>	<u>988,347</u>	<u>3,623,220</u>	<u>4,123,295</u>	<u>12,071,819</u>	<u>8,503,910</u>
Total liabilities and fund balances	<u>\$ 1,405,212</u>	<u>\$ 1,516,176</u>	<u>\$ 615,104</u>	<u>\$ 552,546</u>	<u>\$ 510,704</u>	<u>\$ 1,002,279</u>	<u>\$ 3,726,347</u>	<u>\$ 4,368,530</u>	<u>\$ 12,071,819</u>	<u>\$ 8,504,585</u>

CITY OF CARENCRO, LOUISIANA

Comparative Statement of Net Position
 Proprietary Fund
 Utility Fund
 November 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current assets:		
Cash	\$ 1,398,276	\$ 3,709,036
Interest-bearing deposits	154,465	101,633
Due from other funds	127	-
Investments	542,100	459,556
Receivables, net	721,942	652,948
Due from other governmental agencies	3,439,157	1,900,466
Prepaid items	<u>11,380</u>	<u>16,570</u>
Total current assets	<u>6,267,447</u>	<u>6,840,209</u>
Noncurrent assets:		
Restricted assets -		
Interest-bearing deposits	399,852	1,373,920
Investments	493,571	47,687
Capital assets -		
Land and construction in progress	12,408,471	12,622,804
Other capital assets, net	34,796,885	25,693,258
Right-of-use lease asset, net	<u>45,320</u>	<u>59,684</u>
Total noncurrent assets	<u>48,144,099</u>	<u>39,797,353</u>
Total assets	<u>54,411,546</u>	<u>46,637,562</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	<u>232,911</u>	<u>317,462</u>
LIABILITIES		
Current liabilities:		
Accounts payable	269,970	174,985
Retainage and contracts payable	1,402,195	804,427
Accrued liabilities	27,353	24,130
Due to other funds	504,651	504,525
Customers' deposits	552,466	536,181
Unearned revenue	-	2,995,903
Accrued interest	39,707	42,127
Notes payable	225,284	241,494
Right-of-use lease liability	33,496	31,217
Bonds payable	<u>519,000</u>	<u>503,000</u>
Total current liabilities	<u>3,574,122</u>	<u>5,857,989</u>
Noncurrent liabilities:		
Compensated absences payable	92,503	97,432
Right-of-use lease liability	14,231	30,826
Net pension liability	867,594	941,102
Notes payable	1,460,163	1,701,309
Bonds payable	<u>4,931,000</u>	<u>5,307,676</u>
Total noncurrent liabilities	<u>7,365,491</u>	<u>8,078,345</u>
Total liabilities	<u>10,939,613</u>	<u>13,936,334</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	<u>304</u>	<u>11,975</u>
NET POSITION		
Net investment in capital assets	38,625,600	29,755,797
Restricted for debt service	301,250	843,299
Unrestricted	<u>4,777,690</u>	<u>2,407,619</u>
Total net position	<u>\$ 43,704,540</u>	<u>\$ 33,006,715</u>

CITY OF CARENCRO, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Analysis of Revenues and Expenses
Years Ended November 30, 2023 and 2022

	Totals		Gas	
	2023	2022	2023	2022
Operating revenues:				
Customers service charges	\$ 5,063,364	\$ 4,848,764	\$ 774,409	\$ 814,871
Penalties, permits, and connection fees	199,698	178,815	8,868	1,635
Miscellaneous	15,451	21,150	-	-
Total operating revenues	<u>5,278,513</u>	<u>5,048,729</u>	<u>783,277</u>	<u>816,506</u>
Operating expenses:				
Salaries	1,126,489	959,852	232,905	215,169
Payroll taxes	81,918	68,069	17,160	15,884
Group insurance	150,811	133,825	14,748	14,747
Retirement	193,175	220,409	38,660	48,231
Gas purchased	252,071	315,768	252,071	315,768
Maintenance and supplies	750,040	645,500	49,671	62,693
Chemicals	327,216	504,903	-	-
Cathodic protection survey	1,648	1,615	1,648	1,615
Garbage collection fees	864,960	797,166	-	-
Depreciation expense	1,489,101	1,273,502	66,930	47,988
Amortization expense	14,364	30,006	14,364	30,006
Utilities	256,901	246,122	-	-
Telephone	22,487	20,885	-	-
Truck operation	103,516	79,563	44,883	35,276
Office supplies and postage	76,313	57,383	-	-
Insurance	208,587	141,153	45,088	31,228
Miscellaneous	35,464	1,097	28,191	-
Professional fees	49,420	27,725	-	-
Uniforms	26,620	27,713	8,987	8,652
Engineering fees	210,127	45,987	864	-
Travel	16,008	1,600	13,143	1,189
Contractual services	30,268	193,337	2,501	15,549
Allocation of general and administrative expense	-	-	204,847	181,899
Total operating expenses	<u>6,287,504</u>	<u>5,793,180</u>	<u>1,036,661</u>	<u>1,025,894</u>
Net operating loss	<u><u>\$(1,008,991)</u></u>	<u><u>\$(744,451)</u></u>	<u><u>\$(253,384)</u></u>	<u><u>\$(209,388)</u></u>

Water		Sewerage		Sanitation		Administrative	
2023	2022	2023	2022	2023	2022	2023	2022
\$ 1,756,229	\$ 1,625,283	\$ 1,657,581	\$ 1,576,649	\$ 875,145	\$ 831,961	\$ -	\$ -
126,475	133,185	64,355	43,995	-	-	-	-
15,451	21,150	-	-	-	-	-	-
<u>1,898,155</u>	<u>1,779,618</u>	<u>1,721,936</u>	<u>1,620,644</u>	<u>875,145</u>	<u>831,961</u>	<u>-</u>	<u>-</u>
337,121	292,847	84,209	72,247	-	-	472,254	379,589
23,996	20,605	6,223	5,430	-	-	34,539	26,150
49,838	41,944	13,588	14,533	-	-	72,637	62,601
51,523	61,089	16,196	18,168	-	-	86,796	92,921
-	-	-	-	-	-	-	-
540,336	402,426	132,900	122,081	-	-	27,133	58,300
123,879	291,294	203,337	213,609	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	864,960	797,166	-	-
673,580	495,612	598,180	567,931	-	-	150,411	161,971
-	-	-	-	-	-	-	-
81,529	81,658	161,278	150,324	-	-	14,094	14,140
-	-	-	-	-	-	22,487	20,885
44,061	30,396	14,572	13,891	-	-	-	-
-	-	-	-	-	-	76,313	57,383
136,744	94,685	14,270	8,924	-	-	12,485	6,316
21	-	4,117	-	-	-	3,135	1,097
-	-	-	-	-	-	49,420	27,725
9,367	9,477	8,229	9,166	-	-	37	418
45,910	22,318	163,353	23,669	-	-	-	-
369	411	-	-	-	-	2,496	-
7,486	160,038	20,281	17,750	-	-	-	-
<u>307,271</u>	<u>272,849</u>	<u>460,907</u>	<u>409,273</u>	<u>51,212</u>	<u>45,475</u>	<u>(1,024,237)</u>	<u>(909,496)</u>
<u>2,433,031</u>	<u>2,277,649</u>	<u>1,901,640</u>	<u>1,646,996</u>	<u>916,172</u>	<u>842,641</u>	<u>-</u>	<u>-</u>
<u>\$ (534,876)</u>	<u>\$ (498,031)</u>	<u>\$ (179,704)</u>	<u>\$ (26,352)</u>	<u>\$ (41,027)</u>	<u>\$ (10,680)</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF CARENCRO, LOUISIANA
LCDBG Sewer Improvements Fund

Schedule of Net Position
November 30, 2023

Assets	\$ -
Liabilities	<u>-</u>
Net position	<u><u>\$ -</u></u>

CITY OF CARENCRO, LOUISIANA
LCDBG Sewer Improvements Fund

Schedule of Revenues, Expenditures, and Changes in Net Position -
For the Year Ended November 30, 2023

Revenues:	
LCDBG program	\$ 307,200
Expenditures:	
Construction	<u>307,200</u>
Change in net position	-
Net position, beginning of year	<u>-</u>
Net position, end of year	<u>\$ -</u>

CITY OF CARENCRO, LOUISIANA

Justice System Funding Schedule - Collecting/Disbursing Entity
Year Ended November 30, 2023

