

**PARKS AND RECREATION  
COMMISSION OF CARENCRO, INC.**  
Carencro, Louisiana

Financial Report

Year Ended November 30, 2018

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## INDEPENDENT AUDITOR'S REPORT

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Board of Commissioners  
Parks and Recreation Commission of Carencro, Inc.  
Carencro, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Parks and Recreation Commission of Carencro, Inc. (PARC), a component unit of the City of Carencro, Louisiana, as of and for the year ended November 30, 2018, and the related notes to the financial statements, which collectively comprise the PARC's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Parks and Recreation Commission of Carencro, Inc., as of November 30, 2018, 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 schedule on pages 26 and 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The PARC 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 PARC's basic financial statements. The statement of net position, individual fund statements and budgetary comparison schedule included on pages 30 through 36 is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The comparative statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements are fairly stated in all material respects in relation to the basic financial statements as a whole. The prior year comparative information on these statements was derived from the PARC's 2017 financial statements, which were 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 as a whole.

The budgetary comparison schedule on pages 32 and 33 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated February 6, 2019, on our consideration of the PARC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the PARC's internal control over financial reporting and compliance.

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

Lafayette, Louisiana  
February 6, 2019

**BASIC FINANCIAL STATEMENTS**

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

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
Carencro, Louisiana

Statement of Net Position  
November 30, 2018

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and interest-bearing deposits	\$ 326,318	\$ 25,165	\$ 351,483
Receivables, net	11	-	11
Inventory	-	29,911	29,911
Due from General Fund	-	2,600	2,600
Total current assets	326,329	57,676	384,005
Noncurrent assets:			
Capital assets -			
Land and construction in progress	-	1,155,321	1,155,321
Other capital assets, net of accumulated depreciation	-	4,343,909	4,343,909
Total noncurrent assets	-	5,499,230	5,499,230
Total assets	326,329	5,556,906	5,883,235
<b>LIABILITIES</b>			
Accounts and other payables	-	10,291	10,291
Unearned revenues	-	8,875	8,875
Due to Park Operating Fund	2,600	-	2,600
Total liabilities	2,600	19,166	21,766
<b>NET POSITION</b>			
Net investment in capital assets	-	5,499,230	5,499,230
Restricted for recreation	323,729	-	323,729
Unrestricted	-	38,510	38,510
Total net position	\$ 323,729	\$ 5,537,740	\$ 5,861,469

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

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.

Carencro, Louisiana

Statement of Activities  
For the Year Ended November 30, 2018

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		Total
		Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Governmental activities:</b>							
General government	\$ 97,327	\$ -	\$ -	\$ -	\$ (97,327)	\$ -	\$ (97,327)
Recreation	<u>356,954</u>	<u>4,340</u>	<u>826,604</u>	<u>-</u>	<u>473,990</u>	<u>-</u>	<u>473,990</u>
Total governmental activities	<u>454,281</u>	<u>4,340</u>	<u>826,604</u>	<u>-</u>	<u>376,663</u>	<u>-</u>	<u>376,663</u>
<b>Business-type activities:</b>							
Pelican Park	807,287	619,538	-	-	-	(187,749)	(187,749)
Carencro Sports Complex	<u>346,085</u>	<u>222,970</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(123,115)</u>	<u>(123,115)</u>
Total business-type activities	<u>1,153,372</u>	<u>842,508</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(310,864)</u>	<u>(310,864)</u>
Total	<u>\$ 1,607,653</u>	<u>\$ 846,848</u>	<u>\$ 826,604</u>	<u>\$ -</u>	<u>376,663</u>	<u>(310,864)</u>	<u>65,799</u>
<b>General revenues:</b>							
Interest and investment earnings					570	74	644
Loss on disposal of assets					-	(2,224)	(2,224)
Transfers					<u>(311,870)</u>	<u>311,870</u>	<u>-</u>
Total general revenues and transfers					<u>(311,300)</u>	<u>309,720</u>	<u>(1,580)</u>
Change in net position					65,363	(1,144)	64,219
Net position - December 1, 2017					<u>258,366</u>	<u>5,538,884</u>	<u>5,797,250</u>
Net position - November 30, 2018					<u>\$ 323,729</u>	<u>\$ 5,537,740</u>	<u>\$ 5,861,469</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
Carencro, Louisiana

