

CITY OF CARENCRO, LOUISIANA

Financial Report

Year Ended November 30, 2018

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-3
 BASIC FINANCIAL STATEMENTS	
 GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net position	6
Statement of activities	7
 FUND FINANCIAL STATEMENTS (FFS)	
Balance sheet - governmental funds	10
Reconciliation of the governmental funds balance sheet to the statement of net position	11
Statement of revenues, expenditures, and changes in fund balances - governmental funds	12
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	13
Statement of net position - proprietary fund	14
Statement of revenues, expenses, and change in fund net position - proprietary fund	15-16
Statement of cash flows - proprietary fund	17-18
Notes to basic financial statements	19-48
 REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedules:	
General Fund	50
1967 Sales Tax Special Revenue Fund	51
1993 Sales Tax Special Revenue Fund	52
TIF District Sales Tax Special Revenue Fund	53
2016 Sales Tax Special Revenue Fund	54
Schedule of employer's share of net pension liability	55
Schedule of employer contributions	56
Notes to required supplementary information	57
 OTHER SUPPLEMENTARY INFORMATION	
Statement of net position - compared to prior year totals	59
Comparative balance sheet - General and Special Revenue Funds	60
Major Governmental Funds - budgetary comparison schedules with comparative actual amounts for the prior year	
General Fund - budgetary comparison schedule - revenues	61
General Fund - budgetary comparison schedule- expenditures	62-65
1967 Sales Tax Fund - budgetary comparison schedule	66

(continued)

TABLE OF CONTENTS (continued)

	Page
Major Governmental Funds - budgetary comparison schedules with comparative actual amounts for the prior year (continued)	
1993 Sales Tax Fund - budgetary comparison schedule	67
TIF District Sales Tax Fund - budgetary comparison schedule	68
2016 Sales Tax Fund - budgetary comparison schedule	69
Capital Projects Fund - budgetary comparison schedule	70
Nonmajor Governmental Funds -	
Combining balance sheet	71
Combining statement of revenues, expenditures, and changes in fund balances	72
Nonmajor special revenue fund -	
Schedule of revenues, expenditures and changes in fund balance - budget (GAAP basis) and actual - Hotel/Motel Sales Tax Fund	74
Nonmajor debt service funds -	
Schedule of revenues, expenditures and changes in fund balance - budget (GAAP basis) and actual - 2011 Sales Tax Bond Fund	76
Schedule of revenues, expenditures and changes in fund balance - budget (GAAP basis) and actual - 2012 Sales Tax Bond Fund	77
Schedule of revenues, expenditures and changes in fund balance - budget (GAAP basis) and actual - 2013 Sales Tax Bond Fund	78
Schedule of revenues, expenditures and changes in fund balance - budget (GAAP basis) and actual - 2014 Sales Tax Bond Fund	79
Nonmajor capital projects funds -	
Schedule of revenues, expenditures and changes in fund balance - budget (GAAP basis) and actual - Sidewalk Construction Fund	81
Schedule of revenues, expenditures and changes in fund balance - budget (GAAP basis) and actual - LCDBG 2009 Sewer Improvements Fund	82
Schedule of number of utility customers	83
Schedule of insurance in force	84
Combined schedule of interest-bearing deposits and investments - all funds	85-86
Comparative statement of net position - proprietary fund	87
Comparative departmental analysis of revenues and expenses - utility fund	88-89
INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements	91-92
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by Uniform Guidance	93-94
Schedule of expenditures of federal awards	95
Notes to the schedule of expenditures of federal awards	96
Schedule of findings and questioned costs	97-98
Summary schedule of current and prior year audit findings and management's corrective action plan	99-101

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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, 2018, 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 \$5,883,235, \$21,766, \$5,861,469, \$1,674,096, and \$1,609,877, 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, 2018, 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, 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 information, schedule of net pension liability, and schedule of employer contributions on pages 50 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 59 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 2017 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 March 8, 2019, 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
March 8, 2019

