

CITY OF CARENCRO, LOUISIANA

Financial Report

Year Ended November 30, 2017

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INDEPENDENT AUDITOR'S REPORT

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The Honorable Glenn Brasseaux, Mayor,
and Members of the Board of Aldermen
City of Carencro, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carencro, Louisiana, as of and for the year ended November 30, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City's primary government as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Adverse Opinion on Discretely Presented Component Unit

The financial statements referred to above do not include financial data for the City's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for 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 units. The City has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net position, revenues, and expenses of the discretely presented component unit would have been reported as \$5,852,407, \$55,157, \$5,797,250, \$1,498,381, and \$1,506,729, respectively.

Adverse Opinion on Discretely Presented Component Unit

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Discretely Presented Component Unit" paragraph, the financial statements referred to above do not present fairly the financial position of the discretely presented component unit of the City of Carencro, Louisiana, as of November 30, 2017, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carencro, Louisiana, as of November 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of net pension liability, and schedule of employer contributions on pages 51 through 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the 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 of Carencro has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Carencro, Louisiana's basic financial statements. The other supplementary information on pages 60 through 89 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and comparative statements, comparative department analysis of revenues and expenses for the Utility Fund, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and comparative statements, comparative department analysis of revenues and expenses for the Utility Fund, and the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the primary government basic financial statements as a whole. The prior year comparative amounts on this information was derived from the City of Carencro's 2016 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, were fairly presented in all material respects in relation to the basic financial statements from which they were derived.

The various other informational schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2018, on our consideration of the City of Carencro's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 of Carencro's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
April 23, 2018

BASIC FINANCIAL STATEMENTS

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

CITY OF CARENCRO, LOUISIANA

Statement of Net Position
November 30, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 4,624,979	\$ 304,351	\$ 4,929,330
Investments	251,702	526,963	778,665
Receivables, net	738,936	716,345	1,455,281
Internal balances	256,655	(256,655)	-
Due from other governmental agencies	590,338	-	590,338
Prepaid items	43,026	27,565	70,591
Total current assets	<u>6,505,636</u>	<u>1,318,569</u>	<u>7,824,205</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	-	569,481	569,481
Investments	-	44,788	44,788
Capital assets:			
Land and construction in progress	5,027,656	4,630,836	9,658,492
Other capital assets, net	11,284,510	12,394,356	23,678,866
Total noncurrent assets	<u>16,312,166</u>	<u>17,639,461</u>	<u>33,951,627</u>
Total assets	<u>22,817,802</u>	<u>18,958,030</u>	<u>41,775,832</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>834,754</u>	<u>231,072</u>	<u>1,065,826</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	353,371	177,893	531,264
Due to other governmental agencies	250,954	-	250,954
Unearned revenue	15,500	-	15,500
Capital lease payable	13,046	16,531	29,577
Bonds and certificates of indebtedness payable	1,154,000	239,000	1,393,000
Accrued interest	83,433	12,914	96,347
Total current liabilities	<u>1,870,304</u>	<u>446,338</u>	<u>2,316,642</u>
Noncurrent liabilities:			
Customers deposits payable	-	413,320	413,320
Compensated absences payable	118,128	65,483	183,611
Net pension liability	2,821,376	722,552	3,543,928
Bonds and certificates of indebtedness payable	9,260,000	2,559,000	11,819,000
Total noncurrent liabilities	<u>12,199,504</u>	<u>3,760,355</u>	<u>15,959,859</u>
Total liabilities	<u>14,069,808</u>	<u>4,206,693</u>	<u>18,276,501</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	<u>303,526</u>	<u>18,454</u>	<u>321,980</u>
NET POSITION			
Net investment in capital assets	6,249,194	14,210,661	20,459,855
Restricted for debt service	1,833,472	188,035	2,021,507
Restricted for sales tax dedications	2,599,524	-	2,599,524
Unrestricted	(1,402,968)	565,259	(837,709)
Total net position	<u>\$ 9,279,222</u>	<u>\$ 14,963,955</u>	<u>\$24,243,177</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, 2017

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		Total
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental activities:							
General government	\$ 1,152,615	\$ 647,560	\$ -	\$ -	\$ (505,055)	\$ -	\$ (505,055)
Public safety:							
Police	2,676,523	424,556	311,224	32,511	(1,908,232)	-	(1,908,232)
Fire	696,574	-	142,061	-	(554,513)	-	(554,513)
City Court	218,018	-	-	-	(218,018)	-	(218,018)
Streets	932,060	-	20,715	885,749	(25,596)	-	(25,596)
Culture and recreation	837,798	32,575	291,300	25,826	(488,097)	-	(488,097)
Interest on long-term debt	271,808	-	-	-	(271,808)	-	(271,808)
Total governmental activities	<u>6,785,396</u>	<u>1,104,691</u>	<u>765,300</u>	<u>944,086</u>	<u>(3,971,319)</u>	<u>-</u>	<u>(3,971,319)</u>
Business-type activities:							
Gas	702,990	711,871	-	-	-	8,881	8,881
Water	1,547,720	1,433,687	-	-	-	(114,033)	(114,033)
Sewer	1,113,497	1,292,158	-	-	-	178,661	178,661
Sanitation	699,819	832,285	-	-	-	132,466	132,466
Total business-type activities	<u>4,064,026</u>	<u>4,270,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>205,975</u>	<u>205,975</u>
Total	<u>\$10,849,422</u>	<u>\$ 5,374,692</u>	<u>\$ 765,300</u>	<u>\$ 944,086</u>	<u>(3,971,319)</u>	<u>205,975</u>	<u>(3,765,344)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					257,793	-	257,793
Sales and use taxes, levied for general purposes					7,049,485	-	7,049,485
Franchise taxes					446,824	-	446,824
Grants and contributions not restricted to specific programs -							
State sources					16,045	-	16,045
Non-employer contributions					68,718	21,349	90,067
Interest and investment earnings					40,398	7,590	47,988
Miscellaneous					6,526	-	6,526
Net transfers					(539,922)	539,922	-
Total general revenues and transfers					<u>7,345,867</u>	<u>568,861</u>	<u>7,914,728</u>
Change in net position					3,374,548	774,836	4,149,384
Net position - December 1, 2016					<u>5,904,674</u>	<u>14,189,119</u>	<u>20,093,793</u>
Net position - November 30, 2017					<u>\$ 9,279,222</u>	<u>\$14,963,955</u>	<u>\$24,243,177</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, 2017

	General	1967	1993	TIF	2016	Capital	Other	Total
		Sales Tax Special Revenue	Sales Tax Special Revenue	District Sales Tax Special Revenue	Sales Tax Special Revenue	Projects Fund	Governmental Funds	
ASSETS								
Cash	\$ 372,841	\$ 57,194	\$ -	\$ 69,015	\$ -	\$ 180,011	\$ 1,253	\$ 680,314
Interest-bearing deposits	24,092	20,894	47,225	822,599	1,103,589	-	1,926,266	3,944,665
Investments	-	185,101	-	-	-	-	66,601	251,702
Receivables:								
Taxes	12,343	201,035	201,035	124,321	198,127	-	319	737,180
Due from other funds	122,656	-	-	-	-	600,000	-	722,656
Due from government agencies	-	-	-	-	-	590,338	-	590,338
Accrued interest	-	1,002	-	-	-	-	-	1,002
Other	754	-	-	-	-	-	-	754
Prepaid items	43,026	-	-	-	-	-	-	43,026
Total assets	<u>\$ 575,712</u>	<u>\$465,226</u>	<u>\$248,260</u>	<u>\$1,015,935</u>	<u>\$1,301,716</u>	<u>\$1,370,349</u>	<u>\$1,994,439</u>	<u>\$ 6,971,637</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 122,464	\$ 295	\$ 295	\$ 311	\$ -	\$ -	\$ 8	\$ 123,373
Contracts payable	-	-	-	9,057	-	91,060	-	100,117
Retainage payable	-	-	-	65,618	-	60,529	-	126,147
Customer rental deposits	3,700	-	-	-	-	-	-	3,700
Accrued liabilities	34	-	-	-	-	-	-	34
Unearned revenue	-	-	-	-	-	15,500	-	15,500
Due to other governmental agencies	-	36,653	36,653	177,648	-	-	-	250,954
Due to other funds	350,001	86,000	30,000	-	-	-	-	466,001
Total liabilities	<u>476,199</u>	<u>122,948</u>	<u>66,948</u>	<u>252,634</u>	<u>-</u>	<u>167,089</u>	<u>8</u>	<u>1,085,826</u>
Fund balances -								
Nonspendable - prepaid items	43,026	-	-	-	-	-	-	43,026
Restricted - sales tax dedications	-	342,278	181,312	763,301	1,301,716	-	10,917	2,599,524
Restricted - debt service	-	-	-	-	-	-	1,916,905	1,916,905
Assigned - capital projects	-	-	-	-	-	1,203,260	66,609	1,269,869
Unassigned	56,487	-	-	-	-	-	-	56,487
Total fund balances	<u>99,513</u>	<u>342,278</u>	<u>181,312</u>	<u>763,301</u>	<u>1,301,716</u>	<u>1,203,260</u>	<u>1,994,431</u>	<u>5,885,811</u>
Total liabilities and fund balances	<u>\$ 575,712</u>	<u>\$465,226</u>	<u>\$248,260</u>	<u>\$1,015,935</u>	<u>1,301,716</u>	<u>\$1,370,349</u>	<u>\$1,994,439</u>	<u>\$ 6,971,637</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, 2017

Total fund balances for governmental funds at November 30, 2017		\$ 5,885,811
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 1,190,693	
Construction in progress	3,836,963	
Land improvements, net of \$19,249 accumulated depreciation	28,228	
Buildings, net of \$1,937,098 accumulated depreciation	3,471,901	
Infrastructure, net of \$2,771,638 accumulated depreciation	6,851,941	
Equipment, furniture, and fixtures net of \$1,114,287 accumulated depreciation	461,751	
Vehicles, net of \$1,788,876 accumulated depreciation	<u>470,689</u>	16,312,166
The deferred outflows of expenditures for the various pensions are not a use of current resources, and therefore, are not reported in the funds		
		834,754
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, 2017:		
Bonds and certificates of indebtedness payable	(10,414,000)	
Capital lease payable	(13,046)	
Net pension liability	(2,821,376)	
Compensated absences payable	(118,128)	
Accrued interest payable	<u>(83,433)</u>	(13,449,983)
The deferred inflows of contributions for the various pensions are not available resources, and therefore, are not reported in in the funds		
		<u>(303,526)</u>
Total net position of governmental activities at November 30, 2017		<u>\$ 9,279,222</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, 2017

	General	1967 Sales Tax Special Revenue	1993 Sales Tax Special Revenue	TIF District Sales Tax Special Revenue	2016 Sales Tax Special Revenue	Capital Projects Fund	Other Governmental Funds	Total
Revenues:								
Taxes	\$ 704,617	\$2,155,153	\$2,155,153	\$ 1,424,472	\$ 1,307,196	\$ -	\$ 7,511	\$7,754,102
Licenses and permits	647,560	-	-	-	-	-	-	647,560
Intergovernmental	522,556	-	-	-	-	898,269	291,300	1,712,125
Fines and forfeits	424,556	-	-	-	-	-	-	424,556
Miscellaneous	48,678	4,170	2,245	10,483	3,904	7,005	16,320	92,805
Total revenues	<u>2,347,967</u>	<u>2,159,323</u>	<u>2,157,398</u>	<u>1,434,955</u>	<u>1,311,100</u>	<u>905,274</u>	<u>315,131</u>	<u>10,631,148</u>
Expenditures:								
Current -								
General government:								
Administrative	690,245	32,816	32,045	20,434	9,384	-	11	784,935
Code department	257,536	-	-	-	-	-	-	257,536
Public safety:								
Police	2,252,066	-	-	-	-	-	-	2,252,066
Fire	571,587	-	-	-	-	-	-	571,587
City Court	218,018	-	-	-	-	-	-	218,018
Highways and streets	602,482	-	-	-	-	-	-	602,482
Culture and tourism	65,212	-	692,850	-	-	-	13,939	772,001
Capital outlay	138,979	-	-	1,167,280	-	1,404,927	-	2,711,186
Debt service -								
Principal retirement	134,033	-	-	-	-	-	1,041,000	1,175,033
Interest and fiscal charges	7,066	-	-	-	-	-	266,743	273,809
Total expenditures	<u>4,937,224</u>	<u>32,816</u>	<u>724,895</u>	<u>1,187,714</u>	<u>9,384</u>	<u>1,404,927</u>	<u>1,321,693</u>	<u>9,618,653</u>
Excess (deficiency) of revenues over expenditures	<u>(2,589,257)</u>	<u>2,126,507</u>	<u>1,432,503</u>	<u>247,241</u>	<u>1,301,716</u>	<u>(499,653)</u>	<u>(1,006,562)</u>	<u>1,012,495</u>
Other financing sources (uses):								
Transfers in	2,605,000	-	-	-	-	-	1,504,722	4,109,722
Transfers out	-	(2,075,111)	(1,380,000)	(916,446)	-	(278,087)	-	(4,649,644)
Total other financing sources (uses)	<u>2,605,000</u>	<u>(2,075,111)</u>	<u>(1,380,000)</u>	<u>(916,446)</u>	<u>-</u>	<u>(278,087)</u>	<u>1,504,722</u>	<u>(539,922)</u>
Net changes in fund balances	15,743	51,396	52,503	(669,205)	1,301,716	(777,740)	498,160	472,573
Fund balances, beginning	<u>83,770</u>	<u>290,882</u>	<u>128,809</u>	<u>1,432,506</u>	<u>-</u>	<u>1,981,000</u>	<u>1,496,271</u>	<u>5,413,238</u>
Fund balances, ending	<u>\$ 99,513</u>	<u>\$ 342,278</u>	<u>\$ 181,312</u>	<u>\$ 763,301</u>	<u>\$ 1,301,716</u>	<u>\$ 1,203,260</u>	<u>\$1,994,431</u>	<u>\$5,885,811</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, 2017

Total changes in fund balances at November 30, 2017 per
Statement of Revenues, Expenditures and Changes in Fund Balances \$ 472,573

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

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

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$2,685,904	
Depreciation expense for the year ended November 30, 2017	(746,814)	
Loss on disposal of assets	<u>(1,407)</u>	1,937,683

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

Non-employer pension contributions		68,718
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Bond proceeds are 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, principal is
recorded as expenditures in the repayment of governmental funds
but reduce the liability in the statement of net position.

Principal payments		1,175,033
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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.

Compensated absences	2,641	
Pension expense	(284,101)	
Interest expense	<u>2,001</u>	<u>(279,459)</u>

Total changes in net position at November 30, 2017 per Statement of Activities		<u>\$3,374,548</u>
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The accompanying notes are an integral part of the basic financial statements.