Balance Sheet  
Governmental Fund  
November 30, 2018

	<u>General Fund</u>
<b>ASSETS</b>	
Interest-bearing deposits	\$326,318
Receivables:	
Accrued interest	<u>11</u>
 Total assets	 <u>\$326,329</u>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Due to Park Operating Fund	\$ 2,600
 Fund balance:	
Restricted for recreation	<u>323,729</u>
 Total liabilities and fund balance	 <u>\$326,329</u>

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

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
Carencro, Louisiana

Statement of Revenues, Expenditures, and Change in Fund Balance -  
Governmental Fund

For the Year Ended November 30, 2018

	<u>General Fund</u>
<b>Revenues:</b>	
Charges for services	\$ 4,340
Intergovernmental -	
Local contribution	813,033
Miscellaneous	<u>14,141</u>
Total revenues	<u>831,514</u>
<b>Expenditures:</b>	
Current -	
General government	97,327
Recreation	<u>356,954</u>
Total expenditures	<u>454,281</u>
Excess of revenues over expenditures	377,233
<b>Other financing uses:</b>	
Transfers to Park Operating Fund	<u>(311,870)</u>
Net change in fund balance	65,363
Fund balance, beginning	<u>258,366</u>
Fund balance, ending	<u>\$323,729</u>

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

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
Carencro, Louisiana

Statement of Net Position  
Proprietary Fund  
November 30, 2018

	<u>Park Operating Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 6,000
Interest-bearing deposits	19,165
Inventory	29,911
Due from General Fund	<u>2,600</u>
Total current assets	<u>57,676</u>
Noncurrent assets:	
Capital assets -	
Land and construction in progress	1,155,321
Other capital assets, net of accumulated depreciation	<u>4,343,909</u>
Total noncurrent assets	<u>5,499,230</u>
Total assets	<u>5,556,906</u>
<b>LIABILITIES</b>	
Accounts payable	1,032
Accrued liabilities	9,259
Unearned revenues	<u>8,875</u>
Total liabilities	<u>19,166</u>
<b>NET POSITION</b>	
Net investment in capital assets	5,499,230
Unrestricted	<u>38,510</u>
Total net position	<u>\$ 5,537,740</u>

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

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
Carencro, Louisiana

Statement of Revenues, Expenses and Change in Fund Net Position -  
Proprietary Fund  
For the Year Ended November 30, 2018

	Park Operating Fund		
	Carencro		
	Pelican Park	Sports Complex	Total
Operating revenues:			
Charges for services -			
Concession sales	\$273,295	\$ 16,832	\$ 290,127
Lounge sales	121,726	-	121,726
League, entry and sponsorship fees	77,397	90,386	167,783
Gate receipts	54,307	14,372	68,679
Membership dues	54,828	-	54,828
Pro-shop sales	123	-	123
Softball sales	8,606	-	8,606
Park rental income	4,785	-	4,785
Events	22,471	65,531	88,002
Other	2,000	35,849	37,849
Total operating revenues	619,538	222,970	842,508
Costs of revenues:			
Purchases -			
Food	102,758	20,802	123,560
Liquor	23,446	-	23,446
Beer	36,800	-	36,800
Softballs	7,512	-	7,512
Uniforms	190	-	190
Total cost of revenues	170,706	20,802	191,508
Gross profit	448,832	202,168	651,000

(continued)

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
Carencro, Louisiana

Statement of Revenues, Expenses and Change in Fund Net Position -  
Proprietary Fund (Continued)  
For the Year Ended November 30, 2018

	Park Operating Fund		
	Pelican Park	Carencro Sports Complex	Total
Operating expenses:			
Salaries	\$ 218,698	\$ 116,691	\$ 335,389
Payroll taxes	20,341	10,061	30,402
Workman's compensation	5,721	5,721	11,442
Advertising	3,450	450	3,900
Awards	7,221	1,948	9,169
Depreciation expense	118,242	102,095	220,337
Legal and accounting	7,788	6,925	14,713
Office and postage expenses	6,316	4,252	10,568
Service contracts	21,298	16,119	37,417
Sponsorship fees	13,908	475	14,383
Umpire fees	30,961	15,345	46,306
Utilities and telephone	49,690	22,297	71,987
Repairs, maintenance and supplies	45,478	22,831	68,309
Miscellaneous	15,067	73	15,140
Total operating expenses	564,179	325,283	889,462
Operating loss	<u>\$ (115,347)</u>	<u>\$ (123,115)</u>	<u>(238,462)</u>
Non-operating revenues (expenses):			
Interest income			74
Loss on disposal of assets			(2,224)
PARC expenses paid by Pelican Park			(72,402)
Total non-operating revenue (expenses)			(74,552)
Loss before transfers			(313,014)
Transfers from General Fund			311,870
Change in net position			(1,144)
Net position, beginning			5,538,884
Net position, ending			<u>\$ 5,537,740</u>