BASIC FINANCIAL STATEMENTS

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

CITY OF CARENCRO, LOUISIANA

Statement of Net Position
November 30, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 6,226,007	\$ 262,734	\$ 6,488,741
Investments	203,886	528,962	732,848
Receivables, net	716,468	682,928	1,399,396
Internal balances	(431)	431	-
Due from other governmental agencies	660,655	-	660,655
Prepaid items	45,422	28,371	73,793
Total current assets	<u>7,852,007</u>	<u>1,503,426</u>	<u>9,355,433</u>
Noncurrent assets:			
Restricted assets -			
Cash and interest-bearing deposits	-	727,707	727,707
Investments	-	45,608	45,608
Capital assets -			
Land and construction in progress	3,496,836	7,655,808	11,152,644
Other capital assets, net	15,244,010	13,161,737	28,405,747
Total noncurrent assets	<u>18,740,846</u>	<u>21,590,860</u>	<u>40,331,706</u>
Total assets	<u>26,592,853</u>	<u>23,094,286</u>	<u>49,687,139</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>924,397</u>	<u>202,521</u>	<u>1,126,918</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	729,947	535,524	1,265,471
Due to other governmental agencies	274,918	-	274,918
Customers deposits payable	-	443,505	443,505
Capital lease payable	80,008	-	80,008
Bonds and certificates of indebtedness payable	1,090,000	251,000	1,341,000
Accrued interest	73,728	22,989	96,717
Total current liabilities	<u>2,248,601</u>	<u>1,253,018</u>	<u>3,501,619</u>
Noncurrent liabilities:			
Compensated absences payable	132,213	62,106	194,319
Net pension liability	2,956,961	762,809	3,719,770
Capital lease payable	170,863	-	170,863
DHH water loan payable	-	1,921,554	1,921,554
Bonds and certificates of indebtedness payable	7,360,000	2,308,000	9,668,000
Total noncurrent liabilities	<u>10,620,037</u>	<u>5,054,469</u>	<u>15,674,506</u>
Total liabilities	<u>12,868,638</u>	<u>6,307,487</u>	<u>19,176,125</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	<u>337,175</u>	<u>35,765</u>	<u>372,940</u>
NET POSITION			
Net investment in capital assets	10,088,478	15,987,154	26,075,632
Restricted for debt service	1,062,401	306,821	1,369,222
Restricted for sales tax dedications	4,878,019	-	4,878,019
Unrestricted (deficit)	(1,717,461)	659,580	(1,057,881)
Total net position	<u>\$ 14,311,437</u>	<u>\$ 16,953,555</u>	<u>\$ 31,264,992</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, 2018

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	\$ 1,282,529	\$ 675,509	\$ -	\$ -	\$ (607,020)	\$ -	\$ (607,020)
Public safety -							
Police	2,721,269	461,136	347,121	120,326	(1,792,686)	-	(1,792,686)
Fire	956,746	-	140,522	-	(816,224)	-	(816,224)
City Court	223,315	-	-	-	(223,315)	-	(223,315)
Streets	1,209,767	-	20,715	1,921,956	732,904	-	732,904
Culture and recreation	958,182	27,500	291,300	31,625	(607,757)	-	(607,757)
Interest on long-term debt	237,803	-	-	-	(237,803)	-	(237,803)
Total governmental activities	<u>7,589,611</u>	<u>1,164,145</u>	<u>799,658</u>	<u>2,073,907</u>	<u>(3,551,901)</u>	<u>-</u>	<u>(3,551,901)</u>
Business-type activities:							
Gas	719,321	742,278	-	-	-	22,957	22,957
Water	1,634,713	1,504,244	-	480,388	-	349,919	349,919
Sewer	1,178,630	1,306,750	-	-	-	128,120	128,120
Sanitation	825,577	846,726	-	-	-	21,149	21,149
Total business-type activities	<u>4,358,241</u>	<u>4,399,998</u>	<u>-</u>	<u>480,388</u>	<u>-</u>	<u>522,145</u>	<u>522,145</u>
Total	<u>\$11,947,852</u>	<u>\$ 5,564,143</u>	<u>\$ 799,658</u>	<u>\$2,554,295</u>	<u>(3,551,901)</u>	<u>522,145</u>	<u>(3,029,756)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					269,502	-	269,502
Sales and use taxes, levied for general purposes					9,044,192	-	9,044,192
Franchise taxes					484,663	-	484,663
Grants and contributions not restricted to specific programs -							
State sources					16,088	-	16,088
Non-employer contributions					81,101	22,644	103,745
Interest and investment earnings					105,951	17,867	123,818
Miscellaneous					9,563	-	9,563
Net transfers					(1,426,944)	1,426,944	-
Total general revenues and transfers					<u>8,584,116</u>	<u>1,467,455</u>	<u>10,051,571</u>
Change in net position					5,032,215	1,989,600	7,021,815
Net position - December 1, 2017					<u>9,279,222</u>	<u>14,963,955</u>	<u>24,243,177</u>
Net position - November 30, 2018					<u>\$ 14,311,437</u>	<u>\$ 16,953,555</u>	<u>\$31,264,992</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 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, 2018