	First Six Month Period Ended 5/31/2023	Second Six Month Period Ended 11/30/2023
Beginning Balance of Amounts Collected	\$ 12,098	\$ -
Add: Collections -		
Civil Fees	-	-
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	81,716	88,291
Criminal Fines - Contempt	-	-
Criminal Fines - Other	206,306	268,145
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees	-	-
Interest Earnings on Collected Balances	-	-
Other	-	-
Subtotal Collections	<u>288,022</u>	<u>356,436</u>
Less: Disbursements to Governments and Nonprofits -		
Lafayette Crime Stoppers - Criminal Court Cost	2,467	2,332
Acadiana Criminalistics Lab - Criminal Fines Other	36,370	34,450
Louisiana Commission on Law Enforcement - Criminal Court Cost	2,466	2,301
Louisiana State Treasurer CMIS - Criminal Court Cost	3,783	3,499
Louisiana Supreme Court - Criminal Court Cost	618	584
Louisiana Department of Health- Criminal Court Cost	3,445	3,185
Louisiana Association of Chief of Police - Criminal Court Cost	1,233	1,166
15th JDC Public Defenders Office - Criminal Court Cost	43,435	40,775
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency - Criminal Fines Other	<u>205,728</u>	<u>267,194</u>
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil Fee Refunds	-	-
Bond Fee Refunds	-	-
Restitution Payments to Individuals (additional detail is not required)	-	-
Other Disbursements to Individuals (additional detail is not required)	575	950
Payments to 3rd Party Collection/Processing Agencies	-	-
Subtotal Disbursements/Retainage	<u>300,120</u>	<u>356,436</u>
Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ -</u>	<u>\$ -</u>

OTHER INFORMATION

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended November 30, 2023
With Comparative Actual Amounts for the Year Ended November 30, 2022

	2023		Actual	Variance with Final Budget Positive (Negative)	2022 Actual
	Budget				
	Original	Final			
Taxes:					
Ad valorem	\$ 355,000	\$ 469,603	\$ 466,603	\$ (3,000)	\$ 351,303
Franchise -					
Electric	600,000	600,000	623,748	23,748	615,444
Cable TV and gas	70,500	65,921	43,868	(22,053)	49,836
Total taxes	<u>1,025,500</u>	<u>1,135,524</u>	<u>1,134,219</u>	<u>(1,305)</u>	<u>1,016,583</u>
Licenses and permits:					
Occupational licenses	490,500	428,500	427,453	(1,047)	425,444
Code department permits	302,500	306,750	278,632	(28,118)	357,942
Total licenses and permits	<u>793,000</u>	<u>735,250</u>	<u>706,085</u>	<u>(29,165)</u>	<u>783,386</u>
Intergovernmental:					
Federal grants	-	-	101,032	101,032	-
State of Louisiana -					
Department of Transportation and Development	20,715	20,716	31,073	10,357	10,358
Beer taxes	18,000	18,000	15,469	(2,531)	16,691
On-behalf payments	228,000	235,460	334,452	98,992	201,108
State grants	11,500	15,855	15,855	-	472
Lafayette Parish Government -					
Two percent fire insurance refund	155,256	133,505	133,495	(10)	155,256
Proceeds for fire department	71,322	71,322	71,332	10	71,322
Lafayette Parish School Board - resource officer	211,547	211,547	222,887	11,340	209,059
Total intergovernmental	<u>716,340</u>	<u>706,405</u>	<u>925,595</u>	<u>219,190</u>	<u>664,266</u>
Fines and forfeits:					
Fines and court costs	232,000	301,701	396,470	94,769	307,595
Police special detail and accident reports	344,000	269,697	172,190	(97,507)	219,437
Total fines and forfeits	<u>576,000</u>	<u>571,398</u>	<u>568,660</u>	<u>(2,738)</u>	<u>527,032</u>
Miscellaneous:					
Interest	1,400	23,000	44,590	21,590	4,265
Community Center rentals	18,500	21,845	22,345	500	23,750
Donations	4,000	1,075	1,075	-	3,775
Sale of capital assets	-	-	31,001	31,001	-
Other sources	20,000	630,676	23,288	(607,388)	45,321
Total miscellaneous	<u>43,900</u>	<u>676,596</u>	<u>122,299</u>	<u>(554,297)</u>	<u>77,111</u>
Total revenues	<u>\$ 3,154,740</u>	<u>\$ 3,825,173</u>	<u>\$ 3,456,858</u>	<u>\$ (368,315)</u>	<u>\$ 3,068,378</u>

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended November 30, 2023
With Comparative Actual Amounts for the Year Ended November 30, 2022

	2023			Variance with Final Budget Positive (Negative)	2022 Actual
	Budget		Actual		
	Original	Final			
Current:					
General government -					
Administrative:					
Mayor and council salaries	\$ 160,208	\$ 164,466	\$ 181,122	\$ (16,656)	\$ 169,808
Other salaries and wages	93,555	111,246	112,158	(912)	85,045
Retirement	27,703	27,703	31,343	(3,640)	24,658
Group insurance	23,783	23,783	19,932	3,851	16,713
Payroll taxes	19,421	22,877	22,457	420	15,161
Insurance	114,202	114,202	98,349	15,853	101,376
Office	15,000	35,000	39,435	(4,435)	24,978
Advertisements and recordings	5,500	6,400	6,762	(362)	8,198
Dues	8,200	10,000	9,336	664	8,098
Legal fees	78,000	81,000	75,723	5,277	80,473
Professional fees	35,000	32,570	32,570	-	29,935
Engineering	400,000	400,000	387,105	12,895	518,234
Travel and conferences	12,000	12,000	12,048	(48)	10,378
Gas and repairs	4,750	2,000	1,730	270	5,742
Auto allowance	20,400	9,600	10,914	(1,314)	10,800
Auto	11,463	10,705	1,681	9,024	-
Utilities and telephone	23,200	46,836	31,461	15,375	23,470
Rent	6,000	6,000	6,000	-	6,000
Repairs and maintenance	25,000	85,000	57,447	27,553	64,679
Condemnation	-	-	-	-	37,827
Senior citizens' compensation	9,200	9,200	8,426	774	9,126
Uniforms	4,000	1,000	903	97	-
Miscellaneous	20,210	136,428	139,056	(2,628)	3,459
Total administrative	<u>1,116,795</u>	<u>1,348,016</u>	<u>1,285,958</u>	<u>62,058</u>	<u>1,254,158</u>
Code department:					
Salaries	90,157	147,725	147,853	(128)	85,864
Retirement	13,974	23,193	17,334	5,859	13,309
Group insurance	14,173	19,488	19,475	13	13,415
Auto	-	-	769	(769)	-
Payroll taxes	6,897	11,686	12,539	(853)	6,324
Insurance	3,305	4,800	4,081	719	2,860
Inspection fees	258,000	258,000	192,706	65,294	265,254
Miscellaneous	2,300	8,090	8,409	(319)	1,911
Total code department	<u>388,806</u>	<u>472,982</u>	<u>403,166</u>	<u>69,816</u>	<u>388,937</u>
Total general government	<u>1,505,601</u>	<u>1,820,998</u>	<u>1,689,124</u>	<u>131,874</u>	<u>1,643,095</u>

(continued)

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended November 30, 2023
With Comparative Actual Amounts for the Year Ended November 30, 2022

	2023				
	Budget		Actual	Variance with Final Budget	2022
	Original	Final		Positive (Negative)	Actual
Public safety:					
Police department -					
Salaries	1,988,837	2,177,076	2,176,786	290	1,806,916
Retirement	613,092	644,386	638,694	5,692	494,049
Group insurance	286,995	284,649	270,788	13,861	228,633
Payroll taxes	150,085	153,047	153,047	-	127,592
Insurance	263,900	278,449	236,748	41,701	230,532
Gas and repairs	187,000	187,000	174,644	12,356	193,974
Equipment expenditures	20,000	20,000	107,728	(87,728)	80,767
Maintenance	18,000	15,000	11,071	3,929	19,269
Utilities and telephone	70,500	76,700	76,206	494	66,295
Auto allowance	57,600	48,000	41,723	6,277	57,600
Auto	145,000	473,490	107,167	366,323	-
Legal fees	2,000	1,000	-	1,000	550
Miscellaneous	18,480	62,805	38,249	24,556	6,627
Supplies	4,000	4,000	3,813	187	6,942
Office supplies	14,000	16,000	14,632	1,368	13,784
Computer charges	52,500	46,000	125,981	(79,981)	42,786
Criminal investigation	10,000	10,000	300	9,700	-
Radio user fees	3,500	2,600	2,600	-	3,150
Uniforms	18,000	22,000	21,478	522	22,348
Training	35,000	35,000	75,090	(40,090)	43,127
Drug task force expenditures	4,000	4,000	11,124	(7,124)	8,121
Drug testing	2,000	2,000	1,759	241	1,383
Total police department	<u>3,964,489</u>	<u>4,563,202</u>	<u>4,289,628</u>	<u>273,574</u>	<u>3,454,445</u>
Fire department -					
Salaries	514,442	648,000	727,963	(79,963)	525,651
Retirement	93,120	133,508	132,319	1,189	89,604
Group insurance	54,996	83,343	67,385	15,958	52,049
Payroll taxes	44,858	55,012	50,392	4,620	38,284
Insurance	113,295	139,500	118,608	20,892	97,947
Maintenance and supplies	49,000	52,846	54,716	(1,870)	36,144
Auto	75,000	69,460	53,680	15,780	81,828
Auto lease expense	-	7,613	-	7,613	-
Utilities and telephone	39,800	55,364	51,777	3,587	23,102
Equipment expenditures	67,000	63,176	126,204	(63,028)	28,275
Miscellaneous	67,000	95,211	95,551	(340)	74,963
Dues and subscriptions	9,000	10,500	10,504	(4)	-
Training	10,000	7,052	6,229	823	9,075
Radio user fees	4,000	3,115	315	2,800	5,400
Uniforms	8,000	13,500	13,444	56	6,595
Total fire department	<u>1,149,511</u>	<u>1,437,200</u>	<u>1,509,087</u>	<u>(71,887)</u>	<u>1,068,917</u>