CITY OF CARENCRO, LOUISIANA

Statement of Net Position
 Proprietary Fund
 November 30, 2017

ASSETS

Current assets:		
Cash		\$ 198,057
Interest-bearing deposits		106,294
Investments		526,963
Receivables:		
Accounts		406,752
Unbilled utility receivables		307,368
Accrued interest		2,225
Prepaid items		<u>27,565</u>
Total current assets		<u>1,575,224</u>
Noncurrent assets:		
Restricted assets:		
Cash		338,482
Interest-bearing deposits		230,999
Investments		44,788
Capital assets:		
Land and construction in progress		4,630,836
Other capital assets, net of accumulated depreciation		<u>12,394,356</u>
Total noncurrent assets		<u>17,639,461</u>
Total assets		<u>19,214,685</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions		<u>231,072</u>
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LIABILITIES

Current liabilities:		
Accounts payable		166,213
Accrued liabilities		11,680
Due to other funds		256,655
Accrued interest		12,914
Capital lease payable		16,531
Certificates of indebtedness payable		<u>239,000</u>
Total current liabilities		<u>702,993</u>
Noncurrent liabilities:		
Payable from restricted assets -		
Customers' deposits		413,320
Compensated absences payable		65,483
Net pension liability		722,552
Certificates of indebtedness payable		<u>2,559,000</u>
Total noncurrent liabilities		<u>3,760,355</u>
Total liabilities		<u>4,463,348</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions		<u>18,454</u>
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NET POSITION

Net investment in capital assets		14,210,661
Restricted for debt service		188,035
Unrestricted		<u>565,259</u>
Total net position		<u>\$ 14,963,955</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, 2017

Operating revenues:	
Charges for services -	
Gas charges	\$ 688,529
Water service charges	1,318,432
Sewer service charges	1,227,013
Garbage collection	828,910
Penalties, permits and connection fees	139,600
Miscellaneous	<u>67,517</u>
Total operating revenues	<u>4,270,001</u>
Operating expenses:	
Salaries	677,245
Payroll taxes	49,896
Group insurance	87,738
Retirement contribution	160,008
Gas purchased	133,287
Maintenance and supplies	570,637
Chemicals	268,461
Cathodic protection survey	4,182
Garbage collection fees	669,362
Depreciation expense	887,950
Utilities	177,187
Telephone	18,934
Truck operation	33,549
Office supplies and postage	30,347
Bad debts	16,279
Insurance	97,735
Miscellaneous	744
Professional fees	20,080
Uniforms	17,613
Engineering fees	13,300
Travel	8,025
Contractual services	18,502
Meter reader expense	11,038
Backhoe operating lease	<u>7,831</u>
Total operating expenses	<u>3,979,930</u>
Operating income	<u>290,071</u>

(continued)

CITY OF CARENCRO, LOUISIANA

Statement of Revenues, Expenses, and Change in Fund Net Position
Proprietary Fund (Continued)
For the Year Ended November 30, 2017

Nonoperating revenues (expenses):	
Interest income	7,590
Interest expense	(80,512)
Non-employer contributions	21,349
Loss on disposal of fixed assets	<u>(3,584)</u>
Total nonoperating revenues (expenses)	<u>(55,157)</u>
Income before transfers	<u>234,914</u>
Transfers in (out):	
Transfer from TIF Sales Tax Fund	261,841
Transfer from Capital Projects Fund	278,087
Transfer to LCDBG Sewer Improvements Fund	<u>(6)</u>
Total transfers in (out)	<u>539,922</u>
Change in net position	774,836
Net position, beginning	<u>14,189,119</u>
Net position, ending	<u>\$14,963,955</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, 2017

Cash flows from operating activities:	
Receipts from customers	\$ 4,165,510
Payments to suppliers	(2,044,528)
Payments to employees	(974,887)
Other receipts	<u>67,517</u>
Net cash provided by operating activities	<u>1,213,612</u>
Cash flows from noncapital financing activities:	
Transfers in	539,922
Cash received from other funds	<u>(356,537)</u>
Net cash provided by noncapital financing activities	<u>183,385</u>
Cash flows from capital and related financing activities:	
Net proceeds from meter deposits applied to bills or refunded	25,495
Principal paid on capital lease	(70,463)
Principal paid on certificates of indebtedness	(231,000)
Interest paid on certificates of indebtedness and capital lease	(81,578)
Acquisition of property, plant and equipment	<u>(925,857)</u>
Net cash used by capital and related financing activities	<u>(1,283,403)</u>
Cash flows from investing activities:	
Proceeds of investments and interest-bearing deposits with maturity in excess of ninety days	569,586
Purchase of investments and interest-bearing deposits with maturity in excess of ninety days	(571,751)
Interest on investments	<u>7,572</u>
Net cash provided by investing activities	<u>5,407</u>
Net increase in cash and cash equivalents	119,001
Cash and cash equivalents, beginning of period	<u>754,831</u>
Cash and cash equivalents, end of period	<u>\$ 873,832</u>

(continued)

CITY OF CARENCRO, LOUISIANA

Statement of Cash Flows
 Proprietary Fund (Continued)
 For the Year Ended November 30, 2017

Reconciliation of operating income to net cash provided by

operating activities:

Operating income	\$ 290,071
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	887,950
Pension expense	84,619
Changes in current assets and liabilities:	
Increase in accounts receivable	(36,974)
Increase in unbilled utility receivables	(75,568)
Increase in prepaid items	(1,492)
Increase in accounts payable	69,343
Increase in accrued liabilities	2,456
Decrease in compensated absences payable	(6,793)
Net cash provided by operating activities	<u>\$ 1,213,612</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	\$ 119,040
Cash - restricted	313,442
Interest-bearing deposits - unrestricted	96,926
Interest-bearing deposits - restricted	225,423
Total cash and cash equivalents	<u>754,831</u>
Cash and cash equivalents, end of period -	
Cash - unrestricted	\$ 198,057
Cash - restricted	338,482
Interest-bearing deposits - unrestricted	106,294
Interest-bearing deposits - restricted	230,999
Total cash and cash equivalents	<u>873,832</u>
Net increase	<u>\$ 119,001</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 of Carencro) 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 includes the component unit detailed below in the financial reporting entity.

Parks and Recreation Commission of Carencro, Inc.

The Parks and Recreation Commission of Carencro, Inc. was determined to be a component unit but is not presented in the accompanying financial statements. 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.

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).

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. 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, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
2. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the 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 fund is the Utility 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. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary 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, interest-bearing deposits, and investments

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

Under state law, the City may invest in United States bonds, treasury notes, or certificates. Investments are stated at fair value.

For the purpose 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.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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. Business-type activities report customer’s utility service receivables as their major receivables. Uncollectible utility service receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible accounts receivable was made due to immateriality at November 30, 2017. 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, 2017 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 \$1,500 or more for capitalizing capital assets.

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

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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.

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

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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, 2017, employees of the City have accumulated and vested \$183,611 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, 2017, 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.
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.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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’s Mayor and 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.

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

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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. Capitalization of Interest Expense

It is the policy of the City of Carencro to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the Proprietary Fund. As of November 30, 2017, there were no projects paid with borrowings for which interest was capitalized.

H. Use of Estimates

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

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 direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At November 30, 2017, the City had cash and interest-bearing deposits (book balances) totaling \$5,498,811 as follows:

Demand deposits	\$ 1,216,853
Money market accounts	<u>4,281,958</u>
Total	<u>\$ 5,498,811</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, 2017, are secured as follows:

Bank balances	<u>\$ 5,729,558</u>
Federal deposit insurance	\$ 340,191
Pledged securities	<u>5,389,367</u>
Total	<u>\$ 5,729,558</u>

Deposits in the amount of \$5,389,367 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.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

B. Investments

At November 30, 2017, 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>6 - 10 Years</u>
U.S. treasury securities	43%	\$ 357,505	\$ 26,216	\$ 128,152	\$ 203,137
U.S. agency securities	32%	263,300	80,440	182,860	-
LAMP	<u>24%</u>	<u>202,648</u>	-	-	-
Total	<u>100%</u>	<u>\$ 823,453</u>	<u>\$ 106,656</u>	<u>\$ 311,012</u>	<u>\$ 203,137</u>

Interest Rate Risk – The City does not have an official policy regarding interest rate risk.

Credit Risk/Concentration of Credit Risk – Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. 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. The Government’s investment in U.S. treasury notes and U.S. agency securities were rated AAA by Moody at November 30, 2017. More than 5% of the investments above are invested in U.S. treasury securities and U.S. agency securities. These investments represent 75% of the City’s total investments.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, 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 investment policy 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 Government. Accordingly, the City had no custodial credit risk related to its investments at November 30, 2017.

The City participates in the Louisiana Asset Management Pool (LAMP). The LAMP is an investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment. The LAMP is not registered with the Securities and Exchange Commission (SEC) as an investment company. LAMP is intended to improve administrative efficiency and increase yield of participating public entities. The portfolio securities are valued at market value even though amortized cost method is permitted by Rule 2a-7 of the Investment Company Act of 1940, as amended, which governs registered money market funds. Because LAMP is not a money market fund, it has no obligation to conform to this rule. The financial report for LAMP may be accessed on its website (www.lamppool.com).

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

The investment in LAMP is not exposed to custodial credit risk, and is not categorized in the three categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. Credit risk is the risk that an issuer or other counterparty to an investment will be unable to meet its obligations. LAMP has a fund rating of AAAM issued by Standard & Poors. Interest rate risk is the risk that changes in interest rates will adversely affect the estimated fair value of an investment. The investments in LAMP are stated at fair value based on quoted market rates. The fair value of investments is determined on a weekly basis by LAMP and the fair value of the City's investment in LAMP is the same as the value of the pool shares.

Beginning with the fiscal year ending November 30, 2016, the City began categorizing its fair value measurements within the fair value hierarchy established by generally accepted accounting principles in accordance with GASB 72. The implementation of this new standard did not change the method of measuring the fair value of the City's assets. U.S. treasury securities and U.S. agency securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. At November 30, 2017, all of the City's investments were categorized in Level 1 of the fair value hierarchy.

In accordance with GASB Statement No. 31, the City recognized a net increase in the fair value of investments for the year ended November 30, 2017. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized gain on investments held at November 30, 2017 is as follows:

Governmental Funds	\$(1,617)
Proprietary Fund	<u>(2,325)</u>
	<u><u>\$ (3,942)</u></u>

(3) 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, 2017, taxes were levied by the City in September 2016 and were billed to the taxpayers by the Assessor in November 2016. 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, 2017, taxes of 4.60 mills were levied on property with assessed valuations totaling \$58,367,747 and were dedicated to general corporate purposes. Total taxes levied were \$268,492. There was no ad valorem taxes receivable at November 30, 2017.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(4) Receivables

Receivables at November 30, 2017 of \$1,455,281 consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts	\$ 754	\$ 406,752	\$ 407,506
Unbilled utility	-	307,368	307,368
Franchise tax	12,343	-	12,343
Sales tax	724,837	-	724,837
Interest	1,002	2,225	3,227
Totals	<u>\$ 738,936</u>	<u>\$ 716,345</u>	<u>\$ 1,455,281</u>

(5) Due From Other Governmental Agencies

Amounts due from other governmental agencies at November 30, 2017 of \$590,338 consist of the following:

Capital Projects Fund:

Amount due from the State of Louisiana Governor's Office of Homeland Security for reimbursement of expenditures incurred and paid for drainage improvements at November 30, 2017	\$ 577,601
Amount due from the State of Louisiana Facility Planning and Control Office for reimbursement of expenditures incurred and paid for drainage improvements at November 30, 2017	<u>12,737</u>
Total due from other governmental agencies	<u>\$ 590,338</u>

(6) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at November 30, 2017:

Customers' deposits	\$ 413,320
Revenue bond sinking fund	<u>200,949</u>
	<u>\$ 614,269</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(7) Capital Assets

Capital asset activity for the year ended November 30, 2017 was as follows:

	Balance 12/01/16	Additions	Deletions	Balance 11/30/17
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,134,693	\$ 56,000	\$ -	\$ 1,190,693
Construction in progress	3,602,381	2,512,415	2,277,833	3,836,963
Other capital assets:				
Land improvements	49,217	-	-	49,217
Buildings	5,569,851	-	-	5,569,851
Infrastructure	7,641,163	2,277,833	-	9,918,996
Equipment, furniture and fixtures	1,539,757	117,489	119,795	1,537,451
Vehicles	2,468,569	-	53,601	2,414,968
Totals	<u>22,005,631</u>	<u>4,963,737</u>	<u>2,451,229</u>	<u>24,518,139</u>
Less accumulated depreciation				
Land improvements	19,249	1,741	-	20,990
Buildings	1,937,098	160,851	-	2,097,949
Infrastructure	2,771,638	295,417	-	3,067,055
Equipment, furniture and fixtures	1,114,287	79,800	118,388	1,075,699
Vehicles	1,788,876	209,005	53,601	1,944,280
Total accumulated depreciation	<u>7,631,148</u>	<u>746,814</u>	<u>171,989</u>	<u>8,205,973</u>
Governmental activities, capital assets, net	<u>\$ 14,374,483</u>	<u>\$ 4,216,923</u>	<u>\$ 2,279,240</u>	<u>\$ 16,312,166</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 2,041,290	\$ 49,258	\$ -	\$ 2,090,548
Construction in progress	1,922,471	617,817	-	2,540,288
Other capital assets:				
Gas system	1,205,607	8,247	-	1,213,854
Water system	11,820,153	63,999	38,482	11,845,670
Sewer system	12,923,114	157,531	-	13,080,645
Machinery and equipment	1,697,676	44,000	45,133	1,696,543
Totals	<u>31,610,311</u>	<u>940,852</u>	<u>83,615</u>	<u>32,467,548</u>
Less accumulated depreciation				
Gas system	1,064,877	26,263	-	1,091,140
Water system	5,708,489	354,517	19,903	6,043,103
Sewer system	6,708,130	425,712	-	7,133,842
Machinery and equipment	1,137,946	81,458	45,133	1,174,271
Total accumulated depreciation	<u>14,619,442</u>	<u>887,950</u>	<u>65,036</u>	<u>15,442,356</u>
Business-type activities, capital assets, net	<u>\$ 16,990,869</u>	<u>\$ 52,902</u>	<u>\$ 18,579</u>	<u>\$ 17,025,192</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 84,805
Police	219,586
Fire	87,040
Highways and streets	302,750
Culture and recreation	<u>52,633</u>
Total depreciation expense	<u>\$ 746,814</u>

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

Gas	\$ 51,515
Water	380,584
Sewer	451,779
Sanitation	<u>4,072</u>
Total depreciation expense	<u>\$ 887,950</u>

(8) Accounts and Other Payables

The accounts and other payables consisted of the following at November 30, 2017:

	Governmental Activities	Business-type Activities	Total
Accounts	\$ 123,373	\$ 166,213	\$ 289,586
Contracts	100,117	-	100,117
Retainage	126,147	-	126,147
Customer rental deposits	3,700	-	3,700
Accrued liabilities	<u>34</u>	<u>11,680</u>	<u>11,714</u>
Totals	<u>\$ 353,371</u>	<u>\$ 177,893</u>	<u>\$ 531,264</u>

(9) Due to Other Governmental Agencies

Due to other governmental agencies in the amount of \$250,954 for governmental activities consists of funds due to Lafayette Parish School System for sales tax revenues overpaid to the City as of November 30, 2017.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(10) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the City for the year ended November 30, 2017:

	Governmental Activities		Business-Type Activities	
	General Obligation	Capital Lease	Utility Revenue	Capital Lease
Long-term debt as of December 1, 2016	\$ 11,455,000	\$ 147,079	\$ 3,029,000	\$ 86,994
Additions	-	-	-	-
Retirements	(1,041,000)	(134,033)	(231,000)	(70,463)
Long-term debt as of November 30, 2017	<u>\$ 10,414,000</u>	<u>\$ 13,046</u>	<u>\$ 2,798,000</u>	<u>\$ 16,531</u>

Long-term debt payable at November 30, 2017 is comprised of the following individual issues:

Governmental activities:

General obligation bonds –

		<u>Current Portion</u>
\$1,000,000 Public Improvement Sales Tax Bonds, Series 2011, due in annual installments of \$65,000 to \$100,000 through December 1, 2023; interest at 2.68%; payable from TIF sales tax revenues	\$ 640,000	\$ 80,000
\$1,025,000 Public Improvement Sales Tax Refunding Bonds, Series 2012, due in annual installments of \$114,000 to \$189,000 through April 1, 2018; interest at 2.05%; payable from 1967 sales tax revenues	189,000	189,000
\$1,500,000 Sales Tax Bonds, Series 2013, due in annual installments of \$70,000 to \$1,800,000 through December 1, 2022; interest at 1.99%; payable from TIF sales tax revenues	995,000	155,000
\$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	4,225,000	565,000
\$3,750,000 Sales Tax Bonds, Series 2014A, due in annual installments of \$70,000 to \$500,000 through April 1, 2029; interest at 2.79%; payable from 1993 sales tax revenues	3,465,000	75,000
\$900,00 Sales Tax Bond, Series 2016, due in annual installments of \$90,000 to \$110,000 through December 1, 2025; interest at 2.30%; payable from TIF sales tax revenues	900,000	90,000
	<u>\$10,414,000</u>	<u>\$1,154,000</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Capital lease -

		<u>Current Portion</u>
\$233,172 equipment lease dated May 30, 2013 due in monthly installments of \$3,311, including interest at 4.45%, through May 31, 2018, secured by General Fund revenues and an asset with a carrying value of \$125,236 at November 30, 2017	\$ 13,046	\$ 13,046

Business-Type activities:

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 percent; payable from City's excess annual revenues	<u>\$ 2,798,000</u>	<u>\$ 239,000</u>
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Capital lease -

\$311,928 equipment lease dated May 17, 2013 due in monthly installments of \$5,533, including interest at 2.48%, through May 17, 2018, secured by Utility Fund revenues and an asset with a carrying value of \$216,617 at November 30, 2017	<u>\$ 16,531</u>	<u>\$ 16,531</u>
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The debt as of November 30, 2017 is due as follows:

Year ending November 30,	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Principal Payments</u>	<u>Interest Payments</u>
2018	\$ 1,167,046	\$ 242,526	\$ 255,531	\$ 75,066
2019	1,180,000	216,162	251,000	68,138
2020	1,215,000	188,454	259,000	60,998
2021	1,240,000	160,078	271,000	53,578
2022	1,270,000	130,993	278,000	45,892
2023-2027	3,660,000	277,897	1,309,000	107,898
2028-2032	695,000	19,461	191,000	5,390
Total	<u>\$10,427,046</u>	<u>\$1,235,571</u>	<u>\$2,814,531</u>	<u>\$ 416,960</u>

Total interest incurred and expensed for the year ended November 30, 2017 for the governmental funds was \$283,809 and the governmental activities was \$271,808. Total interest incurred and expensed for the year ended November 30, 2017 for the proprietary fund and business-type activities was \$80,512.

The compensated absences payable of \$183,611 is considered to be long-term since it should not be paid within the current year. Of that amount, \$118,128 is applicable to governmental activities and \$65,483 is applicable to business-type activities.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(11) Sales and Use Tax

Proceeds of the 1967 1% sales and use tax levied by the City of Carencro were \$2,155,153 during the year ended November 30, 2017 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.

Proceeds of the 1993 1% sales and use tax were \$2,155,153 during the year ended November 30, 2017 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 \$1,424,472 during the year ended November 30, 2015 and are dedicated for financing economic development projects in the I-49 Corridor Economic Development District.

Proceeds of the 2016 1% sales and use tax were \$1,307,196 during the year ended November 30, 2017 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 \$7,511 during the year ended November 30, 2017 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, 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 one day 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 contract at November 30, 2017.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(13) On-behalf Payments 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 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, 2017, the State paid supplemental salaries in the amount of \$169,039 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.

(14) Federal Social Security System

All employees of the City of Carencro are members of the Federal Social Security System. The City and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the City; 7.65% by the employee). The City's contribution during the years ended November 30, 2017, 2016, and 2015 amounted to \$180,259, \$179,738, and \$137,259, respectively.

(15) 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. 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.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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	25 years of any age 10 years age 60 20 years any age ¹	25 years of any age 20 years age 55 12 years age 55 20 years any age ¹ 30 years any age ³ 25 years age 55 ³ 10 years age 60 ³	25 years of any age 20 years age 50 12 years age 55
Benefit percent per years of service	3.00%	2.50 - 3.33% ⁴	3.33%

¹ With actuarial reduced benefits

² Membership commencing January 1, 2013

³ Under non hazardous duty sub plan commencing January 1, 2013

⁴ Membership commencing January 1, 2013 non hazardous duty plan 2.5%, hazardous duty plan 3.0%, membership prior to January 1, 2013 3.33%.

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, 2017 for the defined benefit pension plans in which the City is a participating employer were as follows:

Plan	Active Member Contribution Percentage	Employer Contribution Percentage	Amount from Nonemployer Contributing Entities	Amount of City Contributions
MERS	5.00%	11.00%	\$ 31,864	\$ 113,456
MPERS	10.00%	30.75%	48,448	238,705
FRS	10.00%	26.50%	9,755	31,665

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Net Pension Liability

The City's net pension liability at November 30, 2017 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, 2017 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	\$ 1,107,343	1.279821%	-0.006922%
MPERS	2,215,668	0.253787%	-0.046184%
FRS	<u>220,917</u>	0.038542%	0.009544%
Total	<u>\$ 3,543,928</u>		

Since the measurement date of the net pension liability was June 30, 2017, 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.lafirefightersret.com/>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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	7/1/2009 - 6/30/2014	7/1/2010 - 6/30/2014	7/1/2009 - 6/30/2014
Expected remaining service lives	3	4	7
Inflation Rate	2.775%	2.700%	2.775%
Projected salary increases	5.0%	4.25% - 9.75%	4.75% - 15.0%
Projected benefit changes including COLAs	None	None	None
Source of mortality assumptions	(1), (2), (3)	(4), (5)	(3), (6)

- (1) RP-2000 Employee Table for active members set back 2 years for males and females
- (2) RP-2000 Healthy Annuitant Table set forward 2 years and projected to 2028 for males using Scale AA for males and set forward 1 year and projected to 2028 using Scale AA for females
- (3) RP-2000 Disabled Lives Mortality Table for disabled annuitants set back 5 years for males and 3 years for females
- (4) RP-2000 Sex Distinct Employee Table set back 4 years for males and set back 3 years for females
- (5) RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table Projected to 2029 for males using Scale AA and set back 1 year and Projected to 2029 for females using Scale AA
- (6) RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table Projected to 2031 using Scale AA

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.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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.

Discount Rate

The discount rates used to measure the City’s total pension liability for each plan and the significant assumptions used in the determination of the discount rate for each plan are as follows:

	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>
Discount rate	7.40%	7.325%	7.40%
Change in discount rate from prior valuation	-0.10%	-0.175%	-0.10%
Plan cash flow assumptions	(1)	(1)	(1)
Rates incorporated in the Discount Rate:			
Long-term Rate of Return	7.40%	7.325%	7.40%
Periods applied	All	All	All
Municipal Bond Rate	N/A	N/A	N/A

***Plan Cash Flow Assumptions:**

- 1) Plan member contributions will be made at the current contributions rates and sponsor contributions will be made at the actuarially determined rates.

The discount rates used to measure the City’s total pension liability for each plan is equal to the long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits. For 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.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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	35%	1.60%	21%	0.52%
Equities	50%	2.30%	53%	3.66%
Alternative Investments	15%	0.70%	20%	1.10%
Other	-	-	6%	0.16%
Total	100%	4.60%	100%	5.44%
Inflation		2.60%		2.75%
Expected Return		7.20%		8.19%

Asset Class	FRS*	
	Target Allocation	Long-term Expected Real Rate of Return
Domestic Fixed Income	23%	2.04%
Domestic Equity	27%	6.15%
International Equity	20%	7.45%
Global Equity	10%	6.85%
Global Tactical Asset Allocation	5%	4.40%
Risk Parity	5%	4.79%
Private Equity	4%	8.73%
Real Estate	6%	4.62%
Total	100%	5.54%
Inflation/Rebalancing		2.75%
Expected Return		8.29%

*Arithmetic real rates of return

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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, 2017, the City recognized \$240,385, \$442,549, and \$69,702 in pension expense for MERS, MPERS, and FRS, respectively.

At November 30, 2017, 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	\$ 5,800	\$ 14,508	\$ -	\$ 20,308
Changes in assumptions	48,758	157,657	9,240	215,655
Net difference between projected and actual earnings on pension plan investments	233,312	96,994	19,005	349,311
Changes in proportion and differences between actual contributions and proportionate share of contributions	12,903	163,658	136,111	312,672
Employer contributions to the pension plans subsequent to the measurement date of the net pension liability	53,202	97,910	16,768	167,880
Total	<u>\$ 353,975</u>	<u>\$ 530,727</u>	<u>\$ 181,124</u>	<u>\$ 1,065,826</u>
	Deferred Inflows of Resources			
	MERS	MPERS	FRS	Total
Differences between expected and actual experience	\$ 24,039	\$ 17,030	\$ 12,320	\$ 53,389
Changes in assumptions	-	-	53	53
Changes in proportion and differences between actual contributions and proportionate share of contributions	4,159	264,379	-	268,538
Total	<u>\$ 28,198</u>	<u>\$ 281,409</u>	<u>\$ 12,373</u>	<u>\$ 321,980</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Deferred outflows of resources of \$167,880 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending November 30, 2017. 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
2018	114,592	104,515	35,347	\$ 254,454
2019	97,138	107,848	39,153	244,139
2020	50,349	(8,965)	30,721	72,105
2021	10,497	(51,990)	20,713	(20,780)
2022	-	-	18,478	18,478
Thereafter	-	-	7,570	7,570
	<u>272,576</u>	<u>151,408</u>	<u>151,982</u>	<u>\$ 575,966</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	7.40%	\$ 1,432,778	\$ 1,107,343	\$ 829,630
MPERS	7.325%	3,061,159	2,215,668	1,506,362
FRS	7.40%	317,449	220,917	139,768
Total		<u>\$ 4,811,386</u>	<u>\$ 3,543,928</u>	<u>\$ 2,475,760</u>

Payables to the Pension Plans

At November 30, 2017, the City had no outstanding payables to MERS, MPERS, or FRS.

(16) Litigation and Claims

At November 30, 2017, 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.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(17) 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, 2017, the City's natural gas purchases amounted to \$133,287, of which \$12,750 was owed for purchases for the month of November 2017.

(18) 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.

(19) Departmental Information for the Enterprise Fund

The City of Carencro maintains one enterprise fund with four departments, which provide gas, water, sewerage, and sanitation services. Departmental information for the income statement for the year ended November 30, 2017, was as follows:

	<u>Gas Department</u>	<u>Water Department</u>	<u>Sewerage Department</u>	<u>Sanitation Department</u>	<u>Total Enterprise Fund</u>
Operating revenues	<u>\$ 711,871</u>	<u>\$ 1,433,687</u>	<u>\$ 1,292,158</u>	<u>\$ 832,285</u>	<u>\$ 4,270,001</u>
Operating expenses:					
Depreciation	51,515	380,584	451,779	4,072	887,950
Other	<u>647,891</u>	<u>1,086,624</u>	<u>661,718</u>	<u>695,747</u>	<u>3,091,980</u>
Total operating expenses	<u>699,406</u>	<u>1,467,208</u>	<u>1,113,497</u>	<u>699,819</u>	<u>3,979,930</u>
Operating income (loss)	<u>\$ 12,465</u>	<u>\$ (33,521)</u>	<u>\$ 178,661</u>	<u>\$ 132,466</u>	<u>\$ 290,071</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(20) Compensation of City Officials

A detail of compensation paid to the City Council for the year ended November 30, 2017 follows:

L.J. Boudreaux	\$ 9,095
Antoine Babineaux, Jr.	9,095
Alfred Sinegal	9,095
Kim Guidry	9,195
J.L. Richard	9,095
	<u>\$ 45,575</u>

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

The schedule of compensation, benefits, and other payments to Glenn Brasseaux, Mayor, for the year ended November 30, 2017 follows:

Salary	\$ 74,948
Benefits - insurance	4,759
Benefits - retirement	8,244
Vehicle allowance	6,000
Registration fees	969
Travel	2,293
Other	151
	<u>\$ 97,364</u>

(22) Interfund Transactions

A. Interfund receivables and payables consisted of the following at November 30, 2017:

	<u>Receivable</u>	<u>Payable</u>
Governmental funds:		
Major governmental funds -		
General Fund	\$ 122,656	\$ 350,001
1967 Sales Tax Special Revenue Fund	-	86,000
1993 Sales Tax Special Revenue Fund	-	30,000
Capital Projects Fund	600,000	-
Total governmental funds	<u>722,656</u>	<u>466,001</u>
Proprietary fund:		
Utility Fund	-	256,655
Total	<u>\$ 722,656</u>	<u>\$ 722,656</u>

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

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Transfers consisted of the following for the year ended November 30, 2017:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds:		
Major governmental funds -		
General Fund	\$ 2,605,000	\$ -
1967 Sales Tax Special Revenue Fund	-	2,075,111
1993 Sales Tax Special Revenue Fund	-	1,380,000
TIF District Sales Tax Special Revenue Fund	-	916,446
Capital Projects Fund	-	278,087
Non-major governmental funds -		
2011 Sales Tax Bond Fund	97,152	-
2012 Sales Tax Bond Fund	193,146	-
2013 Sales Tax Bond Fund	557,453	-
2014 Sales Tax Bond Fund	656,965	-
LCDBG 2009 Sewer Improvements Fund	6	-
Proprietary fund:		
Utility Fund	<u>539,928</u>	<u>6</u>
Total	<u>\$ 4,649,650</u>	<u>\$ 4,649,650</u>

B. External transactions consisted of the following for the year ended November 30, 2017:

1993 Sales Tax Special Revenue Fund	
Payments to PARC, Inc. to fund culture and recreation activities	\$ (692,850)
Capital Projects Fund	
Revenues from PARC, Inc. to fund a portion construction for the Carencro Sports Complex	11,895
2014 Sales Tax Bond Fund	
Revenues from PARC, Inc. to fund a portion of debt service requirements	<u>291,300</u>
	<u>\$ (389,655)</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, (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (c) to account for external transactions between the primary government and its discretely presented component unit which are classified as external transactions in the government-wide statement of activities.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(23) Tax Abatement

The City is subject to tax abatements granted by the Department of Economic Development. This program has the stated purpose of increasing business activity and employment in the Parish and the State. Under the program, companies commit to expand or maintain facilities or employment in the Parish, establish a new business in the Parish, or relocate existing business to the Parish. Agreements include an abatement of ad valorem taxes for a period of 10 years from the initial assessment due. The City's ad valorem taxes were reduced by \$1,121.