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

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
Carencro, Louisiana

Statement of Cash Flows  
Proprietary Fund  
For the Year Ended November 30, 2018

	<u>Park Operating Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$ 841,087
Payments to suppliers	(498,213)
Payments to employees	<u>(365,865)</u>
Net cash used by operating activities	<u>(22,991)</u>
Cash flows from noncapital financing activities:	
Cash received from General Fund	311,870
PARC expenses paid by Pelican Park	<u>(72,402)</u>
Net cash provided by noncapital financing activities	<u>239,468</u>
Cash flows from capital and related financing activities:	
Acquisition of property, plant and equipment	<u>(236,808)</u>
Cash flows from investing activities:	
Interest income	<u>74</u>
Net decrease in cash and cash equivalents	(20,257)
Cash and cash equivalents, beginning of period	<u>45,422</u>
Cash and cash equivalents, end of period	<u>\$ 25,165</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (238,462)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	220,337
Decrease in receivables	1,830
Increase in inventory	(1,955)
Decrease in accounts payable	(1,416)
Decrease in accrued liabilities	(74)
Decrease in unearned revenues	<u>(3,251)</u>
Net cash used by operating activities	<u>\$ (22,991)</u>

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

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
Carencro, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Parks and Recreation Commission of Carencro, Inc. (PARC) have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to state and local governments. The accounting and reporting framework, and more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The PARC is a component unit of the City of Carencro, Louisiana, the primary government. The PARC is dependent on the City of Carencro for budget approval, approval of debt issuance and appointment of the majority of commission members and is therefore considered a component unit. These financial statements report only the PARC, the component unit.

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 nonexchange 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 PARC and for each function of the PARC'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 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.

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
Carencro, Louisiana

Notes to Basic Financial Statements (Continued)

Fund Accounting

The accounts of the PARC 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 two funds of the PARC 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 or meets the following criteria:

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

The major funds of the PARC are described below:

Governmental Fund -

General Fund

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

Proprietary Fund -

Enterprise fund

The enterprise fund is 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 PARC's enterprise fund is the Park Operating Fund.

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
Carencro, Louisiana

Notes to Basic Financial Statements (Continued)

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:

- a. The governmental fund utilizes a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with its 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.

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
Carencro, Louisiana

Notes to Basic Financial Statements (Continued)

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 and interest-bearing deposits

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 PARC.

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 with an original maturity of three months or less.

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."

Inventories

Inventories in the proprietary fund are accounted for at the lower of cost or market.

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. There were no deferred outflows of resources and deferred inflows of resources as of November 30, 2018.

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
Carencro, Louisiana

Notes to Basic Financial Statements (Continued)

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the business-type activities column in the government-wide financial statements. The governmental activities have no capital. 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 PARC maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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:

Building and improvements	40 years
Furniture, fixtures, and equipment	5 - 10 years

In the fund financial statements, the governmental fund operations have no capital assets. Capital assets used in proprietary fund operations are accounted for the same as 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
Over 10 years	15 days

Thirty days of sick leave and one week of vacation may be carried over to a subsequent year. Upon termination of employment, employees are to be paid for accumulated vacation leave only. The PARC had no material accumulated leave benefits required to be reported at November 30, 2018.

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
Carencro, Louisiana

Notes to Basic Financial Statements (Continued)

Equity Classifications

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. In the government-wide statements, the PARC 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. 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 PARC.

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.

- a. 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.
- b. 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.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Board of Commissioners, which is the highest level of decision-making authority for the Parc.
- d. 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 PARC's adopted policy, only the Board of Commissioners may assign amounts for specific purposes.
- e. Unassigned – all other spendable amounts.

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
Carencro, Louisiana

Notes to Basic Financial Statements (Continued)

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

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

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

Governmental Funds - By Character

Proprietary Fund - By Operating and Nonoperating

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

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers.

F. Revenue Restrictions

The PARC has a legal restriction placed over the revenue received from the City of Carencro from the proceeds of the 1993 Sales Tax Fund due to the dedication of the use of the proceeds. See Note 4.

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

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
Carencro, Louisiana

Notes to Basic Financial Statements (Continued)

G. Income Taxes

The PARC qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service (IRS) as other than a private foundation. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2015, 2016, and 2017 are subject to examination by the IRS, generally for three years after they were filed.