(continued)

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended November 30, 2023
With Comparative Actual Amounts for the Year Ended November 30, 2022

	2023		Actual	Variance with Final Budget Positive (Negative)	2022 Actual
	Budget				
	Original	Final			
City Court department -					
City magistrate	8,100	28,096	20,164	7,932	6,597
Other salaries	9,500	9,514	8,513	1,001	8,671
Supplies	3,700	1,679	545	1,134	-
Legal fees	15,000	15,000	14,350	650	10,850
Fine fees	148,500	155,000	165,305	(10,305)	144,785
Traffic detail expenditures	<u>31,500</u>	<u>40,000</u>	<u>37,864</u>	<u>2,136</u>	<u>32,658</u>
Total city court department	<u>216,300</u>	<u>249,289</u>	<u>246,741</u>	<u>2,548</u>	<u>203,561</u>
Total public safety	<u>5,330,300</u>	<u>6,249,691</u>	<u>6,045,456</u>	<u>204,235</u>	<u>4,726,923</u>
Highways and streets:					
Salaries	470,995	472,495	427,874	44,621	352,253
Retirement	61,919	61,919	62,984	(1,065)	52,024
Group insurance	80,886	80,886	69,347	11,539	70,406
Payroll taxes	35,572	35,572	31,015	4,557	25,162
Insurance	60,990	71,205	60,541	10,664	52,267
Maintenance and supplies	252,000	417,669	192,269	225,400	140,407
Engineering	31,000	85,000	95,702	(10,702)	29,995
Street equipment repairs and maintenance	60,000	113,500	116,005	(2,505)	65,007
Lighting	128,000	128,000	135,741	(7,741)	133,117
Dumping fees	-	-	680	(680)	1,368
Auto	27,500	27,000	32,039	(5,039)	33,172
Auto lease expense	12,333	28,970	-	28,970	-
Uniforms	13,500	13,500	13,577	(77)	11,697
Contractual services	-	-	2,500	(2,500)	-
Total highways and streets	<u>1,234,695</u>	<u>1,535,716</u>	<u>1,240,274</u>	<u>295,442</u>	<u>966,875</u>
Culture and tourism -					
Community Center:					
Salaries	5,000	5,000	1,734	3,266	2,792
Payroll taxes	383	383	136	247	219
Insurance	20,000	20,000	17,005	2,995	14,463
Equipment and supplies	3,000	3,000	38,549	(35,549)	13,918
Repairs and maintenance	16,000	25,000	-	25,000	-
Janitorial services	23,000	23,000	21,640	1,360	21,050
Utilities and telephone	<u>19,000</u>	<u>12,000</u>	<u>10,917</u>	<u>1,083</u>	<u>16,855</u>
Total community center	<u>86,383</u>	<u>88,383</u>	<u>89,981</u>	<u>(1,598)</u>	<u>69,297</u>
Total culture and tourism	<u>86,383</u>	<u>88,383</u>	<u>89,981</u>	<u>(1,598)</u>	<u>69,297</u>

(continued)

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended November 30, 2023
With Comparative Actual Amounts for the Year Ended November 30, 2022

	2023		Actual	Variance with Final Budget Positive (Negative)	2022 Actual
	Budget				
	Original	Final			
Capital outlay:					
General government	121,000	270,576	-	270,576	-
Public safety	256,000	385,000	617,047	(232,047)	677,094
Highways and street	-	-	210,335	(210,335)	41,536
Total capital outlay	<u>377,000</u>	<u>655,576</u>	<u>827,382</u>	<u>(171,806)</u>	<u>718,630</u>
Debt service:					
Principal retirement	54,989	56,148	354,336	(298,188)	204,412
Interest and fiscal charges	5,650	4,491	81,130	(76,639)	32,998
Total debt service	<u>60,639</u>	<u>60,639</u>	<u>435,466</u>	<u>(374,827)</u>	<u>237,410</u>
Total expenditures	<u>\$8,594,618</u>	<u>\$10,411,003</u>	<u>\$10,327,683</u>	<u>\$ 83,320</u>	<u>\$8,362,230</u>

CITY OF CARENCRO, LOUISIANA
1967 Sales Tax Fund
Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended November 30, 2023
With Comparative Actual Amounts for the Year Ended November 30, 2022

	2023			Variance with Final Budget Positive (Negative)	2022 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$4,000,000	\$4,200,000	\$ 4,237,640	\$ 37,640	\$ 3,797,503
Interest	3,650	29,664	35,640	5,976	(6,774)
Total revenues	<u>4,003,650</u>	<u>4,229,664</u>	<u>4,273,280</u>	<u>43,616</u>	<u>3,790,729</u>
Expenditures:					
Current -					
General government:					
Collection fees	22,500	34,323	34,531	(208)	21,176
Professional fees	17,000	15,685	15,345	340	14,410
Total expenditures	<u>39,500</u>	<u>50,008</u>	<u>49,876</u>	<u>132</u>	<u>35,586</u>
Excess of revenues over expenditures	<u>3,964,150</u>	<u>4,179,656</u>	<u>4,223,404</u>	<u>43,748</u>	<u>3,755,143</u>
Other financing uses:					
Transfers out	<u>(3,673,634)</u>	<u>(4,224,764)</u>	<u>(4,155,492)</u>	<u>69,272</u>	<u>(4,885,877)</u>
Net change in fund balance	290,516	(45,108)	67,912	113,020	(1,130,734)
Fund balance, beginning	<u>538,614</u>	<u>538,614</u>	<u>538,614</u>	-	<u>1,669,348</u>
Fund balance, ending	<u>\$ 829,130</u>	<u>\$ 493,506</u>	<u>\$ 606,526</u>	<u>\$ 113,020</u>	<u>\$ 538,614</u>

CITY OF CARENCRO, LOUISIANA
1993 Sales Tax Fund
Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended November 30, 2023
With Comparative Actual Amounts for the Year Ended November 30, 2022

	2023			Variance with Final Budget Positive (Negative)	2022 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 4,000,000	\$ 4,200,000	\$ 4,237,640	\$ 37,640	\$ 3,797,503
Miscellaneous - interest	4,000	50,697	53,356	2,659	13,438
Total revenues	<u>4,004,000</u>	<u>4,250,697</u>	<u>4,290,996</u>	<u>40,299</u>	<u>3,810,941</u>
Expenditures:					
Current -					
General government:					
Collection fees	22,500	34,754	34,531	223	21,176
Professional fees	17,000	15,700	15,685	15	14,410
Total general government	39,500	50,454	50,216	238	35,586
Culture and recreation	1,363,333	993,716	965,297	28,419	1,353,096
Total expenditures	<u>1,402,833</u>	<u>1,044,170</u>	<u>1,015,513</u>	<u>28,657</u>	<u>1,388,682</u>
Excess of revenues over expenditures	<u>2,601,167</u>	<u>3,206,527</u>	<u>3,275,483</u>	<u>68,956</u>	<u>2,422,259</u>
Other financing sources/(uses):					
Transfers in	-	90,000	347,374	257,374	-
Transfers out	(2,800,000)	(4,534,844)	(4,109,078)	425,766	(2,500,000)
Total other financing uses	<u>(2,800,000)</u>	<u>(4,444,844)</u>	<u>(3,761,704)</u>	<u>683,140</u>	<u>(2,500,000)</u>
Net change in fund balance	(198,833)	(1,238,317)	(486,221)	752,096	(77,741)
Fund balance, beginning	988,347	988,347	988,347	-	1,066,088
Fund balance, ending	<u>\$ 789,514</u>	<u>\$ (249,970)</u>	<u>\$ 502,126</u>	<u>\$ 752,096</u>	<u>\$ 988,347</u>