(24) Subsequent Event

On January 19, 2018, the City issued \$5,500,000 Taxable Utilities Revenue Bonds, Series 2018 at an interest rate of 2.45%, maturing on August 1, 2039 for the purpose of paying a portion of the cost of constructing and acquiring additions, extensions and improvements to the combined drinking water and wastewater collection, treatment and disposal system for the City.

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended November 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 630,620	\$ 708,956	\$ 704,617	\$ (4,339)
Licenses and permits	602,800	671,267	647,560	(23,707)
Intergovernmental	468,265	511,296	522,556	11,260
Fines and forfeits	375,750	450,858	424,556	(26,302)
Miscellaneous	32,000	29,919	48,678	18,759
Total revenues	<u>2,109,435</u>	<u>2,372,296</u>	<u>2,347,967</u>	<u>(24,329)</u>
Expenditures:				
Current -				
General government:				
Administrative	595,840	645,699	690,245	(44,546)
Code department	208,431	251,944	257,536	(5,592)
Public safety:				
Police	2,294,243	2,257,529	2,252,066	5,463
Fire	452,329	505,331	571,587	(66,256)
City court	185,760	222,372	218,018	4,354
Highways and streets	435,745	530,356	602,482	(72,126)
Culture and tourism	66,806	62,652	65,212	(2,560)
Capital outlay	109,000	89,264	138,979	(49,715)
Debt service-				
Principal retirement	130,640	130,785	134,033	(3,248)
Interest and fiscal charges	7,148	7,003	7,066	(63)
Total expenditures	<u>4,485,942</u>	<u>4,702,935</u>	<u>4,937,224</u>	<u>(234,289)</u>
Deficiency of revenues over expenditures	<u>(2,376,507)</u>	<u>(2,330,639)</u>	<u>(2,589,257)</u>	<u>(258,618)</u>
Other financing sources:				
Transfers from -				
1967 Sales Tax Fund	1,125,000	1,225,000	1,225,000	-
1993 Sales Tax Fund	1,300,000	1,380,000	1,380,000	-
Total other financing sources	<u>2,425,000</u>	<u>2,605,000</u>	<u>2,605,000</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures	48,493	274,361	15,743	(258,618)
Fund balance, beginning	<u>83,770</u>	<u>83,770</u>	<u>83,770</u>	<u>-</u>
Fund balance, ending	<u>\$ 132,263</u>	<u>\$ 358,131</u>	<u>\$ 99,513</u>	<u>\$ (258,618)</u>

CITY OF CARENCRO, LOUISIANA
1967 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended November 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$2,055,750	\$2,112,014	\$2,155,153	\$ 43,139
Miscellaneous	650	2,312	4,170	1,858
Total revenues	2,056,400	2,114,326	2,159,323	44,997
Expenditures:				
Current -				
General government	29,750	35,290	32,816	2,474
Excess of revenues over expenditures	2,026,650	2,079,036	2,126,507	47,471
Other financing uses:				
Transfers out	(1,975,111)	(2,074,950)	(2,075,111)	(161)
Excess of revenues over over expenditures and other financing uses	51,539	4,086	51,396	47,310
Fund balance, beginning	290,882	290,882	290,882	-
Fund balance, ending	\$ 342,421	\$ 294,968	\$ 342,278	\$ 47,310

CITY OF CARENCRO, LOUISIANA
1993 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended November 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,055,750	\$ 2,112,014	\$ 2,155,153	\$ 43,139
Miscellaneous	500	2,190	2,245	55
Total revenues	<u>2,056,250</u>	<u>2,114,204</u>	<u>2,157,398</u>	<u>43,194</u>
Expenditures:				
Current:				
General government	29,250	32,290	32,045	245
Culture and recreation	<u>650,000</u>	<u>693,000</u>	<u>692,850</u>	<u>150</u>
Total expenditures	<u>679,250</u>	<u>725,290</u>	<u>724,895</u>	<u>395</u>
Excess of revenues over expenditures	1,377,000	1,388,914	1,432,503	43,589
Other financing use:				
Transfer to General Fund	<u>(1,300,000)</u>	<u>(1,380,000)</u>	<u>(1,380,000)</u>	<u>-</u>
Excess of revenues over over expenditures and other financing use	77,000	8,914	52,503	43,589
Fund balance, beginning	<u>128,809</u>	<u>128,809</u>	<u>128,809</u>	<u>-</u>
Fund balance, ending	<u>\$ 205,809</u>	<u>\$ 137,723</u>	<u>\$ 181,312</u>	<u>\$ 43,589</u>

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

Budgetary Comparison Schedule
For the Year Ended November 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,330,750	\$ 1,432,194	\$ 1,424,472	\$ (7,722)
Miscellaneous	3,950	10,389	10,483	94
Total revenues	<u>1,334,700</u>	<u>1,442,583</u>	<u>1,434,955</u>	<u>(7,628)</u>
Expenditures:				
Current:				
General government	13,245	20,970	20,434	536
Capital outlay	<u>1,471,621</u>	<u>1,190,671</u>	<u>1,167,280</u>	<u>23,391</u>
Total expenditures	<u>1,484,866</u>	<u>1,211,641</u>	<u>1,187,714</u>	<u>23,927</u>
Excess of revenues over expenditures	1,321,455	230,942	247,241	16,299
Other financing uses:				
Transfers out	<u>(774,605)</u>	<u>(1,030,039)</u>	<u>(916,446)</u>	<u>113,593</u>
Excess (deficiency) of revenues over expenditures and other uses	546,850	(799,097)	(669,205)	129,892
Fund balance, beginning	<u>1,432,506</u>	<u>1,432,506</u>	<u>1,432,506</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,979,356</u>	<u>\$ 633,409</u>	<u>\$ 763,301</u>	<u>\$ 129,892</u>

CITY OF CARENCRO, LOUISIANA
 2016 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
 For the Year Ended November 30, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ -	\$ 1,317,645	\$ 1,307,196	\$ (10,449)
Miscellaneous	-	2,605	3,904	1,299
Total revenues	-	1,320,250	1,311,100	(9,150)
Expenditures:				
Current:				
General government	-	15,750	9,384	6,366
Excess of revenues over expenditures	-	1,304,500	1,301,716	(2,784)
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ 1,304,500	\$ 1,301,716	\$ (2,784)

CITY OF CARENCRO, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
For the Year Ended November 30, 2017

<u>Plan/ Fiscal Year</u>	<u>Employer Proportion of the Net Pension Liability (Asset)</u>	<u>Employer Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Municipal Employees' Retirement System					
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					
6/30/2017	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					
6/30/2017	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%

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

CITY OF CARENCRO, LOUISIANA

Schedule of Employer Contributions
For the Year Ended November 30, 2017

<u>Year Ended November 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
Municipal Employees' Retirement System					
2017	\$113,456	\$113,456	\$ -	\$ 1,093,025	10.38%
2016	96,328	96,328	-	950,918	10.13%
2015	82,951	82,951	-	873,168	9.50%
Municipal Police Employees' Retirement System					
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					
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%

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

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 or as amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

(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, 2017, the General Fund had actual expenditures over appropriations, at the functional level, as follows:

Function	Budget	Actual	Excess
General government	\$ 897,643	\$ 947,781	\$ (50,138)
Public safety	2,985,232	3,041,671	(56,439)
Highways and streets	530,356	602,482	(72,126)
Culture and tourism	62,652	65,212	(2,560)
Capital outlay	89,264	138,979	(49,715)
Debt service	137,788	141,099	(3,311)

OTHER SUPPLEMENTARY INFORMATION

CITY OF CARENCRO, LOUISIANA

Statement of Net Position

November 30, 2017

With Comparative Totals as of November 30, 2016

	2017			2016 Totals
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 4,624,979	\$ 304,351	\$ 4,929,330	\$ 4,705,823
Investments	251,702	526,963	778,665	775,675
Receivables, net	738,936	716,345	1,455,281	1,009,953
Internal balances	256,655	(256,655)	-	-
Due from other governmental agencies	590,338	-	590,338	620,931
Prepaid items	43,026	27,565	70,591	71,961
Total current assets	<u>6,505,636</u>	<u>1,318,569</u>	<u>7,824,205</u>	<u>7,184,343</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing deposits	-	569,481	569,481	538,865
Investments	-	44,788	44,788	44,379
Capital assets:				
Land and construction in progress	5,027,656	4,630,836	9,658,492	8,700,835
Other capital assets, net	11,284,510	12,394,356	23,678,866	22,664,517
Total noncurrent assets	<u>16,312,166</u>	<u>17,639,461</u>	<u>33,951,627</u>	<u>31,948,596</u>
Total assets	<u>22,817,802</u>	<u>18,958,030</u>	<u>41,775,832</u>	<u>39,132,939</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	<u>834,754</u>	<u>231,072</u>	<u>1,065,826</u>	<u>1,617,317</u>
LIABILITIES				
Current liabilities:				
Accounts and other payables	353,371	177,893	531,264	836,370
Due to other governmental agencies	250,954	-	250,954	282,990
Unearned revenue	15,500	-	15,500	-
Capital lease payable	13,046	16,531	29,577	181,583
Bonds and certificates of indebtedness payable	1,154,000	239,000	1,393,000	1,272,000
Accrued interest	83,433	12,914	96,347	99,414
Total current liabilities	<u>1,870,304</u>	<u>446,338</u>	<u>2,316,642</u>	<u>2,672,357</u>
Noncurrent liabilities:				
Customers deposits payable	-	413,320	413,320	387,825
Compensated absences payable	118,128	65,483	183,611	193,045
Net pension liability	2,821,376	722,552	3,543,928	4,067,927
Capital lease payable	-	-	-	52,490
Bonds and certificates of indebtedness payable	9,260,000	2,559,000	11,819,000	13,212,000
Total noncurrent liabilities	<u>12,199,504</u>	<u>3,760,355</u>	<u>15,959,859</u>	<u>17,913,287</u>
Total liabilities	<u>14,069,808</u>	<u>4,206,693</u>	<u>18,276,501</u>	<u>20,585,644</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	<u>303,526</u>	<u>18,454</u>	<u>321,980</u>	<u>70,819</u>
NET POSITION				
Net investment in capital assets	6,249,194	14,210,661	20,459,855	16,634,254
Restricted for debt service	1,833,472	188,035	2,021,507	1,515,347
Restricted for sales tax dedications	2,599,524	-	2,599,524	1,863,131
Unrestricted	(1,402,968)	565,259	(837,709)	81,061
Total net position	<u>\$ 9,279,222</u>	<u>\$ 14,963,955</u>	<u>\$ 24,243,177</u>	<u>\$ 20,093,793</u>

CITY OF CARENCRO, LOUISIANA

Balance Sheet

General and Special Revenue Funds

November 30, 2017

With Comparative Totals as of November 30, 2016

	General		1967 Sales Tax Special Revenue		1993 Sales Tax Special Revenue		TIF District Sales Tax Special Revenue	
	2017	2016	2017	2016	2017	2016	2017	2016
ASSETS								
Cash	\$ 372,841	\$ 451,410	\$ 57,194	\$ 26,740	\$ -	\$ -	\$ 69,015	\$ 1,345,454
Interest-bearing deposits	24,092	24,056	20,894	20,863	47,225	20,944	822,599	593,414
Investments	-	-	185,101	184,475	-	-	-	-
Receivables:								
Taxes	12,343	11,560	201,035	149,631	201,035	149,631	124,321	92,965
Due from other funds	122,656	205,750	-	-	-	-	-	-
Accrued interest	-	-	1,002	940	-	-	-	-
Other	754	754	-	-	-	-	-	-
Prepaid items	43,026	45,888	-	-	-	-	-	-
Total assets	<u>\$ 575,712</u>	<u>\$ 739,418</u>	<u>\$ 465,226</u>	<u>\$ 382,649</u>	<u>\$ 248,260</u>	<u>\$ 170,575</u>	<u>\$ 1,015,935</u>	<u>\$ 2,031,833</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 122,464	\$ 89,244	\$ 295	\$ 435	\$ 295	\$ 434	\$ 311	\$ 671
Contracts payable	-	-	-	-	-	-	9,057	177,351
Retainage payable	-	-	-	-	-	-	65,618	14,479
Customer rental deposits	3,700	5,500	-	-	-	-	-	-
Accrued liabilities	34	34	-	-	-	-	-	-
Due to other governmental agencies	-	-	36,653	41,332	36,653	41,332	177,648	200,326
Due to other funds	350,001	560,868	86,000	50,000	30,000	-	-	206,500
Total liabilities	<u>476,199</u>	<u>655,646</u>	<u>122,948</u>	<u>91,767</u>	<u>66,948</u>	<u>41,766</u>	<u>252,634</u>	<u>599,327</u>
Fund balances -								
Nonspendable - prepaid items	43,026	45,888	-	-	-	-	-	-
Restricted - sales tax dedications	-	-	342,278	290,882	181,312	128,809	763,301	1,432,506
Unassigned	56,487	37,884	-	-	-	-	-	-
Total fund balances	<u>99,513</u>	<u>83,772</u>	<u>342,278</u>	<u>290,882</u>	<u>181,312</u>	<u>128,809</u>	<u>763,301</u>	<u>1,432,506</u>
Total liabilities and fund balances	<u>\$ 575,712</u>	<u>\$ 739,418</u>	<u>\$ 465,226</u>	<u>\$ 382,649</u>	<u>\$ 248,260</u>	<u>\$ 170,575</u>	<u>\$ 1,015,935</u>	<u>\$ 2,031,833</u>

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended November 30, 2017
With Comparative Actual Amounts for the Year Ended November 30, 2016