H. Capitalization of Interest Expense

It is the policy of the PARC to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the Proprietary Fund. At November 30, 2018, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

I. Use of Estimates

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

(2) Cash and Interest-Bearing Deposits

At November 30, 2018, the PARC had cash balances (book balances) totaling \$351,483 as follows:

Cash	\$ 6,000
Interest-bearing deposits	<u>345,483</u>
	<u>\$ 351,483</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the PARC'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 the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) in the amount of \$363,312 were fully secured by federal deposit insurance at November 30, 2018.

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
Carencro, Louisiana

Notes to Basic Financial Statements (Continued)

(3) Capital Assets

Capital asset activity for the year ended November 30, 2018 was as follows:

	<u>Balance</u> 12/01/17	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> 11/30/18
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 889,044	\$ -	\$ -	\$ 889,044
Construction in progress	113,809	180,456	27,988	266,277
Other capital assets:				
Building and improvements	4,660,088	37,960	27,657	4,670,391
Furniture, fixtures and equipment	<u>787,377</u>	<u>46,380</u>	<u>51,005</u>	<u>782,752</u>
Total	<u>6,450,318</u>	<u>264,796</u>	<u>106,650</u>	<u>6,608,464</u>
Less: accumulated depreciation				
Building and improvements	600,873	165,738	27,657	738,954
Furniture, fixtures and equipment	<u>364,462</u>	<u>54,599</u>	<u>48,781</u>	<u>370,280</u>
Total accumulated depreciation	<u>965,335</u>	<u>220,337</u>	<u>76,438</u>	<u>1,109,234</u>
Capital assets, net	<u>\$ 5,484,983</u>	<u>\$ 44,459</u>	<u>\$ 30,212</u>	<u>\$ 5,499,230</u>

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

Pelican Park	\$ 118,242
Carencro Sports Complex	<u>102,095</u>
Total depreciation expense	<u>\$ 220,337</u>

(4) External Transactions

Most of the revenues from PARC's General Fund are derived from transfers from the City of Carencro, the primary government. The transfers are made from one-third (1/3) of the 1993 sales and use tax levied by the City. The funds are dedicated for recreational purposes. These transactions are classified as external transactions on the government-wide statement of activities. During the fiscal year ended November 30, 2018, external transactions consisted of \$813,033 of contributions received from the City for operating and capital expenditures, and \$291,300 paid to the City for debt service payments. The amount paid to the City is included in recreation expenditures.

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
Carencro, Louisiana

Notes to Basic Financial Statements (Continued)

(5) Risk Management

PARC is exposed to risks of loss in the area of general liability. 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.

(6) Litigation

There was no litigation pending against PARC at November 30, 2018.

(7) Interfund Transactions

Transfers of \$311,870 were made from the General Fund to the Park Operating Fund in order to properly charge the expenditures of the monies to the fund to which they were applicable in accordance with budgetary authorizations and to properly transfer capital assets to the Park Operating Fund.

(8) Schedule of Compensation, Benefits, and Other Payments to Agency Head

The schedule of compensation, benefits, and other payments to Tom Meyers, Parks and Recreation Chairman from December 1, 2017 through November 30, 2018 follows:

	<u>Tom Meyers</u>
Salary	<u>\$ 15,600</u>

**REQUIRED SUPPLEMENTARY  
INFORMATION**

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
Carencro, Louisiana

General Fund  
Budgetary Comparison Schedule  
For the Year Ended November 30, 2018

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services:				
Registration fees	\$ 5,000	\$ 4,340	\$ 4,340	\$ -
Intergovernmental -				
Local contribution	720,000	825,000	813,033	(11,967)
Miscellaneous -				
Sponsor income	10,000	13,000	13,250	250
Interest income	250	250	570	320
Other	-	-	321	321
Total revenues	<u>735,250</u>	<u>842,590</u>	<u>831,514</u>	<u>(11,076)</u>
<b>Expenditures:</b>				
Current -				
General government:				
Parc per diem	27,600	25,739	27,350	(1,611)
Parc auto allowance	-	-	201	(201)
Legal and accounting	12,000	8,962	8,440	522
Office expenditures and supplies	500	486	197	289
Park insurance	24,500	23,642	23,252	390
Utilities	8,000	7,832	7,838	(6)
Repairs and maintenance	23,500	9,669	10,350	(681)
Maintenance - inmates	12,000	12,625	12,667	(42)
Travel and meetings	7,500	4,026	4,026	-
Miscellaneous	1,600	3,511	3,006	505
Total general government	<u>117,200</u>	<u>96,492</u>	<u>97,327</u>	<u>(835)</u>
Recreation:				
Salaries	23,000	22,070	22,070	-
CAYSI appropriation	12,000	7,003	6,406	597
Other park appropriations	294,800	293,143	293,882	(739)
Park concert program	32,000	32,000	31,835	165
Summer recreation program expenditures	3,000	2,566	2,566	-
Uniforms	-	-	195	(195)
Total recreation	<u>364,800</u>	<u>356,782</u>	<u>356,954</u>	<u>(172)</u>
Total expenditures	<u>482,000</u>	<u>453,274</u>	<u>454,281</u>	<u>(1,007)</u>
Excess of revenues over expenditures	253,250	389,316	377,233	(12,083)