	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
ASSETS								
Cash	\$ 317,123	\$106,176	\$ -	\$ -	\$ -	\$ 62,242	\$ 22,426	\$ 507,967
Interest-bearing deposits	401,626	20,928	97,247	901,919	3,145,338	-	1,150,982	5,718,040
Investments	-	184,858	-	-	-	-	19,028	203,886
Receivables:								
Taxes	13,225	190,641	190,641	125,220	194,462	-	485	714,674
Due from other funds	-	-	-	-	-	42,003	-	42,003
Due from government agencies	-	-	-	-	-	420,362	240,293	660,655
Accrued interest	-	1,040	-	-	-	-	-	1,040
Other	754	-	-	-	-	-	-	754
Prepaid items	45,422	-	-	-	-	-	-	45,422
Total assets	<u>\$ 778,150</u>	<u>\$503,643</u>	<u>\$287,888</u>	<u>\$1,027,139</u>	<u>\$3,339,800</u>	<u>\$ 524,607</u>	<u>\$1,433,214</u>	<u>\$ 7,894,441</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 112,517	\$ 260	\$ 260	\$ 1,253	\$ 260	\$ -	\$ 345	\$ 114,895
Contracts payable	85,186	-	-	-	-	145,432	231,341	461,959
Retainage payable	9,039	-	-	32,744	-	93,966	14,444	150,193
Customer rental deposits	2,900	-	-	-	-	-	-	2,900
Due to other governmental agencies	-	31,974	31,974	154,970	-	56,000	-	274,918
Due to other funds	431	-	-	42,003	-	-	-	42,434
Total liabilities	<u>210,073</u>	<u>32,234</u>	<u>32,234</u>	<u>230,970</u>	<u>260</u>	<u>295,398</u>	<u>246,130</u>	<u>1,047,299</u>
Fund balances:								
Nonspendable - prepaid items	45,422	-	-	-	-	-	-	45,422
Restricted - sales tax dedications	-	471,409	255,654	796,169	3,339,540	-	15,247	4,878,019
Restricted - debt service	-	-	-	-	-	-	1,136,129	1,136,129
Assigned - capital projects	-	-	-	-	-	229,209	35,708	264,917
Unassigned	522,655	-	-	-	-	-	-	522,655
Total fund balances	<u>568,077</u>	<u>471,409</u>	<u>255,654</u>	<u>796,169</u>	<u>3,339,540</u>	<u>229,209</u>	<u>1,187,084</u>	<u>6,847,142</u>
Total liabilities and fund balances	<u>\$ 778,150</u>	<u>\$503,643</u>	<u>\$287,888</u>	<u>\$1,027,139</u>	<u>\$3,339,800</u>	<u>\$ 524,607</u>	<u>\$1,433,214</u>	<u>\$ 7,894,441</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, 2018

Total fund balances for governmental funds at November 30, 2018		\$ 6,847,142
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	2,306,143	
Land improvements, net of \$22,731 accumulated depreciation	120,710	
Buildings, net of \$2,269,082 accumulated depreciation	3,586,555	
Infrastructure, net of \$3,449,475 accumulated depreciation	10,360,719	
Equipment, furniture, and fixtures net of \$1,166,256 accumulated depreciation	612,017	
Vehicles, net of \$2,068,891 accumulated depreciation	<u>564,009</u>	18,740,846
The deferred outflows of expenditures for the various pensions are not a use of current resources, and therefore, are not reported in the funds		
		924,397
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, 2018:		
Bonds and certificates of indebtedness payable	(8,450,000)	
Capital lease payable	(250,871)	
Net pension liability	(2,956,961)	
Compensated absences payable	(132,213)	
Accrued interest payable	<u>(73,728)</u>	(11,863,773)
The deferred inflows of contributions for the various pensions are not available resources, and therefore, are not reported in in the funds		
		<u>(337,175)</u>
Total net position of governmental activities at November 30, 2018		<u>\$ 14,311,437</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, 2018