	2017				
	Budget		Actual	Variance with Final Budget	2016 Actual
	Original	Final		Positive (Negative)	
Taxes:					
Ad valorem	\$ 235,000	\$ 277,010	\$ 257,793	\$ (19,217)	\$ 229,937
Franchise -					
Electric	340,500	382,424	397,826	15,402	376,857
Cable TV and gas	55,120	49,522	48,998	(524)	52,662
Total taxes	<u>630,620</u>	<u>708,956</u>	<u>704,617</u>	<u>(4,339)</u>	<u>659,456</u>
Licenses and permits:					
Occupational licenses	373,000	408,728	381,129	(27,599)	356,073
Code department permits	229,800	262,539	266,431	3,892	368,170
Total licenses and permits	<u>602,800</u>	<u>671,267</u>	<u>647,560</u>	<u>(23,707)</u>	<u>724,243</u>
Intergovernmental:					
Federal grants	10,000	32,258	32,511	253	10,618
State of Louisiana -					
Department of Transportation and Development	20,715	20,715	20,715	-	20,715
Beer taxes	14,300	15,973	16,045	72	14,486
On-behalf payments	162,000	169,039	169,039	-	157,356
Lafayette Parish Government -					
Two percent fire insurance refund	80,000	92,061	92,061	-	83,701
Firefighter reimbursement	-	-	-	-	20,810
Proceeds for fire department	50,000	50,000	50,000	-	50,000
Lafayette Parish School Board - resource officer	131,250	131,250	142,185	10,935	120,313
Total intergovernmental	<u>468,265</u>	<u>511,296</u>	<u>522,556</u>	<u>11,260</u>	<u>477,999</u>
Fines and forfeits:					
Fines and court costs	121,000	82,724	83,731	1,007	113,737
Police special detail and accident reports	254,750	368,134	340,825	(27,309)	298,080
Total fines, forfeits, etc.	<u>375,750</u>	<u>450,858</u>	<u>424,556</u>	<u>(26,302)</u>	<u>411,817</u>
Miscellaneous:					
Interest	500	1,930	2,620	690	649
Community Center rentals	26,500	26,775	32,575	5,800	34,925
Donations	5,000	1,129	13,306	12,177	9,300
Insurance proceeds	-	-	-	-	21,625
Other sources	-	85	177	92	1,859
Total miscellaneous	<u>32,000</u>	<u>29,919</u>	<u>48,678</u>	<u>18,759</u>	<u>68,358</u>
Total revenues	<u>\$ 2,109,435</u>	<u>\$ 2,372,296</u>	<u>\$ 2,347,967</u>	<u>\$ (24,329)</u>	<u>\$ 2,341,873</u>

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended November 30, 2017
With Comparative Actual Amounts for the Year Ended November 30, 2016

	2017			Variance with Final Budget Positive (Negative)	2016 Actual
	Budget		Actual		
	Original	Final			
Current:					
General government -					
Administrative:					
Mayor and council salaries	\$ 126,472	\$ 126,472	\$ 126,523	\$ (51)	\$ 126,473
Other salaries and wages	71,271	84,153	84,153	-	71,271
Retirement	15,015	15,102	16,494	(1,392)	14,796
Group insurance	7,072	10,604	10,668	(64)	6,816
Payroll taxes	10,100	11,139	11,147	(8)	10,010
Insurance	46,750	59,649	57,154	2,495	44,002
Office	18,500	23,316	26,661	(3,345)	30,759
Advertisements and recordings	8,500	12,483	9,503	2,980	9,552
Dues	2,000	6,919	8,225	(1,306)	8,005
Legal fees	79,500	76,306	66,918	9,388	79,963
Professional fees	19,500	22,520	22,825	(305)	21,145
Engineering	105,000	106,721	150,807	(44,086)	122,076
Travel and conferences	10,000	9,471	12,690	(3,219)	12,286
Gas and repairs	1,650	1,702	2,372	(670)	1,598
Auto allowance	7,200	6,923	6,923	-	7,200
Utilities and telephone	15,450	14,433	17,033	(2,600)	17,996
Rent	6,000	6,000	6,000	-	6,000
Repairs and maintenance	21,160	33,001	35,332	(2,331)	19,150
Condemnation	5,000	-	-	-	17,055
Senior citizens' compensation	9,000	8,816	8,790	26	8,805
Uniforms	1,200	529	529	-	1,453
Miscellaneous	9,500	9,440	9,498	(58)	7,379
Total administrative	<u>595,840</u>	<u>645,699</u>	<u>690,245</u>	<u>(44,546)</u>	<u>643,790</u>
Code department:					
Salaries	41,000	41,000	41,000	-	50,991
Retirement	4,510	4,510	4,900	(390)	4,145
Group insurance	4,734	4,734	4,759	(25)	3,816
Payroll taxes	3,137	2,995	2,995	-	3,713
Insurance	1,750	2,249	2,152	97	1,688
Inspection fees	150,000	193,834	199,555	(5,721)	274,854
Miscellaneous	3,300	2,622	2,175	447	2,437
Total code department	<u>208,431</u>	<u>251,944</u>	<u>257,536</u>	<u>(5,592)</u>	<u>341,644</u>
Total general government	<u>804,271</u>	<u>897,643</u>	<u>947,781</u>	<u>(50,138)</u>	<u>985,434</u>

(continued)

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended November 30, 2017
With Comparative Actual Amounts for the Year Ended November 30, 2016

	2017		Actual	Variance with Final Budget Positive (Negative)	2016 Actual
	Budget				
	Original	Final			
Public safety:					
Police department -					
Salaries	1,263,248	1,280,205	1,262,707	17,498	1,314,931
Retirement	235,000	246,277	239,687	6,590	247,442
Group insurance	171,527	154,617	153,024	1,593	153,892
Payroll taxes	87,693	90,725	90,282	443	89,849
Insurance	250,000	231,049	221,092	9,957	240,487
Gas and repairs	113,500	101,831	107,178	(5,347)	106,594
Equipment expenditures	40,000	21,007	31,981	(10,974)	23,770
Maintenance	19,700	16,786	22,986	(6,200)	27,704
Utilities and telephone	18,200	18,923	19,363	(440)	17,265
Auto allowance	14,400	14,400	14,400	-	14,400
Legal fees	1,000	25	1,150	(1,125)	1,425
Miscellaneous	4,000	43	671	(628)	2,704
Supplies	23,000	18,451	18,879	(428)	24,879
Office supplies	11,225	13,592	12,582	1,010	25,279
Grant expenditures	-	130	130	-	4,685
Police special account expenditures	-	-	-	-	144
Uniforms	15,000	28,032	31,077	(3,045)	12,228
Training	20,000	19,307	20,175	(868)	23,048
Drug task force expenditures	4,750	1,304	2,673	(1,369)	2,870
Drug testing	2,000	825	2,029	(1,204)	2,880
Total police department	<u>2,294,243</u>	<u>2,257,529</u>	<u>2,252,066</u>	<u>5,463</u>	<u>2,336,476</u>
Fire department -					
Salaries	163,369	213,736	242,567	(28,831)	186,031
Retirement	18,010	26,553	31,665	(5,112)	18,708
Group insurance	22,852	18,921	19,273	(352)	15,421
Payroll taxes	12,498	14,941	15,701	(760)	13,289
Insurance	70,000	58,917	56,378	2,539	68,966
Maintenance and supplies	24,100	21,334	29,442	(8,108)	27,569
Auto	30,000	43,488	45,296	(1,808)	42,006
Utilities and telephone	17,600	17,636	18,078	(442)	17,203
Equipment expenditures	15,000	16,415	34,431	(18,016)	12,754
Miscellaneous	59,000	57,640	56,270	1,370	61,566
Training	7,000	4,031	5,915	(1,884)	5,458
Radio user fees	6,400	2,475	4,875	(2,400)	7,215
Uniforms	6,500	9,244	11,696	(2,452)	3,951
Total fire department	<u>452,329</u>	<u>505,331</u>	<u>571,587</u>	<u>(66,256)</u>	<u>480,137</u>

(continued)

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended November 30, 2017
With Comparative Actual Amounts for the Year Ended November 30, 2016

	2017			Variance with Final Budget Positive (Negative)	2016 Actual
	Budget		Actual		
	Original	Final			
City Court department -					
City magistrate	10,500	9,880	11,389	(1,509)	10,718
Other salaries	6,560	5,646	6,477	(831)	4,491
Legal fees	6,000	10,913	12,263	(1,350)	8,863
Fine fees	106,500	138,516	131,035	7,481	122,981
Traffic detail expenditures	56,200	57,417	56,854	563	71,870
Total city court department	<u>185,760</u>	<u>222,372</u>	<u>218,018</u>	<u>4,354</u>	<u>218,923</u>
Total public safety	<u>2,932,332</u>	<u>2,985,232</u>	<u>3,041,671</u>	<u>(56,439)</u>	<u>3,035,536</u>
Highways and streets:					
Salaries	132,776	132,685	135,581	(2,896)	133,724
Retirement	14,605	14,504	15,690	(1,186)	13,378
Group insurance	26,007	26,006	24,174	1,832	23,052
Payroll taxes	10,157	9,364	9,614	(250)	9,360
Insurance	29,500	32,383	30,987	1,396	27,239
Maintenance and supplies	53,500	37,365	119,918	(82,553)	36,473
Engineering	4,200	38,281	41,223	(2,942)	3,504
Street equipment repairs and maintenance	-	21,815	31,636	(9,821)	33,697
Lighting	102,000	102,912	104,874	(1,962)	102,626
Dumping fees	-	26,435	-	26,435	-
Inmate labor	42,000	56,026	56,648	(622)	44,760
Auto	16,000	26,223	25,529	694	14,804
Uniforms	5,000	6,357	6,561	(204)	4,916
Total highways and streets	<u>435,745</u>	<u>530,356</u>	<u>602,482</u>	<u>(72,126)</u>	<u>447,533</u>
Culture and tourism -					
Main street project, parades, and events, Congres Mondial, etc.	-	-	-	-	5,711
Community Center:					
Salaries	4,000	4,320	4,464	(144)	4,232
Payroll taxes	306	331	346	(15)	325
Insurance	10,500	10,619	10,161	458	9,777
Equipment and supplies	15,500	12,248	11,799	449	19,381
Janitorial services	22,000	20,437	21,250	(813)	21,348
Utilities and telephone	14,500	14,697	17,192	(2,495)	15,529
Total community center	<u>66,806</u>	<u>62,652</u>	<u>65,212</u>	<u>(2,560)</u>	<u>70,592</u>
Total culture and tourism	<u>66,806</u>	<u>62,652</u>	<u>65,212</u>	<u>(2,560)</u>	<u>76,303</u>

(continued)

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended November 30, 2017
With Comparative Actual Amounts for the Year Ended November 30, 2016

	2017			Variance with Final Budget Positive (Negative)	2016 Actual
	Budget		Actual		
	Original	Final			
Capital outlay:					
General government -					
Veterans Memorial project	-	-	489	(489)	2,389
Land	-	21,000	21,000	-	-
Equipment	-	2,511	-	2,511	27,394
Total general government	-	23,511	21,489	2,022	29,783
Public safety:					
Police -					
Autos	75,000	40,000	85,676	(45,676)	85,543
Computer programs and equipment	15,000	6,742	14,592	(7,850)	15,956
Improvements	-	-	-	-	17,775
Total police	90,000	46,742	100,268	(53,526)	119,274
Fire -					
Furniture and fixtures	-	-	-	-	11,085
Equipment	19,000	19,011	17,222	1,789	2,653
Total fire	19,000	19,011	17,222	1,789	13,738
Highways and streets:					
Street and sidewalk repairs	-	-	-	-	25,189
Total capital outlay	109,000	89,264	138,979	(49,715)	187,984
Debt service:					
Principal retirement	130,640	130,785	134,033	(3,248)	127,008
Interest and fiscal charges	7,148	7,003	7,066	(63)	14,091
Total debt service	137,788	137,788	141,099	(3,311)	141,099
Total expenditures	\$4,485,942	\$4,702,935	\$4,937,224	\$ (234,289)	\$4,873,889

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

Budgetary Comparison Schedule
For the Year Ended November 30, 2017
With Comparative Actual Amounts for the Year Ended November 30, 2016

	2017		Actual	Variance with Final Budget Positive (Negative)	2016 Actual
	Budget				
	Original	Final			
Revenues:					
Taxes	\$2,055,750	\$2,112,014	\$2,155,153	\$ 43,139	\$1,778,603
Interest	650	2,312	4,170	1,858	2,858
Total revenues	<u>2,056,400</u>	<u>2,114,326</u>	<u>2,159,323</u>	<u>44,997</u>	<u>1,781,461</u>
Expenditures:					
Current -					
General government:					
Collection fees	20,500	23,090	21,520	1,570	21,597
Professional fees	9,250	11,200	10,525	675	9,695
Office expenditures	-	1,000	771	229	1,404
Total expenditures	<u>29,750</u>	<u>35,290</u>	<u>32,816</u>	<u>2,474</u>	<u>32,696</u>
Excess of revenues over expenditures	<u>2,026,650</u>	<u>2,079,036</u>	<u>2,126,507</u>	<u>47,471</u>	<u>1,748,765</u>
Other financing uses:					
Transfers to -					
General Fund	(1,125,000)	(1,225,000)	(1,225,000)	-	(898,000)
2012 Sales Tax Bond Fund	(193,146)	(193,146)	(193,146)	-	(43,598)
2014 Sales Tax Bond Fund	<u>(656,965)</u>	<u>(656,804)</u>	<u>(656,965)</u>	<u>(161)</u>	<u>(655,793)</u>
Total other financing uses	<u>(1,975,111)</u>	<u>(2,074,950)</u>	<u>(2,075,111)</u>	<u>(161)</u>	<u>(1,597,391)</u>
Excess of revenues over expenditures and other financing uses	51,539	4,086	51,396	47,310	151,374
Fund balance, beginning	<u>290,882</u>	<u>290,882</u>	<u>290,882</u>	<u>-</u>	<u>139,508</u>
Fund balance, ending	<u>\$ 342,421</u>	<u>\$ 294,968</u>	<u>\$ 342,278</u>	<u>\$ 47,310</u>	<u>\$ 290,882</u>

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

Budgetary Comparison Schedule
For the Year Ended November 30, 2017
With Comparative Actual Amounts for the Year Ended November 30, 2016

	2017			Variance with Final Budget Positive (Negative)	2016 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 2,055,750	\$ 2,112,014	\$ 2,155,153	\$ 43,139	\$ 1,779,025
Miscellaneous - interest	500	2,190	2,245	55	573
Total revenues	<u>2,056,250</u>	<u>2,114,204</u>	<u>2,157,398</u>	<u>43,194</u>	<u>1,779,598</u>
Expenditures:					
Current -					
General government:					
Collection fees	20,000	21,090	21,520	(430)	21,597
Professional fees	9,250	11,200	10,525	675	9,695
Total general government	<u>29,250</u>	<u>32,290</u>	<u>32,045</u>	<u>245</u>	<u>31,292</u>
Culture and recreation	<u>650,000</u>	<u>693,000</u>	<u>692,850</u>	<u>150</u>	<u>583,872</u>
Total expenditures	<u>679,250</u>	<u>725,290</u>	<u>724,895</u>	<u>395</u>	<u>615,164</u>
Excess of revenues over expenditures	1,377,000	1,388,914	1,432,503	43,589	1,164,434
Other financing use -					
Transfer to General Fund	<u>(1,300,000)</u>	<u>(1,380,000)</u>	<u>(1,380,000)</u>	<u>-</u>	<u>(1,120,000)</u>
Excess of revenues over expenditures and other financing use	77,000	8,914	52,503	43,589	44,434
Fund balance, beginning	<u>128,809</u>	<u>128,809</u>	<u>128,809</u>	<u>-</u>	<u>84,375</u>
Fund balance, ending	<u>\$ 205,809</u>	<u>\$ 137,723</u>	<u>\$ 181,312</u>	<u>\$ 43,589</u>	<u>\$ 128,809</u>

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

Budgetary Comparison Schedule
For the Year Ended November 30, 2017
With Comparative Actual Amounts for the Year Ended November 30, 2016