(continued)

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
Carencro, Louisiana

General Fund  
Budgetary Comparison Schedule (Continued)  
For the Year Ended November 30, 2018

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Other financing uses:				
Transfers to Park Operating Fund	(175,000)	(292,300)	(311,870)	(19,570)
Change in fund balance	78,250	97,016	65,363	(31,653)
Fund balance, beginning	258,366	258,366	258,366	-
Fund balance, ending	<u>\$ 336,616</u>	<u>\$ 355,382</u>	<u>\$ 323,729</u>	<u>\$ (31,653)</u>

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
Carencro, Louisiana

Notes to the Required Supplementary Information

(1) Budgets and Budgetary Accounting

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

- a. The treasurer prepares a proposed budget and submits it to the Parks and Recreation Commission for the fiscal year no later than fifteen days prior to the beginning of each fiscal year
- b. A summary of the proposed budget is published and the public is 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 a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
- e. Budgetary amendments involving the transfers 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 Commission.
- 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 finally amended by the Commission.

**OTHER SUPPLEMENTARY  
INFORMATION**

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
Carencro, Louisiana

Statement of Net Position  
November 30, 2018  
With Comparative Totals for November 30, 2017

	2018			2017 Total
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Current assets:				
Cash and interest-bearing deposits	\$ 326,318	\$ 25,165	\$ 351,483	\$ 335,027
Receivables, net	11	-	11	1,841
Inventory	-	29,911	29,911	27,956
Due from General Fund	-	2,600	2,600	2,600
Total current assets	<u>326,329</u>	<u>57,676</u>	<u>384,005</u>	<u>367,424</u>
Noncurrent assets:				
Capital assets -				
Land and construction in progress	-	1,155,321	1,155,321	1,002,853
Other capital assets, net	-	4,343,909	4,343,909	4,482,130
Total noncurrent assets	-	<u>5,499,230</u>	<u>5,499,230</u>	<u>5,484,983</u>
Total assets	<u>326,329</u>	<u>5,556,906</u>	<u>5,883,235</u>	<u>5,852,407</u>
<b>LIABILITIES</b>				
Accounts and other payables	-	10,291	10,291	40,431
Unearned revenues	-	8,875	8,875	12,126
Due to Park Operating Fund	2,600	-	2,600	2,600
Total liabilities	<u>2,600</u>	<u>19,166</u>	<u>21,766</u>	<u>55,157</u>
<b>NET POSITION</b>				
Net investment in capital assets	-	5,499,230	5,499,230	5,484,983
Restricted for recreation	323,729	-	323,729	258,366
Unrestricted	-	38,510	38,510	53,901
Total net position	<u>\$ 323,729</u>	<u>\$ 5,537,740</u>	<u>\$ 5,861,469</u>	<u>\$ 5,797,250</u>

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
Carencro, Louisiana

General Fund  
Comparative Balance Sheet  
November 30, 2018 and 2017

	2018	2017
<b>ASSETS</b>		
Interest-bearing deposits	\$ 326,318	\$ 289,605
Receivables:		
Accrued interest	11	11
Total assets	\$ 326,329	\$ 289,616
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ -	\$ 28,650
Due to Park Operating Fund	2,600	2,600
Total liabilities	2,600	31,250
Fund balance:		
Restricted for recreation	323,729	258,366
Total liabilities and fund balance	\$ 326,329	\$ 289,616

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
Carencro, Louisiana

General Fund  
Budgetary Comparison Schedule  
For the Year Ended November 30, 2018  
With Comparative Actual Amounts for the Year Ended November 30, 2017