	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	\$ 754,165	\$ 2,453,506	\$ 2,453,506	\$ 1,686,451	\$ 2,442,940	\$ -	\$ 7,789	\$ 9,798,357
Licenses and permits	675,509	-	-	-	-	-	-	675,509
Intergovernmental	644,772	-	-	2,315	-	1,592,569	649,247	2,888,903
Fines and forfeits	461,136	-	-	-	-	-	-	461,136
Miscellaneous	36,755	7,002	6,115	19,699	45,820	390	27,983	143,764
Total revenues	<u>2,572,337</u>	<u>2,460,508</u>	<u>2,459,621</u>	<u>1,708,465</u>	<u>2,488,760</u>	<u>1,592,959</u>	<u>685,019</u>	<u>13,967,669</u>
Expenditures:								
Current -								
General government:								
Administrative	802,990	32,246	32,246	25,766	25,936	-	11	919,195
Code department	257,998	-	-	-	-	-	-	257,998
Public safety:								
Police	2,374,377	-	-	-	-	-	-	2,374,377
Fire	790,313	-	-	-	-	-	-	790,313
City Court	223,315	-	-	-	-	-	-	223,315
Highways and streets	725,665	-	-	-	-	-	-	725,665
Culture and tourism	77,589	-	813,033	-	-	-	10,212	900,834
Capital outlay	681,231	-	-	375,751	-	2,357,032	-	3,414,014
Debt service -								
Principal retirement	103,306	-	-	-	-	-	1,964,000	2,067,306
Interest and fiscal charges	120	-	-	-	-	-	247,388	247,508
Total expenditures	<u>6,036,904</u>	<u>32,246</u>	<u>845,279</u>	<u>401,517</u>	<u>25,936</u>	<u>2,357,032</u>	<u>2,221,611</u>	<u>11,920,525</u>
Excess (deficiency) of revenues over expenditures	<u>(3,464,567)</u>	<u>2,428,262</u>	<u>1,614,342</u>	<u>1,306,948</u>	<u>2,462,824</u>	<u>(764,073)</u>	<u>(1,536,592)</u>	<u>2,047,144</u>
Other financing sources (uses):								
Proceeds from capital lease	341,131	-	-	-	-	-	-	341,131
Transfers in	3,592,000	-	-	-	-	48,292	1,368,671	5,008,963
Transfers out	-	(2,299,131)	(1,540,000)	(1,274,080)	(425,000)	(258,270)	(639,426)	(6,435,907)
Total other financing sources (uses)	<u>3,933,131</u>	<u>(2,299,131)</u>	<u>(1,540,000)</u>	<u>(1,274,080)</u>	<u>(425,000)</u>	<u>(209,978)</u>	<u>729,245</u>	<u>(1,085,813)</u>
Net changes in fund balances	468,564	129,131	74,342	32,868	2,037,824	(974,051)	(807,347)	961,331
Fund balances, beginning	<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>
Fund balances, ending	<u>\$ 568,077</u>	<u>\$ 471,409</u>	<u>\$ 255,654</u>	<u>\$ 796,169</u>	<u>\$ 3,339,540</u>	<u>\$ 229,209</u>	<u>\$ 1,187,084</u>	<u>\$ 6,847,142</u>

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, 2018

Total changes in fund balances at November 30, 2018 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 961,331
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	\$3,340,580	
Depreciation expense for the year ended November 30, 2018	<u>(911,900)</u>	2,428,680
Because some revenues are not considered measurable at year end, they are not considered "available" revenues in the governmental funds.		
Non-employer pension contributions		81,101
Proceeds from bonds and capital leases are financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, 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.		
Proceeds from issuance of capital lease	(341,131)	
Principal payments	<u>2,067,306</u>	1,726,175
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	(14,085)	
Pension expense	(160,692)	
Interest expense	<u>9,705</u>	<u>(165,072)</u>
Total changes in net position at November 30, 2018 per Statement of Activities		<u>\$5,032,215</u>