	2017			Variance with Final Budget Positive (Negative)	2016 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$1,330,750	\$1,432,194	\$1,424,472	\$ (7,722)	\$1,069,891
Miscellaneous - interest	3,950	10,389	10,483	94	4,845
Total revenues	<u>1,334,700</u>	<u>1,442,583</u>	<u>1,434,955</u>	<u>(7,628)</u>	<u>1,074,736</u>
Expenditures:					
Current -					
General government:					
Collection fees	8,000	14,350	13,899	451	11,949
Engineering	600	-	-	-	922
Office expenses	45	-	-	-	43
Professional fees	4,600	6,620	6,535	85	4,805
Total general government	<u>13,245</u>	<u>20,970</u>	<u>20,434</u>	<u>536</u>	<u>17,719</u>
Capital outlay	1,471,621	1,190,671	1,167,280	23,391	331,010
Debt service					
Bond issue costs	-	-	-	-	20,866
Total expenditures	<u>1,484,866</u>	<u>1,211,641</u>	<u>1,187,714</u>	<u>23,927</u>	<u>369,595</u>
Excess (deficiency) of revenues over expenditures	<u>(150,166)</u>	<u>230,942</u>	<u>247,241</u>	<u>16,299</u>	<u>705,141</u>
Other financing sources (uses):					
Bond proceeds	-	-	-	-	900,000
Transfer to 2011 Certificates of Indebtedness	(130,921)	(130,921)	(97,152)	33,769	(99,296)
Transfer to General Fund	-	-	-	-	(150,000)
Transfer to 2013 Sales Tax Bond Fund	(523,684)	(523,684)	(557,453)	(33,769)	(368,376)
Transfer to Utility Fund	(120,000)	(375,434)	(261,841)	113,593	(386,310)
Total other financing sources (uses)	<u>(774,605)</u>	<u>(1,030,039)</u>	<u>(916,446)</u>	<u>113,593</u>	<u>(103,982)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(924,771)</u>	<u>(799,097)</u>	<u>(669,205)</u>	<u>129,892</u>	<u>601,159</u>
Fund balance, beginning	<u>1,432,506</u>	<u>1,432,506</u>	<u>1,432,506</u>	<u>-</u>	<u>831,347</u>
Fund balance, ending	<u>\$ 507,735</u>	<u>\$ 633,409</u>	<u>\$ 763,301</u>	<u>\$ 129,892</u>	<u>\$ 1,432,506</u>

CITY OF CARENCRO, LOUISIANA
Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended November 30, 2017
With Comparative Actual Amounts for the Year Ended November 30, 2016

	2017		Variance with Budget Positive (Negative)	2016 Actual
	Budget	Actual		
Revenue:				
Intergovernmental -				
Federal grants	\$ 911,939	\$ 763,950	\$ (147,989)	\$ 1,715,256
State grant - Facilities Planning & Control	109,942	121,799	11,857	461,442
Local grant - Lafayette Visitors Commission	625	625	-	-
Local contribution - PARC, Inc.	-	11,895	11,895	242,306
Miscellaneous	7,005	7,005	-	12,479
Total revenues	<u>1,029,511</u>	<u>905,274</u>	<u>(124,237)</u>	<u>2,431,483</u>
Expenditures:				
Capital outlay -				
Post Road erosion	987,004	1,014,446	(27,442)	1,391
Andre Street bridge repairs	-	16,412	(16,412)	-
City hall roof repairs	-	-	-	33,947
Gaston Coulee project	67,810	37,926	29,884	737,710
Arceneaux Road drainage improvements	110	110	-	139,131
Richard Street drainage improvements	111,452	11,090	100,362	1,102,720
Walter Drive drainage improvements	11,985	17,963	(5,978)	39,930
St. Anne drainage improvements	128,313	171,800	(43,487)	334,822
Andre Street drainage improvements	89,215	121,393	(32,178)	54,227
Pavilion	1,500	625	875	-
PARC land and construction	21,562	13,162	8,400	1,761,288
Total expenditures	<u>1,418,951</u>	<u>1,404,927</u>	<u>14,024</u>	<u>4,205,166</u>
Deficiency of revenues over expenditures	(389,440)	(499,653)	(110,213)	(1,773,683)
Other financing use:				
Transfer to Utility Fund	<u>(329,568)</u>	<u>(278,087)</u>	<u>51,481</u>	<u>(756,913)</u>
Deficiency of revenues over expenditures and other use	(719,008)	(777,740)	(58,732)	(2,530,596)
Fund balance, beginning	<u>1,981,000</u>	<u>1,981,000</u>	<u>-</u>	<u>4,511,596</u>
Fund balance, ending	<u>\$ 1,261,992</u>	<u>\$ 1,203,260</u>	<u>\$ (58,732)</u>	<u>\$ 1,981,000</u>

CITY OF CARENCRO, LOUISIANA
Nonmajor Governmental Funds

Combining Balance Sheet
November 30, 2017
With Comparative Totals as of November 30, 2016

	Hotel/Motel Sales Tax Fund	2011	2012	2013	2014	Sidewalk Construction Fund	LCDBG 2009 Sewer Improvements Fund	Totals	
		Sales Tax Bond Fund	Sales Tax Bond Fund	Sales Tax Bond Fund	Sales Tax Bond Fund		2017	2016	
ASSETS									
Cash	\$ 1,245	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8	\$ 1,253	\$ 398
Interest-bearing deposits	9,361	89,493	373,604	819,803	634,005	-	-	1,926,266	1,379,193
Investments	-	-	-	-	-	66,601	-	66,601	65,993
Receivables:									
Taxes	319	-	-	-	-	-	-	319	687
Due from other funds	-	-	-	-	-	-	-	-	50,000
TOTAL ASSETS	\$ 10,925	\$ 89,493	\$ 373,604	\$ 819,803	\$ 634,005	\$ 66,601	\$ 8	\$ 1,994,439	\$ 1,496,271
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8	\$ -
Fund balances:									
Restricted - sales tax dedications	10,917	-	-	-	-	-	-	10,917	10,934
Restricted - debt service	-	89,493	373,604	819,803	634,005	-	-	1,916,905	1,419,342
Assigned - capital projects	-	-	-	-	-	66,601	8	66,609	65,995
Total fund balances	10,917	89,493	373,604	819,803	634,005	66,601	8	1,994,431	1,496,271
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,925	\$ 89,493	\$ 373,604	\$ 819,803	\$ 634,005	\$ 66,601	\$ 8	\$ 1,994,439	\$ 1,496,271

CITY OF CARENCRO, LOUISIANA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended November 30, 2017
With Comparative Actual Amounts for the Year Ended November 30, 2016

	Hotel/Motel Sales Tax Fund	2011	2012	2013	2014	Sidewalk Construction Fund	LCDBG 2009 Sewer Improvements Fund	Totals	
		Sales Tax Bond Fund	Sales Tax Bond Fund	Sales Tax Bond Fund	Sales Tax Bond Fund		2017	2016	
Revenues:									
Taxes	\$ 7,511	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,511	\$ 7,189
Local sources	-	-	-	-	291,300	-	-	291,300	291,300
Miscellaneous	6,422	422	2,429	1,592	4,847	608	-	16,320	6,773
Total revenues	<u>13,933</u>	<u>422</u>	<u>2,429</u>	<u>1,592</u>	<u>296,147</u>	<u>608</u>	<u>-</u>	<u>315,131</u>	<u>305,262</u>
Expenditures:									
Current -									
General government	11	-	-	-	-	-	-	11	-
Culture and tourism	13,939	-	-	-	-	-	-	13,939	6,258
Debt service -									
Principal retirement	-	80,000	186,000	150,000	625,000	-	-	1,041,000	1,012,000
Interest and fiscal charges	-	18,224	5,781	42,318	200,420	-	-	266,743	272,243
Total expenditures	<u>13,950</u>	<u>98,224</u>	<u>191,781</u>	<u>192,318</u>	<u>825,420</u>	<u>-</u>	<u>-</u>	<u>1,321,693</u>	<u>1,290,501</u>
Excess (deficiency) of revenues over expenditures	<u>(17)</u>	<u>(97,802)</u>	<u>(189,352)</u>	<u>(190,726)</u>	<u>(529,273)</u>	<u>608</u>	<u>-</u>	<u>(1,006,562)</u>	<u>(985,239)</u>
Other financing sources :									
Transfer from 1967 Sales Tax Fund	-	-	193,146	-	656,965	-	-	850,111	699,391
Transfer from TIF Sales Tax Fund	-	97,152	-	557,453	-	-	-	654,605	467,672
Transfer from Utility Fund	-	-	-	-	-	-	6	6	-
Total other financing sources	<u>-</u>	<u>97,152</u>	<u>193,146</u>	<u>557,453</u>	<u>656,965</u>	<u>-</u>	<u>6</u>	<u>1,504,722</u>	<u>1,167,063</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>(17)</u>	<u>(650)</u>	<u>3,794</u>	<u>366,727</u>	<u>127,692</u>	<u>608</u>	<u>6</u>	<u>498,160</u>	<u>181,824</u>
Fund balances, beginning	<u>10,934</u>	<u>90,143</u>	<u>369,810</u>	<u>453,076</u>	<u>506,313</u>	<u>65,993</u>	<u>2</u>	<u>1,496,271</u>	<u>1,314,447</u>
Fund balances, ending	<u>\$ 10,917</u>	<u>\$ 89,493</u>	<u>\$ 373,604</u>	<u>\$ 819,803</u>	<u>\$ 634,005</u>	<u>\$ 66,601</u>	<u>\$ 8</u>	<u>\$ 1,994,431</u>	<u>\$ 1,496,271</u>

NONMAJOR SPECIAL REVENUE FUND

Hotel/Motel Sales Tax Fund

To account for the receipt and use of proceeds of a 4% tax upon the rent or fee charged for the occupancy of hotel rooms within the City. These taxes are dedicated and used to fund the construction and maintenance of water and sewer infrastructure, economic development and tourism within the City.

CITY OF CARENCRO, LOUISIANA
 Nonmajor Special Revenue Fund
 Hotel/Motel Sales Tax Fund

Budgetary Comparison Schedule
 For the Year Ended November 30, 2017
 With Comparative Actual Amounts for the Year Ended November 30, 2016

	2017		Variance with Final Budget Positive (Negative)	2016 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 7,969	\$ 7,511	\$ (458)	\$ 7,189
Miscellaneous -				
Donations	5,675	5,675	-	2,500
Farmers market	709	674	(35)	1,298
Interest	70	73	3	19
Total revenues	<u>14,423</u>	<u>13,933</u>	<u>(490)</u>	<u>11,006</u>
Expenditures:				
Current -				
General government:				
Collection fees	80	11	69	-
Office expense	34	-	34	-
Total general government	<u>114</u>	<u>11</u>	<u>103</u>	<u>-</u>
Culture and tourism:				
Culture district	1,046	946	100	200
Culture and tourism	12,737	12,959	(222)	6,058
Economic development	-	34	(34)	-
Total culture and tourism	<u>13,783</u>	<u>13,939</u>	<u>(156)</u>	<u>6,258</u>
Total expenditures	<u>13,897</u>	<u>13,950</u>	<u>(53)</u>	<u>6,258</u>
Excess (deficiency) of revenues over expenditures	526	(17)	(543)	4,748
Fund balance, beginning	<u>10,934</u>	<u>10,934</u>	<u>-</u>	<u>6,186</u>
Fund balance, ending	<u>\$ 11,460</u>	<u>\$ 10,917</u>	<u>\$ (543)</u>	<u>\$ 10,934</u>

NONMAJOR DEBT SERVICE FUNDS

2011 Sales Tax Bond Fund -

To accumulate monies for payment of the \$1,000,000 Public Improvement Sales Tax Bonds, Series 2011, which are due in annual installments, plus interest, through maturity in 2023. Debt service is financed by transfers from proceeds of the City's TIF District 1% sales and use tax.

2012 Sales Tax Bond Fund -

To accumulate monies for payment of the \$1,025,000 Public Improvement Sales Tax Bonds, Series 2012, which are due in annual installments, plus interest, through maturity in 2018. Debt service is financed by transfers from proceeds of the City's 1967 1% sales and use tax.

2013 Sales Tax Bond Fund -

To accumulate monies for payment of the \$1,500,000 Certificates of Indebtedness, Series 2013, due in annual installments, plus interest, through maturity in 2023. Debt service is financed from proceeds of the City's TIF District 1% sales and use tax. Additionally, accumulates monies for payment of the \$900,000 Sales Tax Bonds, Series 2016, due in annual installments, plus interest through maturity in 2026. Debt service is financed by transfers from proceeds of the City's TIF District 1% sales and use tax.

2014 Sales Tax Bond Fund -

To accumulate monies for payment of the \$5,800,000 Sales Tax Bonds, Series 2014, due in annual installments, plus interest, through maturity in 2024. Debt service is financed by transfers from proceeds of the City's 1967 1% sales and use tax. Additionally, accumulates monies for payment of the \$3,750,000 Sales Tax Bonds, Series 2014A, due in annual installments, plus interest, through maturity in 2029. Debt service is financed by transfers from the Park and Recreation Commission of Carencro, Inc.'s share of the 1993 1% sales and use tax.