CITY OF CARENCRO, LOUISIANA
TIF District Sales Tax Fund
Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended November 30, 2023
With Comparative Actual Amounts for the Year Ended November 30, 2022

	2023			Variance with Final Budget Positive (Negative)	2022 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 2,500,000	\$ 2,850,000	\$ 2,872,588	\$ 22,588	\$ 2,462,191
Intergovernmental	-	15,000	48,250	33,250	-
Miscellaneous	17,500	188,096	224,299	36,203	49,595
Total revenues	<u>2,517,500</u>	<u>3,053,096</u>	<u>3,145,137</u>	<u>92,041</u>	<u>2,511,786</u>
Expenditures:					
Current -					
General government:					
Collection fees	14,000	16,758	16,730	28	12,968
Professional fees	13,500	10,850	10,849	1	9,967
Total general government	<u>27,500</u>	<u>27,608</u>	<u>27,579</u>	<u>29</u>	<u>22,935</u>
Capital outlay	<u>300,000</u>	<u>1,375,139</u>	<u>953,987</u>	<u>421,152</u>	<u>2,719,899</u>
Total expenditures	<u>327,500</u>	<u>1,402,747</u>	<u>981,566</u>	<u>421,181</u>	<u>2,742,834</u>
Excess of revenues over expenditures	<u>2,190,000</u>	<u>1,650,349</u>	<u>2,163,571</u>	<u>513,222</u>	<u>(231,048)</u>
Other financing uses:					
Transfers in	-	500,000	129,585	(370,415)	-
Transfers out	(1,834,775)	(3,072,424)	(2,793,231)	279,193	(938,272)
Total other financing sources (uses)	<u>(1,834,775)</u>	<u>(2,572,424)</u>	<u>(2,663,646)</u>	<u>(91,222)</u>	<u>(938,272)</u>
Net change in fund balance	355,225	(922,075)	(500,075)	422,000	(1,169,320)
Fund balance, beginning	<u>4,123,295</u>	<u>4,123,295</u>	<u>4,123,295</u>	<u>-</u>	<u>5,292,615</u>
Fund balance, ending	<u>\$ 4,478,520</u>	<u>\$ 3,201,220</u>	<u>\$ 3,623,220</u>	<u>\$ 422,000</u>	<u>\$ 4,123,295</u>

CITY OF CARENCRO, LOUISIANA
2016 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended November 30, 2023
With Comparative Actual Amounts for the Year Ended November 30, 2022

	2023		Actual	Variance with Final Budget Positive (Negative)	2022 Actual
	Budget				
	Original	Final			
Revenues:					
Taxes	\$ 4,000,000	\$ 4,200,000	\$ 4,234,140	\$ 34,140	\$3,786,787
Miscellaneous	<u>25,000</u>	<u>470,971</u>	<u>472,940</u>	<u>1,969</u>	<u>101,016</u>
Total revenues	<u>4,025,000</u>	<u>4,670,971</u>	<u>4,707,080</u>	<u>36,109</u>	<u>3,887,803</u>
Expenditures:					
Current:					
General government:					
Collection fees	22,000	34,704	34,507	197	21,143
Professional fees	<u>18,500</u>	<u>16,700</u>	<u>15,684</u>	<u>1,016</u>	<u>14,410</u>
Total general government	<u>40,500</u>	<u>51,404</u>	<u>50,191</u>	<u>1,213</u>	<u>35,553</u>
Excess of revenues over expenditures	<u>3,984,500</u>	<u>4,619,567</u>	<u>4,656,889</u>	<u>37,322</u>	<u>3,852,250</u>
Other financing uses:					
Transfers in	-	1,579,976	1,312,976	(267,000)	-
Transfers out	<u>-</u>	<u>(2,669,976)</u>	<u>(2,401,956)</u>	<u>268,020</u>	<u>(4,050,000)</u>
Other financing uses	<u>-</u>	<u>(1,090,000)</u>	<u>(1,088,980)</u>	<u>1,020</u>	<u>(4,050,000)</u>
Net change in fund balance	3,984,500	3,529,567	3,567,909	38,342	(197,750)
Fund balance, beginning	<u>8,503,910</u>	<u>8,503,910</u>	<u>8,503,910</u>	<u>-</u>	<u>8,701,660</u>
Fund balance, ending	<u>\$ 12,488,410</u>	<u>\$ 12,033,477</u>	<u>\$ 12,071,819</u>	<u>\$ 38,342</u>	<u>\$ 8,503,910</u>

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

KOLDER, SLAVEN & COMPANY, LLC

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

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The Honorable Charlotte Clavier, Mayor
and Members of the Board of Aldermen
City of Carencro, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Carencro, Louisiana (the City) as of and for the year ended November 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 24, 2024. Our report qualifies an opinion on the government-wide activities, business-type activities, utility fund, and aggregate remaining fund information because the City's financial statements do not include financial data related to other post-employment benefits offered to its employees.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 through 2023-005 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Carencro, Louisiana'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2023-006 through 2023-011.

City of Carencro, Louisiana's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of current and prior year audit findings and management's corrective action plan. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
May 24, 2024

KOLDER, SLAVEN & COMPANY, LLC

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

The Honorable Charlotte Clavier, Mayor
and Members of the Board of Aldermen
City of Carencro, Louisiana

Report on Compliance for the Major Federal Program

Adverse Opinion

We have audited the City of Carencro's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended November 30, 2023. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Adverse Opinion on the Coronavirus State and Local Fiscal Recovery Funds

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinions section of our report, the City did not comply in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Coronavirus State and Local Fiscal Recovery Funds for the year ended November 30, 2023.

Basis for Adverse Opinion

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

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

Matters Giving Rise to Adverse Opinion on Coronavirus State and Local Fiscal Recovery Funds (21.027)

As described in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding the Coronavirus State and Local Fiscal Recovery Funds as described in findings number 2023-015 through 2023-018 for Allowable Costs, Procurement, and Reporting. Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-019 and 2023-023 through 2023-026 to be material weaknesses.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
May 24, 2024

CITY OF CARENCRO, LOUISIANA

Schedule of Expenditures of Federal Awards
Year Ended November 30, 2023

Federal Grantor / Pass-Through Grantor / Program Name	Pass-through Identifying Number	Assistance Listing	Expenditures
Direct Programs:			
U.S Department of the Treasury - COVID-19 Coronavirus State and Local Fiscal Recovery Funds *	N/A	21.027	<u>2,995,904</u>
Indirect Programs:			
U.S. Department of Housing and Urban Development- Passed through Louisiana Division of Administration Community Development Block Grant	B-21-DC-22-0001	14.228	<u>307,200</u>
U.S Department of the Treasury - Passed through Louisiana Division of Administration COVID-19 Coronavirus State and Local Fiscal Recovery Funds *	LAWSP10219	21.027	<u>3,411,552</u>
U.S Department of Homeland Security- Passed through Louisiana Department of Homeland Security Staffing for Adequate Fire and Emergency Response (SAFER)	EMW-2021-FF-02164	97.083	<u>33,250</u>
Total indirect programs			<u>3,752,002</u>
TOTAL FEDERAL EXPENDITURES			<u>\$ 6,747,906</u>

* Indicates major program

CITY OF CARENCRO, LOUISIANA

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended November 30, 2023

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the City of Carencro (City) under programs of the federal government for the year ended November 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's basic financial statements for the year ended November 30, 2023. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Indirect Cost Rate

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance.

CITY OF CARENCRO, LOUISIANA

Schedule of Findings and Questioned Costs
For the Year Ended November 30, 2023

Part I. Summary of Auditor's Results

1. The auditor's report expresses a qualified opinion on the governmental activities, business-type activities, utility fund, and aggregate remaining fund information. Additionally, an adverse opinion was expressed on the discretely presented component unit. The remaining funds opinions were unmodified.
2. Five deficiencies in internal control were disclosed during the audit of the financial statements. These deficiencies were considered to be material weaknesses.
3. Six instances of noncompliance material to the financial statements of the City, which would be required to be reported in accordance with *Governmental Auditing Standards*, were disclosed during the audit.
4. Five material weaknesses in internal control over major federal award programs were reported during the audit.
5. The auditor's report on compliance for the COVID-19-Coronavirus State and Local Fiscal Recovery Funds (21.027) expresses an adverse opinion.
6. The audit findings that are required to be reported in accordance with 2 CFR section 200.516 (a) are reported in this schedule.
7. The following program is considered to be the only major program: COVID-19-Coronavirus State and Local Fiscal Recovery Funds (21.027).
8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
9. The auditee did not qualify as a low-risk auditee.