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

CITY OF CARENCRO, LOUISIANA

Statement of Net Position
 Proprietary Fund
 November 30, 2018

ASSETS

Current assets:		
Cash		\$ 132,705
Interest-bearing deposits		130,029
Investments		528,962
Receivables:		
Accounts		443,693
Unbilled utility receivables		236,991
Due from other funds		431
Accrued interest		2,244
Prepaid items		<u>28,371</u>
Total current assets		<u>1,503,426</u>
Noncurrent assets:		
Restricted assets -		
Interest-bearing deposits		727,707
Investments		45,608
Capital assets -		
Land and construction in progress		7,655,808
Other capital assets, net of accumulated depreciation		<u>13,161,737</u>
Total noncurrent assets		<u>21,590,860</u>
Total assets		<u>23,094,286</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions		<u>202,521</u>
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LIABILITIES

Current liabilities:		
Accounts payable		171,087
Contracts payable		218,853
Retainage payable		130,984
Accrued liabilities		14,600
Customers deposits payable		443,505
Certificates of indebtedness payable		251,000
Accrued interest		<u>22,989</u>
Total current liabilities		<u>1,253,018</u>
Noncurrent liabilities:		
Compensated absences payable		62,106
Net pension liability		762,809
DHH water loan payable		1,921,554
Certificates of indebtedness payable		<u>2,308,000</u>
Total noncurrent liabilities		<u>5,054,469</u>
Total liabilities		<u>6,307,487</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions		<u>35,765</u>
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NET POSITION

Net investment in capital assets		15,987,154
Restricted for debt service		306,821
Unrestricted		<u>659,580</u>
Total net position		<u>\$ 16,953,555</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, 2018

Operating revenues:

Charges for services -	
Gas charges	\$ 730,800
Water service charges	1,347,440
Sewer service charges	1,262,515
Garbage collection	846,726
Penalties, permits and connection fees	196,788
Miscellaneous	15,729
Total operating revenues	<u>4,399,998</u>

Operating expenses:

Salaries	732,408
Payroll taxes	52,297
Group insurance	89,024
Retirement contribution	198,854
Gas purchased	177,142
Maintenance and supplies	500,837
Chemicals	268,873
Cathodic protection survey	4,110
Garbage collection fees	791,522
Depreciation expense	899,125
Utilities	166,235
Telephone	19,083
Truck operation	47,122
Office supplies and postage	32,598
Bad debts	33,402
Insurance	94,942
Miscellaneous	6,078
Professional fees	22,005
Uniforms	17,538
Engineering fees	24,157
Travel	5,562
Contractual services	19,710
Meter reader expense	10,866
Total operating expenses	<u>4,213,490</u>
Operating income	<u>186,508</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, 2018

Nonoperating revenues (expenses):	
Interest income	17,867
Interest expense and fiscal charges	(144,751)
Non-employer contributions	<u>22,644</u>
Total nonoperating revenues (expenses)	<u>(104,240)</u>
Income before contributions and transfers	82,268
Capital contributions	480,388
Transfers in	<u>1,426,944</u>
Change in net position	1,989,600
Net position, beginning	<u>14,963,955</u>
Net position, ending	<u>\$16,953,555</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, 2018

Cash flows from operating activities:	
Receipts from customers	\$ 4,363,057
Payments to suppliers	(1,840,178)
Payments to employees	<u>(1,072,583)</u>
Net cash provided by operating activities	<u>1,450,296</u>
Cash flows from noncapital financing activities:	
Transfers in	1,426,944
Cash paid to other funds	(257,086)
Net proceeds from meter deposits applied to bills or refunded	<u>30,185</u>
Net cash provided by noncapital financing activities	<u>1,200,043</u>
Cash flows from capital and related financing activities:	
Principal paid on capital lease	(16,531)
Principal paid on certificates of indebtedness	(239,000)
Interest paid on certificates of indebtedness and capital lease	(77,613)
Debt issuance costs	(57,063)
Proceeds from loan payable	1,921,554
Capital contributions	480,388
Acquisition of property, plant and equipment	<u>(4,560,494)</u>
Net cash used by capital and related financing activities	<u>(2,548,759)</u>
Cash flows from investing activities:	
Proceeds of investments and interest-bearing deposits with maturity in excess of ninety days	571,751
Purchase of investments and interest-bearing deposits with maturity in excess of ninety days	(574,570)
Interest on investments	<u>17,848</u>
Net cash provided by investing activities	<u>15,029</u>
Net increase in cash and cash equivalents	116,609
Cash and cash equivalents, beginning of period	<u>873,832</u>
Cash and cash equivalents, end of period	<u>\$ 990,441</u>