CITY OF CARENCRO, LOUISIANA
 Nonmajor Debt Service Fund
 2011 Sales Tax Bond Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 For the Year Ended November 30, 2017
 With Comparative Actual Amounts for the Year Ended November 30, 2016

	2017		Variance with Budget Positive (Negative)	2016 Actual
	Budget	Actual		
Revenues:				
Miscellaneous - interest	\$ 467	\$ 422	\$ (45)	\$ 121
Expenditures:				
Debt service -				
Principal retirement	80,000	80,000	-	75,000
Interest and fiscal charges	18,224	18,224	-	20,301
Total expenditures	98,224	98,224	-	95,301
Deficiency of revenues over expenditures	(97,757)	(97,802)	(45)	(95,180)
Other financing sources:				
Transfers from TIF Sales Tax Fund	130,921	97,152	(33,769)	99,296
Excess (deficiency) of revenues and other financing sources over expenditures	33,164	(650)	(33,814)	4,116
Fund balance, beginning	90,143	90,143	-	86,027
Fund balance, ending	\$ 123,307	\$ 89,493	\$ (33,814)	\$ 90,143

CITY OF CARENCRO, LOUISIANA
 Nonmajor Debt Service Fund
 2012 Sales Tax Bond Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year Ended November 30, 2017
 With Comparative Actual Amounts for the Year Ended November 30, 2016

	2017		Variance with Budget Positive (Negative)	2016 Actual
	Budget	Actual		
Revenues:				
Miscellaneous - interest	\$ 3,112	\$ 2,429	\$ (683)	\$ 1,112
Expenditures:				
Debt service -				
Principal retirement	186,000	186,000	-	182,000
Interest and fiscal charges	5,781	5,781	-	9,553
Total expenditures	191,781	191,781	-	191,553
Deficiency of revenues over expenditures	(188,669)	(189,352)	(683)	(190,441)
Other financing sources:				
Transfers from 1967 Sales Tax Fund	193,146	193,146	-	43,598
Excess (deficiency) of revenues and other financing sources over expenditures	4,477	3,794	(683)	(146,843)
Fund balance, beginning	369,810	369,810	-	516,653
Fund balance, ending	\$ 374,287	\$ 373,604	\$ (683)	\$ 369,810

CITY OF CARENCRO, LOUISIANA
 Nonmajor Debt Service Fund
 2013 Sales Tax Bond Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 For the Year Ended November 30, 2017
 With Comparative Actual Amounts for the Year Ended November 30, 2016

	2017		Variance with Budget Positive (Negative)	2016 Actual
	Budget	Actual		
Revenues:				
Miscellaneous - interest	\$ 1,400	\$ 1,592	\$ 192	\$ 474
Expenditures:				
Debt service -				
Principal retirement	150,000	150,000	-	145,000
Interest and fiscal charges	41,993	42,318	(325)	28,406
Total expenditures	191,993	192,318	(325)	173,406
Deficiency of revenues over expenditures	(190,593)	(190,726)	(133)	(172,932)
Other financing sources:				
Transfers from TIF Sales Tax Fund	523,684	557,453	33,769	368,376
Excess of revenues and other financing sources over expenditures	333,091	366,727	33,636	195,444
Fund balance, beginning	453,076	453,076	-	257,632
Fund balance, ending	\$ 786,167	\$ 819,803	\$ 33,636	\$ 453,076

CITY OF CARENCRO, LOUISIANA
 Nonmajor Debt Service Fund
 2014 Sales Tax Bond Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 For the Year Ended November 30, 2017
 With Comparative Actual Amounts for the Year Ended November 30, 2016

	2017		Variance with Budget Positive (Negative)	2016 Actual
	Budget	Actual		
Revenues:				
Local sources	\$ 291,300	\$ 291,300	\$ -	\$ 291,300
Miscellaneous - interest	2,800	4,847	2,047	971
Total revenues	<u>294,100</u>	<u>296,147</u>	<u>2,047</u>	<u>292,271</u>
Expenditures:				
Debt service				
Principal retirement	625,000	625,000	-	610,000
Interest and fiscal charges	200,420	200,420	-	213,983
Total expenditures	<u>825,420</u>	<u>825,420</u>	<u>-</u>	<u>823,983</u>
Deficiency of revenues over expenditures	(531,320)	(529,273)	2,047	(531,712)
Other financing sources:				
Transfers from 1967 Sales Tax Fund	<u>656,804</u>	<u>656,965</u>	<u>161</u>	<u>655,793</u>
Excess of revenues and other financing sources over expenditures	125,484	127,692	2,208	124,081
Fund balance, beginning	<u>506,313</u>	<u>506,313</u>	<u>-</u>	<u>382,232</u>
Fund balance, ending	<u>\$ 631,797</u>	<u>\$ 634,005</u>	<u>\$ 2,208</u>	<u>\$ 506,313</u>

NONMAJOR CAPITAL PROJECTS FUND

Sidewalk Construction Fund -

To accumulate funds for the construction of sidewalks provided by General Fund revenues (transfers).

LCDBG 2009 Sewer Improvements -

To accumulate funds for the construction of the 2009 Sewer Improvements project provided by the Louisiana Community Development Block Grant and Utility Fund revenues (transfers).

CITY OF CARENCRO, LOUISIANA
 Nonmajor Capital Projects Fund
 Sidewalk Construction Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year Ended November 30, 2017
 With Comparative Actual Amounts for the Year Ended November 30, 2016

	2017		Variance with Budget Positive (Negative)	2016 Actual
	Budget	Actual		
Revenue:				
Miscellaneous - interest	\$ 207	\$ 608	\$ 401	\$ 278
Expenditures:				
Capital outlay	-	-	-	-
Excess of revenues over expenditures	207	608	401	278
Fund balance, beginning	<u>65,993</u>	<u>65,993</u>	-	<u>65,715</u>
Fund balance, ending	<u>\$ 66,200</u>	<u>\$ 66,601</u>	<u>\$ 401</u>	<u>\$ 65,993</u>

CITY OF CARENCRO, LOUISIANA
 Nonmajor Capital Projects Fund
 LCDBG 2009 Sewer Improvements Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year Ended November 30, 2017
 With Comparative Actual Amounts for the Year Ended November 30, 2016

	2017		Variance with Budget Positive Negative (Negative)	2016 Actual
	Budget	Actual		
Revenue:				
Federal grant - LCDBG	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Other financing source:				
Transfer from Utility Fund	-	6	6	-
Excess of revenues and other financing source over expenditures	-	6	6	-
Fund balance, beginning	2	2	-	2
Fund balance, ending	<u>\$ 2</u>	<u>\$ 8</u>	<u>\$ 6</u>	<u>\$ 2</u>

CITY OF CARENCRO, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
November 30, 2017 and 2016

Records maintained by the City indicated the following number of customers were being serviced during the month of November, 2017 and 2016:

<u>Department</u>	<u>2017</u>	<u>2016</u>
Gas (metered)	764	777
Water (metered)	2,877	2,753
Sewerage	2,530	2,418
Garbage	2,639	2,551

CITY OF CARENCRO, LOUISIANA

Schedule of Insurance In Force
(Unaudited)
November 30, 2017

Description of Coverage	Coverage Amounts
Workmen's compensation - Employer's liability	Statutory \$ 500,000
Surety bonds - Fidelity bond	310,000
Notary public bond	30,000
Comprehensive general liability, bodily injury, property damage, and personal injury	500,000
Law enforcement liability Personal injury, liability, false arrest, etc.	500,000
Automobile bodily injury, property damage, and uninsured motorists	500,000
Public officials liability	500,000
Commercial automobile	1,000,000
Building and personal property coverage - Community Center building	1,540,000
City hall: Building	800,000
Contents	200,000
Police station: Building	550,000
Contents	55,000
Utility Department: Water plant buildings	3,126,000
Contents	40,000
Utility sheds	66,000
Contents	35,000
Special risk - fire department - Building and personal property coverage - Buildings (2 fire stations and 1 annex building)	1,405,532
Contents	70,250
Vehicle coverage	1,159,246
Automobile bodily injury, property damage, and uninsured motorists	1,000,000
General liability	1,000,000
General aggregate	2,000,000
Products	2,000,000
Personal injury	1,000,000
Fire damage	1,000,000
Umbrella (excess coverage) liability, each occurrence	5,000,000
Umbrella (excess coverage) liability, annual aggregate	10,000,000

CITY OF CARENCRO, LOUISIANA

Combined Schedule of Interest-Bearing Deposits and Investments - All Funds
November 30, 2017

		<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
Major Governmental Funds:				
General Fund -				
Money Market Investment Account	(R)	Variable	N/A	<u>\$ 24,092</u>
Special Revenue Funds -				
1967 Sales Tax Fund:				
Money Market Investment Account	(R)	Variable	N/A	20,894
U. S. Treasury Notes and Securities	(E)	1.375 - 4.875%	Various	<u>185,101</u>
				<u>205,995</u>
1993 Sales Tax Fund:				
Money Market Investment Account	(I)	Variable	N/A	20,524
Money Market Investment Account	(I)	Variable	N/A	<u>26,701</u>
				<u>47,225</u>
TIF District Sales Tax Fund:				
Money Market Investment Account	(R)	Variable	N/A	<u>822,599</u>
2016 Sales Tax Fund:				
Money Market Investment Account	(I)	Variable	N/A	<u>1,103,589</u>
Nonmajor governmental funds:				
Special Revenue Fund -				
Hotel/Motel Sales Tax Fund				
Money Market Investment Account	(I)	Variable	N/A	<u>9,361</u>
Debt Service Funds -				
2011 Sales Tax Bond Fund:				
Money Market Investment Account	(I)	Variable	N/A	<u>89,493</u>
2012 Sales Tax Bond Fund:				
Money Market Investment Account	(I)	Variable	N/A	<u>373,604</u>
2013 Sales Tax Bond Fund:				
Money Market Investment Account	(I)	Variable	N/A	<u>819,803</u>
2014 Sales Tax Bond Fund:				
Money Market Investment Account	(I)	Variable	N/A	<u>634,005</u>
Capital Projects Fund -				
Sidewalk Construction Fund:				
Louisiana Asset Management Pool	(L)	Variable	N/A	<u>66,601</u>
Total governmental funds				<u>\$ 4,196,367</u>

(continued)

CITY OF CARENCRO, LOUISIANA

Combined Schedule of Interest-Bearing Deposits and Investments - All Funds (Continued)
November 30, 2017

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
Proprietary Fund:			
Utility Fund -			
Unrestricted Accounts:			
Money Market Investment Account	(I) Variable	N/A	\$ 106,294
U. S. Treasury Notes and Securities	(E) 1.375 - 4.875%	Various	435,704
Louisiana Asset Management Pool	(L) Variable	N/A	<u>91,259</u>
Total unrestricted accounts			<u>633,257</u>
Restricted Accounts:			
Customers' Deposits -			
Money Market Investment Account	(R) Variable	N/A	30,050
Louisiana Asset Management Pool	(L) Variable	N/A	<u>44,788</u>
			74,838
Revenue Bond Sinking Fund -			
Money Market Investment Account	(I) Variable	N/A	<u>200,949</u>
Total restricted accounts			<u>275,787</u>
Total proprietary fund			<u>909,044</u>
Total interest-bearing deposits and investments - all funds			<u>\$5,105,411</u>

Certificates of deposit, money market investment accounts and U.S. Treasury notes and securities with ---

- (I) Iberia Savings Bank
- (L) Louisiana Asset Management Fund
- (E) Edward Jones
- (R) Rayne State Bank

CITY OF CARENCRO, LOUISIANA

Comparative Statement of Net Position
Proprietary Fund
November 30, 2017 and 2016

	Enterprise Fund	
	2017	2016
ASSETS		
Current assets:		
Cash	\$ 198,057	\$ 119,040
Interest-bearing deposits	106,294	96,926
Investments	526,963	525,207
Receivables:		
Accounts	406,752	369,778
Unbilled utility receivables	307,368	231,800
Accrued interest	2,225	2,207
Prepaid items	27,565	26,073
Total current assets	<u>1,575,224</u>	<u>1,371,031</u>
Noncurrent assets:		
Restricted assets:		
Cash	338,482	313,442
Interest-bearing deposits	230,999	225,423
Investments	44,788	44,379
Capital assets:		
Land and construction in progress	4,630,836	3,963,762
Other capital assets, net of accumulated depreciation	<u>12,394,356</u>	<u>13,027,107</u>
Total noncurrent assets	<u>17,639,461</u>	<u>17,574,113</u>
Total assets	<u>19,214,685</u>	<u>18,945,144</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	<u>231,072</u>	<u>260,209</u>
LIABILITIES		
Current liabilities:		
Accounts payable	166,213	96,870
Accrued liabilities	11,680	9,224
Due to other funds	256,655	613,192
Accrued interest	12,914	13,980
Capital lease payable	16,531	54,034
Certificates of indebtedness payable	<u>239,000</u>	<u>231,000</u>
Total current liabilities	<u>702,993</u>	<u>1,018,300</u>
Noncurrent liabilities:		
Payable from restricted assets -		
Customers' deposits	413,320	387,825
Compensated absences payable	65,483	72,276
Net pension liability	722,552	695,248
Capital lease payable	-	32,960
Certificates of indebtedness payable	<u>2,559,000</u>	<u>2,798,000</u>
Total noncurrent liabilities	<u>3,760,355</u>	<u>3,986,309</u>
Total liabilities	<u>4,463,348</u>	<u>5,004,609</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	<u>18,454</u>	<u>11,625</u>
NET POSITION		
Net investment in capital assets	14,210,661	13,874,875
Restricted for debt service	188,035	181,439
Unrestricted	<u>565,259</u>	<u>132,805</u>
Total net position	<u>\$ 14,963,955</u>	<u>\$ 14,189,119</u>

CITY OF CARENCRO, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Analysis of Revenues and Expenses
Years Ended November 30, 2017 and 2016

	Totals		Gas	
	2017	2016	2017	2016
Operating revenues:				
Customers service charges	\$ 4,062,884	\$ 3,567,591	\$688,529	\$ 555,704
Permits, reconnections and penalties	139,600	113,584	2,410	2,494
Miscellaneous	67,517	67,824	20,932	21,025
Total operating revenues	<u>4,270,001</u>	<u>3,748,999</u>	<u>711,871</u>	<u>579,223</u>
Operating expenses:				
Salaries	677,245	683,382	167,800	167,829
Payroll taxes	49,896	52,387	12,162	12,168
Group insurance	87,738	82,967	14,870	14,412
Retirement	160,008	137,261	39,415	34,315
Gas purchased	133,287	111,308	133,287	111,308
Maintenance and supplies	570,637	588,626	39,627	44,061
Chemicals	268,461	265,480	-	-
Cathodic protection survey	4,182	5,065	4,182	5,065
Garbage collection fees	669,362	642,281	-	-
Depreciation expense	887,950	902,356	26,263	25,481
Utilities	177,187	159,563	-	-
Telephone	18,934	18,377	-	-
Truck operation	33,549	34,166	15,997	8,233
Office supplies and postage	30,347	27,026	-	-
Bad debts	16,279	13,930	-	-
Insurance	97,735	82,330	33,773	25,835
Miscellaneous	744	521	-	-
Professional fees	20,080	19,745	-	-
Uniforms	17,613	12,795	6,160	4,068
Engineering fees	13,300	12,613	-	-
Travel	8,025	2,895	6,000	1,125
Contractual services	18,502	19,566	-	-
Meter reader expense	11,038	11,143	11,038	11,143
Backhoe operating lease	7,831	18,606	-	-
Allocation of general and administrative expense	-	-	188,832	176,839
Total operating expenses	<u>3,979,930</u>	<u>3,904,389</u>	<u>699,406</u>	<u>641,882</u>
Net operating income (loss)	<u>\$ 290,071</u>	<u>\$ (155,390)</u>	<u>\$ 12,465</u>	<u>\$ (62,659)</u>

Water		Sewerage		Sanitation		Administrative	
2017	2016	2017	2016	2017	2016	2017	2016
\$ 1,318,432	\$ 1,170,120	\$ 1,227,013	\$ 1,074,428	\$ 828,910	\$ 767,339	\$ -	\$ -
93,650	70,200	43,540	40,890	-	-	-	-
21,605	21,704	21,605	21,704	3,375	3,391	-	-
<u>1,433,687</u>	<u>1,262,024</u>	<u>1,292,158</u>	<u>1,137,022</u>	<u>832,285</u>	<u>770,730</u>	-	-
226,727	226,596	31,184	32,626	-	-	251,534	256,331
16,076	15,819	2,309	2,310	-	-	19,349	22,090
26,507	27,005	4,759	4,576	-	-	41,602	36,974
47,984	41,178	7,014	5,490	-	-	65,595	56,278
-	-	-	-	-	-	-	-
347,801	313,255	142,783	193,415	-	-	40,426	37,895
130,053	110,119	138,408	155,361	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	669,362	642,281	-	-
354,517	396,012	425,712	403,342	-	-	81,458	77,521
48,561	47,126	118,610	102,846	-	-	10,016	9,591
-	-	-	-	-	-	18,934	18,377
7,978	17,432	9,574	8,501	-	-	-	-
-	-	-	-	-	-	30,347	27,026
-	-	-	-	-	-	16,279	13,930
51,889	45,105	6,906	6,480	-	-	5,167	4,910
-	-	-	-	-	-	744	521
-	-	-	-	-	-	20,080	19,745
-	-	11,453	8,727	-	-	-	-
7,657	3,601	5,643	9,012	-	-	-	-
1,289	1,405	961	-	-	-	(225)	365
5,245	8,005	13,257	11,561	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	7,831	18,606
<u>194,924</u>	<u>176,788</u>	<u>194,924</u>	<u>212,476</u>	<u>30,457</u>	<u>34,057</u>	<u>(609,137)</u>	<u>(600,160)</u>
<u>1,467,208</u>	<u>1,429,446</u>	<u>1,113,497</u>	<u>1,156,723</u>	<u>699,819</u>	<u>676,338</u>	-	-
<u>\$ (33,521)</u>	<u>\$ (167,422)</u>	<u>\$ 178,661</u>	<u>\$ (19,701)</u>	<u>\$ 132,466</u>	<u>\$ 94,392</u>	<u>\$ -</u>	<u>\$ -</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

* A Professional Accounting Corporation

The Honorable Glenn Brasseaux, 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, 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, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 23, 2018.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 consider the deficiencies described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 2017-001 and 2017-002 to be material weaknesses.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted additional matters that we have reported to management of the City of Carencro, Louisiana in a separate letter dated April 23, 2018.