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

A. Internal Control Findings -

2023-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

Criteria: The City should have a control policy according to which no person should be given responsibility for more than one related function.

Condition: The City did not have adequate segregation of functions within the accounting system.

Cause: Due to the size of the City, they do not have a sufficient number of employees to provide adequate segregation of segregation of accounting and financial duties.

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

CITY OF CARENCRO, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended November 30, 2023

Recommendation: The City should monitor mitigating controls over functions that are not completely segregated.

Management's Corrective Action Plan: Due to the size of the operations and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

2023-002 Inadequate Controls Over Financial Statement Preparation

Fiscal year finding initially occurred: 2021

Criteria: The City should be able to record financial transactions and prepare financial statements in accordance with GAAP.

Condition: The City does not have a staff person who has the qualifications and training necessary to apply generally accepted accounting principles (GAAP) in recording the City's financial transactions or preparing its financial statements, including the related notes.

Cause: The City does not have personnel with the qualifications needed to perform this function.

Effect: The City financial transactions and financial statements may not be prepared in accordance with GAAP.

Recommendation: The City should outsource this task to ensure the financial statements and transactions are in accordance with GAAP.

Management's Corrective Action Plan: The City has evaluated the cost vs benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP and determined that is in the best interest of the City to outsource this task to the independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

2023-003 Failure to Obtain an Actuarial Valuation

Fiscal year finding initially occurred: 2023

Criteria: In accordance with GASBS No. 75, the City of Carencro should record a liability for Other Post Employment Benefits offered to employees of the City.

Condition: The City did not record a liability for Other Post Employment Benefits that were offered to employees.

Cause: The City did not obtain an actuarial valuation to determine the liability, deferred inflows, deferred outflows, or expenses related to the Other Post Employment Benefits offered. As such, the City was unable to determine the proper amounts to record in its financial statements.

CITY OF CARENCRO, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended November 30, 2023

Effect: The City's financial statements were potentially misstated; however, the full amount of the misstatement was unable to be determined. As a result, the City's financial statements received a qualified opinion for all opinion units that were affected.

Recommendation: The City should obtain an actuarial valuation as required by GASBS No. 75 and record all required amounts in accordance with the standard.

Management's Corrective Action Plan: As of the date of the audit report, the City has contracted a licensed actuary to perform an actuarial valuation. Once the valuation is completed, the City will record all requirements in accordance with GASBS No. 75.

2023-004 Significant Audit Adjustments

Fiscal year finding initially occurred: 2023

Criteria: During the audit, significant audit adjustments were made to correct financial statement amounts to their proper balances based on support acquired during the audit. Without reliance on the auditor's procedures, these adjustments would not have been detected, which could lead to balances being misstated at year end.

Condition: Management of the City of Carencro should maintain appropriate policies and procedures to correctly record, adjust, and reconcile significant financial account balances to ensure they are properly stated at year end.

Cause: The City of Carencro did not have proper internal control procedures to monitor the financial transactions of the City. Additionally, the City did not have proper procedures to reconcile significant account balances for presentation in the financial statements.

Effect: The City of Carencro's financial statements could be materially misstated if proper internal controls over financial reporting are not in place.

Recommendation: The City of Carencro should implement policies and procedures to monitor the financial transactions of the City and to ensure that all significant account balances are properly reconciled.

Management's Corrective Action Plan: The City has an outside CPA firm with extensive governmental experience to assist the staff with ensuring that generally accepted accounting principles are followed.

2023-005 Collection Processes

Fiscal year finding initially occurred: 2023

Criteria: An employee of the city should collect all cash remitted to the city in accordance with the City's policies and procedures.

Condition: A non-employee of the City collected amounts owed to the City through a personal Venmo account and then remitted the amount to the City through a reduction of reimbursements owed from the City.

CITY OF CARENCRO, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended November 30, 2023

Cause: The City did not have appropriate policies and procedures regarding collection processes.

Effect: A non-employee received amounts owed to the City through a personal Venmo account in the total amount of \$140; however, it was unable to be determined if the non-employee remitted all money collected.

Recommendation: The City should implement policies and procedures that require only employees of the City to collect money on behalf of the City.

Management's Corrective Action Plan: The City has implemented policies and procedures that require employees of the City to collect money on behalf of the City. In addition, the City has utilized an online collection service to ensure that all money received electronically will be deposited into the City's bank accounts.

B. Compliance Findings –

2023-006 Failure to Transfer Sales Taxes in Accordance with Contract

Fiscal year finding initially occurred: 2023

Criteria: The City of Carencro has a signed agreement with the Parks and Recreation Commission of Carencro, Inc. (a component unit) that states “ A sales tax election held on May 1, 1993, provided a one third (1/3) cent sale tax for the promotion of recreation and physical fitness activities in Carencro. All monies derived from subject sales tax after payment of any bonds which may be used, shall go directly to the Park and Recreation Commission's account upon collection”.

Condition: The City did not properly transfer sales taxes in accordance with the contract.

Cause: The City did not transfer all funds in accordance with the contract.

Effect: The City did not transfer \$115,086 of sales tax proceeds to the Parks and Recreation Commission of Carencro, Inc., the City's legally separate component unit.

Recommendation: The City should transfer all required amounts to be properly used for parks and recreation.

Management's Corrective Action Plan: The City will transfer all required amounts in accordance with the contract.

CITY OF CARENCRO, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended November 30, 2023

2023-007 Failure to Properly Remit Payroll Taxes

Fiscal year finding initially occurred: 2023

Criteria: The City did not remit all required payroll taxes by in accordance with Internal Revenue Service guidelines.

Condition: The City did not remit all payroll taxes within the required time frame.

Cause: The City did not correctly withhold Social Security and Medicare taxes on individual employees retirement contributions.

Effect: The City's employees did not pay the appropriate amount of payroll taxes in the amount of \$27,847. In response, the City advanced the unpaid taxes to the Internal Revenue Service on behalf of the employees which may be considered a violation of Article 7, Section 14 of the Louisiana Constitution.

Recommendation: The City should contact all retirement plans and determine the effect each individual retirement plan has on social security and Medicare amounts. In addition, the City should update the payroll software to reflect the proper tax withholdings.

Management's Corrective Action Plan: As of the date of the audit report, the City has contacted the individual retirement plans and has updated all withholdings in the payroll software.

2023-008 Donation of Public Funds

Fiscal year finding initially occurred: 2023

Criteria: Article 7, Section 14 of the Louisiana Constitution states "the funds, credit, property or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private."

Condition: The City of Carencro donated \$3,000 in the form of legal services for the formation of a non-profit organization.

Cause: The City of Carencro did not have appropriate policies and procedures to ensure that public funds were appropriately spent.

Effect: The City of Carencro donated \$3,000 of City funds to non-profit organizations which may be a violation of Article 7, Section 14 of the Louisiana Constitution.

Recommendation: The City of Carencro should implement policies and procedures to ensure amounts spent are in accordance with State Law.

Management's Corrective Action Plan: As of the date of the audit report, the City has passed a resolution and signed a Cooperative Endeavor Agreement with the non-profit organization. The City will continue to monitor the relationship with the organization to ensure that the organization continues to provide an economic benefit for the City.

CITY OF CARENCRO, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended November 30, 2023

2023-009 Failure to File Sales Tax Returns Timely

Fiscal year finding initially occurred: 2023

Criteria: The Louisiana Department of Revenue requires that all Sales Tax Returns and tax payments are properly filed and remitted by the 20th of the month following the close of the calendar month of the reporting period.

Condition: The City did not properly file all sales tax returns timely.

Cause: The City did not have proper policies and procedures in place to ensure the filing and remittance of sales taxes were properly completed.

Effect: The City was assessed penalties and interest in the amount of \$475.

Recommendation: The City should implement policies and procedures to ensure that all sales tax filings and corresponding remittances are completed by the 20th of the month following the close of the calendar month of the reporting period.

Management's Corrective Action Plan: As of the date of the audit report, the City is current with all sales tax returns and remittances.

2023-010 Budget Deficit

Fiscal year finding initially occurred: 2023

Criteria: Revised Statute 39:1305 (E) states "The total of proposed expenditures shall not exceed the total of estimated funds available for the ensuing fiscal year".

Condition: The City budgeted expenditures over amounts available for the 1993 Sales Tax Fund and Hotel Motel Sales Tax Fund.

Cause: The City budgeted expenditures that exceeded the total amount of estimated funds.

Effect: The City may incur expenditures over the amount available.

Recommendation: The City should adopt policies and procedures that prevent the City from budgeting expenditures in excess of available amounts.