	2018			Variance - Positive (Negative)	2017 Actual
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
Charges for services:					
Registration fees	\$ 5,000	\$ 4,340	\$ 4,340	\$ -	\$ 4,030
Intergovernmental -					
Local contribution	720,000	825,000	813,033	(11,967)	692,850
Miscellaneous -					
Sponsor income	10,000	13,000	13,250	250	9,500
Interest income	250	250	570	320	450
Other	-	-	321	321	1,970
Total revenues	<u>735,250</u>	<u>842,590</u>	<u>831,514</u>	<u>(11,076)</u>	<u>708,800</u>
<b>Expenditures:</b>					
Current -					
General government:					
Parc per diem	27,600	25,739	27,350	(1,611)	15,600
Parc auto allowance	-	-	201	(201)	-
Legal and accounting	12,000	8,962	8,440	522	6,735
Office expenditures and supplies	500	486	197	289	5
Park insurance	24,500	23,642	23,252	390	22,806
Utilities	8,000	7,832	7,838	(6)	7,521
Repairs and maintenance	23,500	9,669	10,350	(681)	12,986
Maintenance - inmates	12,000	12,625	12,667	(42)	11,502
Travel and meetings	7,500	4,026	4,026	-	5,904
Miscellaneous	1,600	3,511	3,006	505	1,098
Total general government	<u>117,200</u>	<u>96,492</u>	<u>97,327</u>	<u>(835)</u>	<u>84,157</u>
Recreation:					
Salaries	23,000	22,070	22,070	-	22,485
CAYSI appropriation	12,000	7,003	6,406	597	4,933
Other park appropriations	294,800	293,143	293,882	(739)	306,740
Park concert program	32,000	32,000	31,835	165	28,675
Summer recreation program	3,000	2,566	2,566	-	2,771
Uniforms	-	-	195	(195)	364
Total recreation	<u>364,800</u>	<u>356,782</u>	<u>356,954</u>	<u>(172)</u>	<u>365,968</u>
Total expenditures	<u>482,000</u>	<u>453,274</u>	<u>454,281</u>	<u>(1,007)</u>	<u>450,125</u>
Excess of revenues over expenditures	253,250	389,316	377,233	(12,083)	258,675

(continued)

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
Carencro, Louisiana

General Fund  
Budgetary Comparison Schedule (Continued)  
For the Year Ended November 30, 2018  
With Comparative Actual Amounts for the Year Ended November 30, 2017

	2018			Variance - Positive (Negative)	2017 Actual
	Budget		Actual		
	Original	Final			
Other financing uses:					
Transfers to Park Operating Fund	(175,000)	(292,300)	(311,870)	(19,570)	(177,196)
Change in fund balance	78,250	97,016	65,363	(31,653)	81,479
Fund balance, beginning	258,366	258,366	258,366	-	176,887
Fund balance, ending	<u>\$ 336,616</u>	<u>\$ 355,382</u>	<u>\$ 323,729</u>	<u>\$ (31,653)</u>	<u>\$ 258,366</u>

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
Carencro, Louisiana

Park Operating Fund  
Comparative Statement of Net Position  
November 30, 2018 and 2017

	2018	2017
<b>ASSETS</b>		
Current assets:		
Cash	\$ 6,000	\$ 6,000
Interest-bearing deposits	19,165	39,422
Receivables, net	-	1,830
Inventory	29,911	27,956
Due from General Fund	2,600	2,600
Total current assets	57,676	77,808
Noncurrent assets:		
Capital assets -		
Land and construction in progress	1,155,321	1,002,853
Other capital assets, net of accumulated depreciation	4,343,909	4,482,130
Total noncurrent assets	5,499,230	5,484,983
Total assets	5,556,906	5,562,791
<b>LIABILITIES</b>		
Accounts payable	1,032	2,448
Accrued liabilities	9,259	9,333
Unearned revenues	8,875	12,126
Total liabilities	19,166	23,907
<b>NET POSITION</b>		
Net investment in capital assets	5,499,230	5,484,983
Unrestricted	38,510	53,901
Total net position	\$5,537,740	\$5,538,884

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
Carencro, Louisiana

Park Operating Fund  
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Years Ended November 30, 2018 and 2017