City of Carencro, Louisiana's Response to Findings

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

Purpose of this Report

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
April 23, 2018

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 UNIFORM GUIDANCE

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* A Professional Accounting Corporation

The Honorable Glenn Brasseaux, Mayor
and Members of the Board of Aldermen
City of Carencro, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the City of Carencro, Louisiana's (the City) compliance with the types of compliance requirements described 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, 2017. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended November 30, 2017.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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
April 23, 2018

CITY OF CARENCRO, LOUISIANA

Schedule of Expenditures of Federal Awards
Year Ended November 30, 2017

Federal Grantor / Pass-Through Grantor / Program Name	Federal CFDA Number	Disbursements/ Expenditures
<u>U.S. Department of Justice</u>		
Bulletproof Vest Partnership Program	16.607	\$ 253
Passed through Louisiana Commission on Law Enforcement:		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	130
<u>U.S. Department of Homeland Security</u>		
Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness:		
Hazard Mitigation Grant *	97.039	745,253
Passed through Lafayette City-Parish Consolidated Government:		
Hazard Mitigation Grant	97.039	2,681
Disaster Grants - Public Assistance	97.036	<u>32,128</u>
TOTAL FEDERAL EXPENDITURES		<u>\$ 780,445</u>

* Indicates major program

CITY OF CARENCRO, LOUISIANA

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended November 30, 2017

(1) General

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City of Carencro (City) under programs of the federal government for the year ended November 30, 2017. 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 assets, 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, 2017. 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) Relationship to Financial Statements

Federal awards revenues are reported in the City's financial statements as follows:

Major governmental funds:	
General Fund	\$ 32,511
Capital Projects Fund	<u>763,950</u>
Total	<u>\$ 796,461</u>

The amount of \$780,445 reported in the Schedule of Expenditures of Federal Awards for U.S. Department of Homeland Security grants does not agree with amounts reported in the Capital Projects Fund financial statements. The difference of \$16,016 represents reimbursements for expenditures from previous fiscal years for which revenue was unavailable to be accrued in the fiscal year incurred.

(4) 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, 2017

Part I. Summary of Auditors' Results:

1. The auditors' report expresses an unmodified opinion on whether the financial statements of the City were prepared in accordance with GAAP.
2. Two deficiencies in internal control were disclosed during the audit of the financial statements. These deficiencies were determined to be material weaknesses.
3. No instances of noncompliance that were required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No material weaknesses in internal control over the major federal program were disclosed during the audit.
5. The auditors' report on compliance for the major federal award program for the City expresses an unmodified opinion on the major federal program.
6. There are no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a).
7. The following program is considered to be a major program: Hazard Mitigation Grant Program (97.039).
8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
9. The City 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:

Compliance Findings –

There were no compliance findings noted for the year ended November 30, 2017.

Internal Control Findings –

See Internal Control findings 2017-001 and 2017-002 on the Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan.

CITY OF CARENCRO, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended November 30, 2017

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

Compliance Findings –

There were no compliance findings noted for the year ended November 30, 2017.

Internal Control Findings –

There were no internal control findings noted for the year ended November 30, 2017.

CITY OF CARENCRO, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended November 30, 2017

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
CURRENT YEAR (11/30/17) --						
<u>Internal Control:</u>						
2017-001	Unknown	Due to the small number of employees, the City did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Don Chauvin, City Manager	N/A
2017-002	2007	The City does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	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 it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Don Chauvin, City Manager	N/A

(continued)

CITY OF CARENCRO, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended November 30, 2017

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
CURRENT YEAR (11/30/17) --						
<u>Management Letter:</u>						
2017-003	2002	The Utility Fund water department experienced an operating loss of \$33,521 for the fiscal year ended November 30, 2017. The City should consider water utility rates and/or decreasing expenses in order for the department to operate on a profitable basis.	Partial	The City increases rates annually based upon a five-year rate analysis approved by the board. Additionally, the City's management continually monitors the operating expenses in the water department and makes reductions when possible.	Don Chauvin, City Manager	11/30/2017
2017-004	2010	The City should take measures to replenish the fund balance of its General Fund. Current fund balance is \$99,513, of which \$56,487 is unassigned. The City should have a fund balance level that can sustain its operations for at least 2 months, assuming no incoming revenues. Currently the City has enough unassigned fund balance to sustain approximately 4 days of operations. The City should examine General Fund revenues and expenditures to determine where revenues could be increased or expenditures decreased in order to replenish the fund balance.	Partial	City officials will closely examine current General Fund revenues and expenditures and determine where appropriate increases/decreases can be made in order to restore fund balance to an acceptable level.	Don Chauvin, City Manager	11/30/2017

(continued)

CITY OF CARENCRO, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended November 30, 2017

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>PRIOR YEAR (11/30/16) --</u>						
<u>Internal Control:</u>						
2016-001	Unknown	Due to the small number of employees, the City did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Don Chauvin, City Manager	N/A
2016-002	2007	The City does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	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 it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Don Chauvin, City Manager	N/A
<u>Compliance:</u>						
2016-003	2016	The City did not comply with the provisions of the public bid law, R.S. 38:2212. The City failed to obtain three quotes for a fence constructed at the police department at a cost of \$17,775.	Yes	Management will review procurement requirements with department supervisors to ensure that all bid law requirements are adhered to in the future.	Don Chauvin, City Manager	N/A

(continued)

CITY OF CARENCRO, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended November 30, 2017

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
PRIOR YEAR (11/30/16) --						
<u>Management Letter:</u>						
2016-004	2002	The Utility Fund gas, water, and sewerage departments experienced operating losses of \$62,659, \$167,422, and \$19,701, respectively, for the fiscal year ended November 30, 2016. The City should consider increasing gas, water, and sewerage utility rates and/or decreasing expenses in order for these departments to operate on a profitable basis.	Partial	The City increases rates annually based upon a five-year rate analysis approved by the board. Additionally, the City's management continually monitors the operating expenses in these departments and makes reductions when possible.	Don Chauvin, City Manager	11/30/2017
2016-005	2010	The City should take measures to replenish the fund balance of its General Fund. Current fund balance is \$83,770, of which \$37,882 is unassigned. The City should have a fund balance level that can sustain its operations for at least 2 months, assuming no incoming revenues. Currently the City has enough unassigned fund balance to sustain approximately 3 days of operations. The City should examine General Fund revenues and expenditures to determine where revenues could be increased or expenditures decreased in order to replenish the fund balance.	Partial	City officials will closely examine current General Fund revenues and expenditures and determine where appropriate increases/decreases can be made in order to restore fund balance to an acceptable level.	Don Chauvin, City Manager	11/30/2017

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MANAGEMENT LETTER

WWW.KSRCPAS.COM

The Honorable Glenn Brasseaux, Mayor
and Members of the Board of Aldermen
City of Carencro, Louisiana

We have completed our audit of the basic financial statements of the City of Carencro, Louisiana for the year ended November 30, 2017, and submit the following recommendations for your consideration. These comments were also included in our management letter April 7, 2017 for the audit period ended November 30, 2016 and are mentioned again for re-emphasis:

1. The Utility Fund water department experienced an operating loss of \$33,521 for the fiscal year ended November 30, 2017. The City should consider increasing water utility rates and/or decreasing operating expenses in order for the department to operate on a profitable basis.
2. The City should take measures to replenish the fund balance of its General Fund. Current fund balance is \$99,513, of which \$56,487 is unassigned. The City should have a fund balance level that can sustain its operations for at least 2 months, assuming no incoming revenues. Currently, the City has enough unassigned fund balance to sustain approximately 4 days of operations. The City should examine General Fund revenues and expenditures to determine where revenues could be increased or expenditures decreased in order to replenish the fund balance.

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
April 23, 2018

CITY OF CARENCRO, LOUISIANA

Agreed-Upon Procedures Report

Year Ended November 30, 2017

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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To the Honorable Glenn Brasseaux, Mayor,
City of Carencro, Louisiana and the
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the City of Carencro (City) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period December 1, 2016 through November 30, 2017. The City's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

- a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

There were no exceptions noted as a result of applying this procedure.

- 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.

There were no exceptions noted as a result of applying this procedure.

- c) ***Disbursements***, including processing, reviewing, and approving.

There were no exceptions noted as a result of applying this procedure.

- d) ***Receipts***, including receiving, recording, and preparing deposits.

There were no exceptions noted as a result of applying this procedure.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

There were no exceptions noted as a result of applying this procedure.

- 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.

There were no exceptions noted as a result of applying this procedure.

- 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, and (5) monitoring card usage.

There were no exceptions noted as a result of applying this procedure.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

There were no exceptions noted as a result of applying this procedure.

- 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) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

There were no exceptions noted as a result of applying this procedure.

- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

There were no exceptions noted as a result of applying this procedure.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Obtained and reviewed minutes of the managing board for the fiscal period noting that the board met at least monthly.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

Obtained and reviewed minutes of the managing board for the fiscal period noting that the minutes did not include or reference monthly budget-to-actual comparisons for the major funds for any of the 12 months examined.

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

Review of budget-to-actual comparisons did not disclose deficit spending during the fiscal period.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Obtained and reviewed the minutes of the managing board for the fiscal period noting that minutes referenced or included non-budgetary financial information for at least one meeting during the fiscal period.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Obtained listing of client bank accounts from management and management's representation that listing is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

There were no exceptions noted as a result of applying this procedure.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

There were no exceptions noted as a result of applying this procedure.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Obtained bank statements and reconciliations for all months in the fiscal period noting management's documentation of research for items that have been outstanding for more than 6 months were not present on two of the ten selected accounts.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Obtained listing of cash collection locations and management's representation that listing is complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Review of insurance policies and other written documentation disclosed that one of three cash collection locations have employees responsible for collecting cash who are not bonded.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

In each of the three locations selected, there is a formal process to reconcile cash collections to the general ledger by revenue source by a person who is not responsible for cash collections.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

The highest (dollar) week of cash collections for each location was obtained along with collection documentation, deposit slips, and bank statements. Deposits for all three selected locations were made within one day of collection.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

The three locations selected for testing had cash collections that were completely supported by sequentially numbered receipts or similar documentation.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

In all locations, there is no process specifically defined to determine the completeness of all collections by a person who is not responsible for collections.

Disbursements – General (excluding credit card/debit card/fuel card/P-card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Listing of disbursements and management's representation that the listing is complete was obtained.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

There were no exceptions noted as a result of applying this procedure.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

There were no exceptions noted as a result of applying this procedure.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

There were no exceptions noted as a result of applying this procedure

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

The entity does not have written documentation that addresses the function above.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

The entity does not have written documentation that addresses the function above.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Inquiry of management indicated that unused check stock is maintained in a locked location. It was noted that persons with signatory authority have system access to print checks, but that all checks require two original signatures.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

This procedure is not applicable to the City.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.

Listing of active credit cards, bank debit cards, fuel cards and name of person who maintain possession of cards and management's representation that the listing is complete was obtained.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year.

10 cards were randomly selected from the listing.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

There were no exceptions noted as a result of applying this procedure.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

There were no exceptions noted as a result of applying this procedure.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

Of the 10 selected credit cards, 6 fuel cards had 45 transaction that did not have a supporting original itemized receipt.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

There were no exceptions noted as a result of applying this procedure.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

There were no exceptions noted as a result of applying this procedure.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

There were no exceptions noted as a result of the testing of transaction details to the entity's written purchasing/department policies. There were no transactions noted that would have been subject to Louisiana Public Bid Law.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed).

There were no exceptions noted as a result of applying this procedure.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Listing of travel and expense reimbursements by person and management's representation that the listing is complete were obtained.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

The City had written policies and procedures for travel, but per diem rates were not restricted to GSA rates.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

Expenses selected for testing were reimbursed or prepaid in accordance with written policy. However, two of the three expenses selected for testing exceeded GSA rates by \$54 and \$119.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased.

There were no exceptions noted as a result of applying this procedure.

- Documentation of the business/public purpose.

There were no exceptions noted as a result of applying this procedure.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).

There were no exceptions noted as a result of applying this procedure.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse).

There were no exceptions noted as a result of applying this procedure.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Two of the three employee reimbursements selected did not have approval in writing by someone other than the person receiving the reimbursement.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Listing of all contracts in effect and management's representation that the listing is complete was obtained.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

There were no exceptions noted as a result of applying this procedure.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

Three contracts selected for testing were subject to the Louisiana Public Bid Law. There were no instances of noncompliance noted as a result of applying this procedure.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

Two of five selected contracts did not have supporting documentation showing that the City solicited quotes as a best practice.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

There were no amendments to the contracts selected.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

There were no instances of noncompliance noted as a result of applying this procedure.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

There were no exceptions noted as a result of applying this procedure.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Listing of employees with their related salaries and management's representation that the listing is complete was obtained.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

There were no exceptions noted as a result of applying this procedure.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

There were no exceptions noted as a result of applying this procedure

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

There were no exceptions noted as a result of applying this procedure.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

There were no exceptions noted as a result of applying this procedure.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

There were no exceptions noted as a result of applying this procedure.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

There were no exceptions noted as a result of applying this procedure.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

There were no exceptions noted as a result of applying this procedure.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

There were no exceptions noted as a result of applying this procedure.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Management asserted that they have received no allegations during the fiscal period.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

No debt was issued during the fiscal period.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

All scheduled debt service payments were made and debt reserves were maintained as required by debt covenants.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

The City does not have tax millages relating to debt service.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Management has asserted that the entity did not have any misappropriations of public funds or assets.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.lla.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

There were no exceptions noted as a result of applying this procedure.

33. If the practitioner observes or otherwise identifies any exceptions regarding management’s representations in the procedures above, report the nature of each exception.

No exceptions were observed or identified regarding management’s representations in the procedures above.

Management's Response

Management of the City of Carencro concurs with the exceptions and are working to address the deficiencies identified.

We were not engaged to and did not conduct an examination or review, 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.

The purpose of this report is 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 and 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
April 23, 2018