Management's Corrective Action Plan: The City will adopt policies and procedures that prevent the City from budgeting expenditures in excess of available amounts.

CITY OF CARENCRO, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended November 30, 2023

2023-011 Failure to Amend Budget

Fiscal year finding initially occurred: 2023

Criteria: Louisiana Revised Statute 39:1311 A(2) states that the budget is required to be amended when “total expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more”. Additionally, Louisiana Revised Statute 39:1311 A(1) states that the budget is required to be amended when “total revenues and other sources plus projected revenues and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more”.

Condition: Total expenditures and other uses of the general fund exceeded total budgeted expenditures and other sources by more than five percent. In addition, the TIF District Sales Tax fund revenues and other sources failed to meet total budgeted revenues by more than five percent.

Cause: The City did not properly monitor compliance with the budget.

Effect: The City may not prevent and/or detect excess spending of the appropriated budget in a timely manner.

Recommendation: The City should monitor compliance with the budget and amend the budget when total expenditures and other uses exceed total budgeted amounts or when total revenues and other sources fail to meet budgeted amounts.

Management’s Corrective Action Plan: The City will monitor compliance with the budget and amend the budget when total expenditures and other uses exceed total budgeted amounts or when total revenues and other sources fail to meet budgeted amounts.

Part III. Findings and questioned cost for Federal awards which include audit findings as defined in 2 CFR section 200 of the Uniform Guidance:

A. Compliance Findings -

2023-012 Internal Controls Over Financial Management Functions

Assistance Listing #14.228 - Community Development Block Grant

Fiscal year finding initially occurred: 2023

Criteria: The 2021 Louisiana Community Development Block Grant (LCDBG) Grantee Handbook requires the City to submit a Financial Management Questionnaire outlining individual responsibilities. The City is required to notify the Office of Community Development in writing, of any changes of individuals and their related responsibilities.

CITY OF CARENCRO, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended November 30, 2023

Condition: An individual signed a check that was not an approved signer.

Cause: There were inadequate policies and procedures in place to ensure that the City updated the Financial Management Questionnaire as required by the grant program.

Effect: The City did not comply with the grant agreement regarding financial management functions.

Context: While the LCDBG program was not considered a major program, a monitoring report by the grantor identified issues that were considered to be material weaknesses.

Recommendation: Adequate policies and procedures should be implemented to ensure compliance with the grant agreement regarding financial management.

Management's Corrective Action Plan: The City has provided written assurance to the Office of Community Development that notification will be made, in writing, of any further changes to the persons or position descriptions relative to the financial management functions related to the LCDBG Program.

2023-013 Failure to Notify Grantor of Contract Award

Assistance Listing #14.228 - Community Development Block Grant

Fiscal year finding initially occurred: 2023

Criteria: The 2021 Louisiana Community Development Block Grant (LCDBG) Grantee Handbook requires the City to submit a notice of contract award to the Office of Community Development within 30 days after award.

Condition: The City did not notify the Office of Community Development of the contract award until 81 days after the contract award.

Cause: The City did not have appropriate policies and procedures to ensure that all contract awards were submitted to the Office of Community Development within the required time frame.

Effect: The City did not comply with the grant agreement regarding contract awards.

Context: While the LCDBG program was not considered a major program, a monitoring report by the grantor identified issues that were considered to be material weaknesses.

Recommendation: Adequate policies and procedures should be implemented to ensure compliance with the grant agreement regarding contract awards.

Management's Corrective Action Plan: This compliance finding relates to the previous administration. The City has provided written assurance to the Office of Community Development that it will submit the notice of contract award within thirty days after the contract award date under any future LCDBG program.

CITY OF CARENCRO, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended November 30, 2023

2023-014 Procurement

Assistance Listing #14.228 - Community Development Block Grant

Fiscal year finding initially occurred: 2023

Criteria: Louisiana Revised Statute 38:2215 requires that the City shall award construction contracts within 45 days of receipt of bids and award said contract to the lowest responsible bidder or reject all bids. However, the City and the lowest responsible bidder, by mutual written consent, may agree to extend the deadline for an award by one or more extensions of thirty calendar days.

Condition: The City did not award the contract within 45 days of bid opening and was unable to provide documentation of mutual written agreement for the extension of the time period for the award of the contract.

Cause: The City did not have proper policies and procedures in place to ensure that the contract was awarded within the proper time frames.

Effect: The City did not comply with Louisiana Revised Statute 38:2215.

Context: While the LCDBG program was not considered a major program, a monitoring report by the grantor identified issues that were considered to be material weaknesses.

Recommendation: Adequate policies and procedures should be implemented to ensure compliance with Louisiana Revised Statutes.

Management's Corrective Action Plan: This compliance finding relates to the previous administration. The City has provided written assurance to the Office of Community Development that this requirement will be met under any future LCDBG programs.

2023-015 Unallowable Use of Funds

Assistance Listing # 21.027 - COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Fiscal year finding initially occurred: 2023

Criteria: Costs charged to federal grant programs must follow the Uniform Guidance when determining if a cost is allowable under the program. One of the requirements is that a cost can only be funded by one program.

Condition: The City received reimbursement through the State of Louisiana's Water Sector Program for expenditures that were already claimed through Coronavirus State and Local Fiscal Recovery Funds.

Cause: The City did not have proper controls in place to ensure that expenditures were not paid by multiple federal programs.

CITY OF CARENCRO, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended November 30, 2023

Effect: The City utilized federal funds to pay for expenditures that had already been charged to other grant programs.

Context: A sample of 10 transactions were selected for audit from a population of 16 disbursements. The test found that three disbursements had already been charged to other federal programs. It was determined that \$2,570,501 was charged to other federal programs and are considered questioned costs.

Recommendation: The City should review policies and procedures to ensure that the City does not continue to request reimbursement for amounts that were received from other sources.

Management's Corrective Action Plan: The City will implement policies and procedures to ensure that the City does not continue to request reimbursement for amounts that were received from other sources.

2023-016 Procurement

Assistance Listing # 21.027 - COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Fiscal year finding initially occurred: 2023

Criteria: In accordance with 2 CFR 200.320, the City of Carencro is required to formally bid contracts that exceed \$250,000.

Condition: The City expended \$142,051 of Coronavirus State and Local Fiscal Recovery Funds on a contract that exceeded the required threshold but was not put out for bid.

Cause: The City expended federal funds on contracts that were not properly bid by federal guidelines.

Effect: As a result, the City was not in compliance with procurement requirements with questioned costs totaling \$142,051.

Context: A sample of 10 disbursements were selected for audit from a population of 16 disbursements. The test found that a vendor was not properly procured. This resulted in questioned costs of \$142,051.

Recommendation: The City should review their policies and procedures to ensure that all contracts that have federal expenditures are properly bid in accordance with 2 CFR 200.320.

Management's Corrective Action Plan: This compliance finding relates to the previous administration, who did not properly have the vendor bid out in accordance with federal guidelines. The City will review their policies and procedures to ensure that all contracts that have federal expenditures are properly bid in accordance with 2 CFR 200.320.

CITY OF CARENCRO, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended November 30, 2023

2023-017 Controls Over Reporting

Assistance Listing # 21.027 - COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Fiscal year finding initially occurred: 2023

Criteria: In accordance with 31 CFR Section 35.4(c), the City should provide an annual report detailing the accounting for the use of the federal award program funds. In addition, the report should be completed and submitted by April 30th of the following year.

Condition: The City did not file the annual report by the required deadline. The report also included inaccurate information regarding the amount spent.

Cause: The City does not have adequate controls and procedures over reporting.

Effect: The City did not file the annual report with the correct amount of expenditures or within the proper time frame.

Context: The City's annual report was not filed until August. Additionally, the City's annual report did not reconcile to the amount expended in the amount of \$646,575.

Recommendation: The City should review their established policies and procedures and make any necessary changes to ensure an effective control environment.

Management's Corrective Action Plan: The City had significant difficulties accessing the reporting website, and filed the report on the day access was granted. However, the City will review their established policies and procedures and make any necessary changes to ensure an effective control environment.

2023-018 Reimbursement Requests

Assistance Listing # 21.027 - COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Fiscal year finding initially occurred: 2023

Criteria: The Water Sector Program guidelines do not allow for advance payments.

Condition: The City requested reimbursement for retainage amounts for which it had not paid the funds as of the date of the request.

Cause: The City was unaware that retainage amounts were included in the request for reimbursement.

Effect: The City requested reimbursement for retainage amounts that had not been paid in the amount of \$208,790, of which \$148,011 was charged to federal award programs.

Recommendation: The City should carefully review grant reimbursement requests to ensure that all amounts requested represent actual expenditures.