	Carencro					
	Pelican Park		Sports Complex		Total	
	2018	2017	2018	2017	2018	2017
<b>Operating revenues:</b>						
Charges for services -						
Concession sales	\$ 273,295	\$ 294,449	\$ 16,832	\$ 10,762	\$ 290,127	\$ 305,211
Lounge sales	121,726	127,484	-	-	121,726	127,484
League, entry and sponsorship fees	77,397	74,278	90,386	77,394	167,783	151,672
Gate receipts	54,307	55,737	14,372	7,203	68,679	62,940
Membership dues	54,828	50,286	-	-	54,828	50,286
Pro-shop sales	123	10	-	-	123	10
Softball sales	8,606	9,711	-	-	8,606	9,711
Park rental income	4,785	3,334	-	-	4,785	3,334
Events	22,471	27,238	65,531	44,787	88,002	72,025
Other	2,000	4,202	35,849	2,591	37,849	6,793
<b>Total operating revenues</b>	<u>619,538</u>	<u>646,729</u>	<u>222,970</u>	<u>142,737</u>	<u>842,508</u>	<u>789,466</u>
<b>Costs of revenues:</b>						
Purchases -						
Food	102,758	104,922	20,802	15,191	123,560	120,113
Liquor	23,446	18,636	-	-	23,446	18,636
Beer	36,800	41,697	-	-	36,800	41,697
Softballs	7,512	7,872	-	-	7,512	7,872
Uniforms	190	687	-	1,307	190	1,994
<b>Total cost of revenues</b>	<u>170,706</u>	<u>173,814</u>	<u>20,802</u>	<u>16,498</u>	<u>191,508</u>	<u>190,312</u>
<b>Gross profit</b>	<u>448,832</u>	<u>472,915</u>	<u>202,168</u>	<u>126,239</u>	<u>651,000</u>	<u>599,154</u>

(continued)

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.

Carencro, Louisiana

Park Operating Fund

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

For the Years Ended November 30, 2018 and 2017

	Pelican Park		Carencro Sports Complex		Total	
	2018	2017	2018	2017	2018	2017
	Operating expenses:					
Salaries	\$ 218,698	\$ 195,258	\$ 116,691	\$ 55,322	\$ 335,389	\$ 250,580
Payroll taxes	20,341	20,118	10,061	5,065	30,402	25,183
Workman's compensation	5,721	8,432	5,721	-	11,442	8,432
Advertising	3,450	1,988	450	2,569	3,900	4,557
Awards	7,221	9,816	1,948	1,988	9,169	11,804
Depreciation expense	118,242	121,576	102,095	99,869	220,337	221,445
Legal and accounting	7,788	14,071	6,925	305	14,713	14,376
Lounge entertainment	-	2,850	-	-	-	2,850
Office and postage expenses	6,316	10,063	4,252	4,208	10,568	14,271
Service contracts	21,298	18,782	16,119	10,133	37,417	28,915
Sponsorship fees	13,908	26,583	475	9,403	14,383	35,986
Umpire fees	30,961	34,540	15,345	9,654	46,306	44,194
Utilities and telephone	49,690	49,830	22,297	20,104	71,987	69,934
Repairs, maintenance and supplies	45,478	51,995	22,831	9,806	68,309	61,801
Miscellaneous	15,067	13,040	73	19	15,140	13,059
Total operating expenses	<u>564,179</u>	<u>578,942</u>	<u>325,283</u>	<u>228,445</u>	<u>889,462</u>	<u>807,387</u>
Operating loss	<u>\$ (115,347)</u>	<u>\$ (106,027)</u>	<u>\$ (123,115)</u>	<u>\$ (102,206)</u>	<u>(238,462)</u>	<u>(208,233)</u>
Non-operating income (expenses):						
Interest income					74	115
Loss on disposal of assets					(2,224)	(1,530)
PARC expenses paid by Pelican Park					<u>(72,402)</u>	<u>(58,340)</u>
Total non-operating expenses					<u>(74,552)</u>	<u>(59,755)</u>
Loss before transfers					(313,014)	(267,988)
Transfers from General Fund					<u>311,870</u>	<u>177,196</u>
Change in net position					(1,144)	(90,792)
Net position, beginning					<u>5,538,884</u>	<u>5,629,676</u>
Net position, ending					<u>\$ 5,537,740</u>	<u>\$ 5,538,884</u>

**INTERNAL CONTROL,  
COMPLIANCE  
AND  
OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

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

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Board of Commissioners  
Parks and Recreation Commission, Inc.  
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, and each major fund of the Parks and Recreation Commission of Carencro, Inc. (PARC), a component unit of the City of Carencro, Louisiana, as of and for the year ended November 30, 2018, and the related notes to the financial statements, which collectively comprise the PARC's basic financial statements and have issued our report thereon dated February 6, 2019.

## Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider deficiencies described in accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 2018-001 and 2018-002 to be material weaknesses.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the PARC'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*.