CITY OF CARENCRO, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended November 30, 2023

Management's Corrective Action Plan: The City will review grant reimbursements before submitting to ensure that all amounts requested represent actual expenditures.

B. Internal Control Findings -

2023-019 Inadequate Controls Over SEFA Preparation

Fiscal year finding initially occurred: 2023

Criteria: The Uniform Guidance Subpart F section 200.510 requires the preparation of the Schedule of Expenditures of Federal Awards (SEFA) to include an accurate reporting of federal awards expended based on the terms and conditions of the grants.

Condition: The SEFA prepared by the City's personnel did not include all federal expenditures.

Cause: Limited staffing and experience did not permit the City to accurately prepare the SEFA.

Effect: The SEFA provided to us did not contain the correct amount of federal awards, which is the basis used to determine the major federal programs to be audited in a fiscal year.

Context: Errors such as the ones identified on the SEFA could result in additional audit work to achieve the necessary audit coverage required by Uniform Guidance or incorrect information regarding federal grants to be reported.

Recommendation: The City should review policies and procedures to ensure that the City properly reports all amounts on the SEFA.

Management's Corrective Action Plan: The City will implement policies and procedures to ensure that the City properly reports all amounts on the SEFA.

2023-020 Internal Controls Over Financial Management Functions

Assistance Listing #14.228 - Community Development Block Grant

Fiscal year finding initially occurred: 2023

See Compliance Finding 2023-012.

2023-021 Failure to Notify Grantor of Contract Award

Assistance Listing #14.228 - Community Development Block Grant

Fiscal year finding initially occurred: 2023

See Compliance Finding 2023-013.

CITY OF CARENCRO, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended November 30, 2023

2023-022 Procurement

Assistance Listing #14.228 - Community Development Block Grant

Fiscal year finding initially occurred: 2023

See Compliance Finding 2023-014.

2023-023 Unallowable Use of Funds

Assistance Listing # 21.027 - COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Fiscal year finding initially occurred: 2023

See Compliance Finding 2023-015.

2023-024 Procurement

Assistance Listing # 21.027 - COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Fiscal year finding initially occurred: 2023

See Compliance Finding 2023-016.

2023-025 Controls Over Reporting

Assistance Listing # 21.027 - COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Fiscal year finding initially occurred: 2023

See Compliance Finding 2023-017.

2023-026 Reimbursement Requests

Assistance Listing # 21.027 - COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Fiscal year finding initially occurred: 2023

See Compliance Finding 2023-018.



MAYOR CHARLOTTE S. CLAVIER

**COUNCILMAN JORDAN ARCENEAUX • COUNCILMAN ANTOINE BABINEAUX • COUNCILWOMAN DANIELLE CAPRETTO
COUNCILMAN TAYLOR JOHNSON JAMES • COUNCILMAN ALFRED SENEAL**

**City of Carencro
Corrective Action Plan
November 30, 2023**

U.S. Department of the Treasury

The City of Carencro respectfully submits the following corrective action plan for the year ended 11/30/23.

Audit conducted by:

Kolder, Slaven, & Company, LLC
183 S. Beadle Road
Lafayette, LA 70508

Audit Period: 12/1/2022-11/30/2023

The findings from the 11/30/2023 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

FINDINGS – FINANCIAL STATEMENT AUDIT:

Internal Control:

Material Weakness -

2023-001: Inadequate Segregation of Accounting Functions

Recommendation: The City should have a control policy according to which no person should be given responsibility for more than one related function. The City should monitor mitigating controls over functions that are not completely segregated.

Corrective Action Plan: Due to the size of the operations and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

2023-002: Inadequate Controls Over Financial Statement Preparation

Recommendation: The City should be able to record financial transactions and prepare financial statements in accordance with GAAP. The City should outsource this task to ensure the financial statements and transactions are in accordance with GAAP.

Corrective Action Plan: The City has evaluated the cost vs benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP and determined that is in the best interest of the City to outsource this task to the independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

2023-003: Failure to Obtain an Actuarial Valuation

Recommendation: In accordance with GASBS No. 75, the City of Carencro should record a liability for Other Post Employment Benefits offered to employees of the City. The City should obtain an actuarial valuation as required by GASBS No. 75 and record all required amounts in accordance with the standard.

Corrective Action Plan: As of the date of the audit report, the City has contracted a licensed actuary to perform an actuarial valuation. Once the valuation is completed, the City will record all requirements in accordance with GASBS No. 75.

2023-004: Significant Audit Adjustments

Recommendation: During the audit, significant audit adjustments were made to correct financial statement amounts to their proper balances based on support acquired during the audit. Without reliance on the auditor's procedures, these adjustments would not have been detected, which could lead to balances being misstated at year end. The City of Carencro should implement policies and procedures to monitor the financial transactions of the City and to ensure that all significant account balances are properly reconciled.

Corrective Action Plan: The City has an outside CPA firm with extensive governmental experience to assist the staff with ensuring that generally accepted accounting principles are followed.

2023-005: Collection Processes

Recommendation: The City should implement policies and procedures that require only employees of the City to collect money on behalf of the City.

Corrective Action Plan: The City has implemented policies and procedures that require employees of the City to collect money on behalf of the City. In addition, the City has utilized an online collection service to ensure that all money received electronically will be deposited into the City's bank accounts.

Compliance -

2023-006: Failure to Transfer Sales Taxes in Accordance with Contract

Recommendation: The City did not comply with a contract between the City and its legally separate component unit. The City should transfer all required amounts to be properly used for parks and recreation.

Corrective Action Plan: The City will transfer all required amounts in accordance with the contract.

2023-007: Failure to Properly Remit Payroll Taxes

Recommendation: The City did not remit all required payroll taxes in accordance with Internal Revenue Service guidelines on individual employees retirement contributions. The City should contact all retirement plans and determine the effect each individual retirement plan has on social security and Medicare amounts. In addition, the City should update the payroll software to reflect the proper tax withholdings.

Corrective Action Plan: As of the date of the audit report, the City has contacted the individual retirement plans and has updated all withholdings in the payroll software.

2023-008: Donation of Public Funds

Recommendation: Article 7, Section 14 of the Louisiana Constitution states “the funds, credit, property or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.” The City of Carencro should implement policies and procedures to ensure amounts spent are in accordance with State Law.

Corrective Action Plan: As of the date of the audit report, the City has passed a resolution and signed a Cooperative Endeavor Agreement with the non-profit organization. The City will continue to monitor the relationship with the organization to ensure that the organization continues to provide an economic benefit for the City.

2023-009: Failure to File Sales Tax Returns Timely

Recommendation: The Louisiana Department of Revenue requires that all Sales Tax Returns and tax payments are properly filed and remitted by the 20th of the month following the close of the calendar month of the reporting period. The City should implement policies and procedures to ensure that all sales tax filings and corresponding remittances are completed by the 20th of the month following the close of the calendar month of the reporting period.

Corrective Action Plan: As of the date of the audit report, the City is current with all sales tax returns and remittances.

2023-010: Budget Deficit

Recommendation: The City budgeted expenditures that exceeded the total amount of estimated funds available for the fiscal year. The City should adopt policies and procedures that prevent the City from budgeting expenditures in excess of available amounts.

Corrective Action Plan: The City will adopt policies and procedures that prevent the City from budgeting expenditures in excess of available amounts.

2023-011: Failure to Amend Budget

Recommendation: The City budgeted total expenditures and other uses that exceeded the total of estimated funds available for the general fund and TIF District Sales Tax fund revenues and other sources failed to meet total budgeted revenues by more than five percent. The City should monitor compliance with the budget and amend the budget when total expenditures and other uses exceed total budgeted amounts or when total revenues and other sources fail to meet budgeted amounts.

Corrective Action Plan: The City will monitor compliance with the budget and amend the budget when total expenditures and other uses exceed total budgeted amounts or when total revenues and other sources fail to meet budgeted amounts.

FINDINGS – FEDERAL AWARD PROGRAMS AUDIT:

Compliance –

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:

Louisiana Community Development Block Grant (14.228)

2023-012: Internal Controls Over Financial Management Functions

Recommendation: The 2021 Louisiana Community Development Block Grant (LCDBG) Grantee Handbook requires the City to submit a Financial Management Questionnaire outlining individual responsibilities. The City is required to notify the Office of Community Development in writing, of any changes of individuals and their related responsibilities. Adequate policies and procedures should be implemented to ensure compliance with the grant agreement regarding financial management.

Corrective Action Plan: The City has provided written assurance to the Office of Community Development that notification will be made, in writing, of any further changes to the persons or position descriptions relative to the financial management functions related to the LCDBG Program.