## **PARC's Response to the Findings**

The PARC'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. PARC's response was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

## **Purpose of this Report**

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

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

Lafayette, Louisiana  
February 6, 2019

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
Carencro, Louisiana

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
For the Year Ended November 30, 2018

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (11/30/18) --						
<u>Internal Control:</u>						
2018-001	1994	Due to the small number of employees, the commission did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Tom Meyers, Director	N/A
2018-002	2008	The PARC 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 PARC 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.	Tom Meyers, Director	N/A

(continued)

PARKS AND RECREATION COMMISSION OF CARENCRO, INC.  
Carencro, Louisiana

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
For the Year Ended November 30, 2018

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 (11/30/17) --						
<u>Internal Control:</u>						
2017-001	1994	Due to the small number of employees, the commission did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Tom Meyers, Director	N/A
2017-002	2008	The PARC 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 PARC 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.	Tom Meyers, Director	N/A

**PARKS AND RECREATION  
COMMISSION OF CARENCRO, INC.**  
Carencro, Louisiana

Agreed-Upon Procedures Report

Year Ended November 30, 2018

# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

\* A Professional Accounting Corporation

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Parks and Recreation Commission of Carencro, Inc.  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Parks and Recreation Commission of Carencro, Inc. (Entity) 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, 2017 through November 30, 2018. The entity'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. We obtained and inspected the entity's written policies and procedures and observed that they addressed each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving.
  - d) **Receipts**, including receiving, recording, and preparing deposits.
  - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
  - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

***Board (or Finance Committee, if applicable)***

**(The following procedures were not performed since there were no exceptions in the prior year.)**

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
  - c) Obtain the prior year audit report and observe the unrestricted fund balance in the General Fund. If the General Fund had a negative ending unrestricted fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the General Fund.

***Bank Reconciliations***

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

## ***Collections***

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4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. We selected the entity's only deposit site for testing.
5. For the deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We selected one collection location for the deposit site, obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/ registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtained supporting documentation for each of the 10 deposits and:
  - a) We observed that receipts are sequentially pre-numbered.
  - b) We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) We traced the deposit slip total to the actual deposit per the bank statement.
  - d) We observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
  - e) We traced the actual deposit per the bank statement to the general ledger.

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

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8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We selected the one location that processes payments.
9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observed that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction and:
  - a) We observed that the disbursement matched the related original invoice/billing statement.
  - b) We observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable

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

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11. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing was complete.
12. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtained supporting documentation, and:
  - a) Observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.
  - b) Observed that finance charges and late fees were not assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participated in meals (for meal charges only).

### ***Travel and Expense Reimbursement***

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14. We obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. We randomly selected 5 reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, we agreed the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) We observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

### ***Contracts***

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**(The following procedures were not performed since there were no exceptions in the prior year.)**

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

### ***Payroll and Personnel***

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**(The following procedures were not performed since there were no exceptions in the prior year.)**

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. We randomly selected two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agreed the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

### ***Ethics (excluding nonprofits)***

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20. We randomly selected 5 employees/officials, obtained ethics documentation from management, and:
  - a) We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b) We observed that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

### ***Debt Service***

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**(The following procedures were not performed since there were no exceptions in the prior year.)**

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

**Other**

**(The following procedures were not performed since there were no exceptions in the prior year.)**

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

**Exceptions:**

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

**Bank Reconciliations:**

1. There is no documentation reflecting research of reconciling items that have been outstanding for more than 12 months from the statement closing date.

**Management's response:** Management will implement a policy to ascertain that management researched reconciling items that have been outstanding for more than 12 months.

**Non-Payroll Disbursements:**

2. The person responsible for processing payments can add vendors to the entity's purchasing/disbursement system.

**Management's response:** Management will enforce the policy that the person responsible for processing payments is prohibited from adding vendors to the disbursement system.

3. Disbursement documentation showed no evidence of segregation of duties.

**Management's response:** Management will document (initial/date) disbursement documentation to show evidence of segregation of duties.

**Credit Cards/Debit Cards/Fuel Cards/P-Cards:**

4. Monthly statements were not reviewed and approved, in writing, by someone other than the authorized card holder.

**Management's response:** Management will review and document approval of monthly statements.

5. One of the credit cards selected had an interest charge on it.

**Management's response:** Management will ensure that credit card balances are paid in full monthly.

6. One of the credit card transactions did not have supporting documentation noting the individuals participating in the meal expensed.

**Management's response:** Management will ensure that all transactions have all supporting documentation required.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Parks and Recreation Commission of Carencro, Inc. and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. 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  
February 6, 2019