2023-013: Failure to Notify Grantor of Contract Award

Recommendation: The 2021 Louisiana Community Development Block Grant (LCDBG) Grantee Handbook requires the City to submit a notice of contract award to the Office of Community Development within 30 days after award. Adequate policies and procedures should be implemented to ensure compliance with the grant agreement regarding contract awards.

Corrective Action Plan: This compliance finding relates to the previous administration. The City has provided written assurance to the Office of Community Development that it will submit the notice of contract award within thirty days after the contract award date under any future LCDBG program.

2023-014: Procurement

Recommendation: Louisiana Revised Statute 38:2215 requires that the City shall award construction contracts within 45 days of receipt of bids and award said contract to the lowest responsible bidder or reject all bids. However, the City and the lowest responsible bidder, by mutual written consent, may agree to extend the deadline for an award by one or more extensions of thirty calendar days. Adequate policies and procedures should be implemented to ensure compliance with Louisiana Revised Statutes.

Corrective Action Plan: This compliance finding relates to the previous administration. The City has provided written assurance to the Office of Community Development that this requirement will be met under any future LCDBG programs.

DEPARTMENT OF TREASURY:

Coronavirus State and Local Fiscal Recovery Funds (21.027)

2023-015: Unallowable Use of Funds

Recommendation: Costs charged to federal grant programs must follow the Uniform Guidance when determining if a cost is allowable under the program. One of the requirements is that a cost can only be funded by one program. The City should review policies and procedures to ensure that the City does not continue to request reimbursement for amounts that were received from other sources.

Corrective Action Plan: The City will implement policies and procedures to ensure that the City does not continue to request reimbursement for amounts that were received from other sources.

2023-016: Procurement

Recommendation: In accordance with 2 CFR 200.320, the City of Carencro is required to formally bid contracts that exceed \$250,000. The City should review their policies and procedures to ensure that all contracts that have federal expenditures are properly bid in accordance with 2 CFR 200.320.

Corrective Action Plan: This compliance finding relates to the previous administration, who did not properly have the vendor bid out in accordance with federal guidelines. The City will review their policies and procedures to ensure that all contracts that have federal expenditures are properly bid in accordance with 2 CFR 200.320.

2023-017: Controls Over Reporting

Recommendation: In accordance with 31 CFR Section 35.4(c), the City should provide an annual report detailing the accounting for the use of the federal award program funds. In addition, the report should be completed and submitted by April 30th of the following year. The City should review their established policies and procedures and make any necessary changes to ensure an effective control environment.

Corrective Action Plan: The City had significant difficulties accessing the reporting website, and filed the report on the day access was granted. However, the City will review their established policies and procedures and make any necessary changes to ensure an effective control environment.

2023-018: Reimbursement Requests

Recommendation: The Water Sector Program guidelines do not allow for advance payments. The City should carefully review grant reimbursement requests to ensure that all amounts requested represent actual expenditures.

Corrective Action Plan: The City will review grant reimbursements before submitting to ensure that all amounts requested represent actual expenditures.

Internal Control:

Material Weakness:

2023-019: Inadequate Controls Over SEFA Preparation

Recommendation: The Uniform Guidance Subpart F section 200.510 requires the preparation of the Schedule of Expenditures of Federal Awards (SEFA) to include an accurate reporting of federal awards expended based on the terms and conditions of the grants. The City should review policies and procedures to ensure that the City properly reports all amounts on the SEFA.

Corrective Action Plan: The City will implement policies and procedures to ensure that the City properly reports all amounts on the SEFA.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:

Louisiana Community Development Block Grant (14.228)

2023-020: Internal Controls Over Financial Management Functions

See Internal Control Finding 2023-012.

2023-021: Failure to Notify Grantor of Contract Award

See Internal Control Finding 2023-013.

2023-022: Procurement

See Internal Control Finding 2023-014.

DEPARTMENT OF TREASURY:

Coronavirus State and Local Fiscal Recovery Funds (21.027)

2023-023: Unallowable Use of Funds

See Internal Control Finding 2023-015.

2023-024: Procurement

See Internal Control Finding 2023-016.

2023-025: Controls Over Reporting

See Internal Control Finding 2023-017.

2023-026: Reimbursement Requests

See Internal Control Finding 2023-018.

If the U.S. Department of Treasury has questions regarding this plan, please call Mayor Charlotte Clavier at 337-896-8481.

Sincerely,


Charlotte Clavier, Mayor



MAYOR CHARLOTTE S. CLAVIER
COUNCILMAN JORDAN ARCENEUX • COUNCILMAN ANTOINE BABINEAUX • COUNCILWOMAN DANIELLE CAPRETTI
COUNCILMAN TAYLOR JOHNSON JAMES • COUNCILMAN ALFRED SENEAL

City of Carencro
Summary Schedule of Prior Audit Findings
For the Year Ended November 30, 2023

FINDINGS – FINANCIAL STATEMENT AUDIT:

A. Internal Control Findings -

2022-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

Condition: The City did not have adequate segregation of functions within the accounting system.

Recommendation: The City should monitor mitigating controls over functions that are not completely segregated.

Current Status: Unresolved. See item 2023-001.

2022-002 Inadequate Controls Over Financial Statement Preparation

Fiscal year finding initially occurred: 2021

Condition: The City does not have a staff person who has the qualifications and training necessary to apply generally accepted accounting principles (GAAP) in recording the City's financial transactions or preparing its financial statements, including the related notes.

Recommendation: The City should outsource this task to ensure the financial statements and transactions are in accordance with GAAP.

Current Status: Unresolved. See item 2023-002.

B. Compliance Findings -

2022-003 Failure to File Audited Financial Statements Timely

Fiscal year finding initially occurred: 2022

Condition: The City's annual audited financial statements were not filed in a timely manner for the fiscal year ended November 30, 2022.

Recommendation: The City should take necessary actions to ensure their annual financial statement audit is completed and submitted within six months of the close of their fiscal year.

Current Status: Resolved.

Sincerely,

Charlotte Clavier, Mayor

CITY OF CARENCRO

Carencro, Louisiana

Agreed-Upon Procedures Report

Year Ended November 30, 2023

KOLDER, SLAVEN & COMPANY, LLC

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Of Counsel
C. Burton Kolder, CPA*

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Christine C. Doucet, CPA - retired 2022
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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Charlotte Clavier, Mayor,
and Members of the Board of Aldermen
City of Carencro, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period December 1, 2022 through November 30, 2023. The City of Carencro (The City) management is responsible for those C/C areas identified in the SAUPs.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period December 1, 2022 through November 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) Observe that the minutes reference or include monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
 - c) Obtain the prior year audit report and observe the unassigned fund balance in the General Fund. If the General Fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period reference or include a formal plan to eliminate the negative unassigned fund balance in the General Fund.
 - d) Observe whether the board/finance committee received written updates of the progress of resolving audit findings, according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Bank Reconciliations

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

Collections (excluding electronic fund transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing was complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e) Only employee/official authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
10. For each location selected under #8 above, obtain the City's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe whether by paper or electronic means, the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation includes evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3 above, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was:
 - a) Approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy.
 - b) Approved by the required number of authorized signers per the entity's policy.

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

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, describe the nature of the transaction and note whether management had compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increase scrutiny.

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

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

Contracts

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

Payroll and Personnel

17. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
18. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the City's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
19. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the City's policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee/officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #17 under “Payroll and Personnel” above, obtain ethics documentation from management, and:
 - a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
 - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity’s ethics policy during the fiscal period, as applicable.
22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Debt Service

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

Fraud Notice

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

Information Technology Disaster Recovery/Business Continuity

27. We performed the following procedures, **verbally discussed the results with management, and reported “We performed the procedure and discussed the results with management.”**
 - a) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19 above and:

- a) Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

Prevention of Sexual Harassment

29. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

30. Observe that the City has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

31. Obtain the City's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Exceptions:

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

Written Policies and Procedures

- 1. The City does not have sufficient written policies and procedures related to receipts, payroll/personnel, contracting, ethics, and debt service.

Collections

- 2. Of the ten deposits selected, three deposits were not made within one business day of receipt .

Credit Cards

3. Of the thirty-eight credit card transactions selected, one transaction was not supported by an original itemized receipt.

Payroll and Personnel

4. Of the five employees selected, one employee did not have written documentation of daily attendance and leave, and three employee's authorized pay rates were not included in the personnel file.
5. For the two terminated employees selected, neither employee's pay rates agreed with authorized pay rates in personnel files.
6. Management represented that certain payroll taxes were not paid within the required time frame.

Management's Response:

Management concurs with the exceptions noted and is working to address the deficiencies identified.

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

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
May 24, 2024