(continued)

CITY OF CARENCRO, LOUISIANA

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

Reconciliation of operating income to net cash provided by
 operating activities:

Operating income	\$ 186,508
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	899,125
Pension expense	108,763
Changes in current assets and liabilities:	
Increase in accounts receivable	(36,941)
Increase in unbilled utility receivables	70,377
Increase in prepaid items	(806)
Increase in accounts payable	223,727
Increase in accrued liabilities	2,920
Decrease in compensated absences payable	(3,377)
Net cash provided by operating activities	<u>\$ 1,450,296</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	\$ 198,057
Interest-bearing deposits - unrestricted	106,294
Interest-bearing deposits - restricted	<u>569,481</u>
Total cash and cash equivalents	<u>873,832</u>
Cash and cash equivalents, end of period -	
Cash - unrestricted	\$ 132,705
Interest-bearing deposits - unrestricted	130,029
Interest-bearing deposits - restricted	<u>727,707</u>
Total cash and cash equivalents	<u>990,441</u>
Net increase	<u>\$ 116,609</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 and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand, savings, and money market deposits, as well as cash on hand. For purposes of the proprietary fund statement of cash flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Investments

Under state law, the City may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The City may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. In accordance with GASB Codification Section 150, investments meeting the criteria specified in the Statement are stated at fair value, which is quoted market prices.

Interfund receivables and payables

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

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

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes. 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, 2018. 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, 2018 consist of insurance premiums requiring up-front payments.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Capital Assets

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

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.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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

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, 2018, employees of the City have accumulated and vested \$194,319 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, 2018, 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.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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.
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.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

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

Interfund Transfers

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

F. Revenue Restrictions

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

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 11
Gas, water and sewer revenue	Debt service and utility operations

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

G. 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, 2018, there were no projects paid with borrowings for which interest was capitalized.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

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.

I. Report Reclassifications

Certain previously reported amounts for the year ended November 30, 2017 have been reclassified to conform to the November 30, 2018 classifications.

(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, 2018, the City had cash and interest-bearing deposits (book balances) totaling \$7,216,448 as follows:

Demand deposits	\$ 610,110
Money market accounts	<u>6,606,338</u>
Total	<u>\$ 7,216,448</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, 2018, are secured as follows:

Bank balances	<u>\$ 7,775,024</u>
Federal deposit insurance	\$ 326,516
Pledged securities	<u>7,448,508</u>
Total	<u>\$ 7,775,024</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Deposits in the amount of \$7,448,508 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the City's name. The City does not have a policy for custodial credit risk.

B. Investments

At November 30, 2018, 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	42%	\$ 329,338	\$ 52,114	\$ 132,006	\$ 145,218
U.S. agency securities	37%	291,551	126,600	164,951	-
LAMP	19%	157,567	-	-	-
Total	<u>100%</u>	<u>\$ 778,456</u>	<u>\$ 178,714</u>	<u>\$ 296,957</u>	<u>\$ 145,218</u>

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

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. At November 30, 2018, the Government's investment in U.S. treasury notes and U.S. agency securities were rated AA+ by Standards & Poor's.

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 City. Accordingly, the City had no custodial credit risk related to its investments at November 30, 2018.

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No.79. The following facts are relevant for investment pools:

- Credit risk: LAMP has a fund rating of AAAM issued by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

- Concentration of credit risk: LAMP's pooled investments are excluded from the 5 percent disclosure requirements.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 87 days as of November 30, 2018.

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

(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, 2018, taxes were levied by the City in September 2017 and were billed to the taxpayers by the Assessor in November 2017. 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, 2018, taxes of 4.60 mills were levied on property with assessed valuations totaling \$60,725,735 and were dedicated to general corporate purposes. Total taxes levied were \$279,339. There was no ad valorem taxes receivable at November 30, 2018.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(4) Receivables

Receivables at November 30, 2018 of \$1,399,396 consist of the following:

	Governmental Activities	Business-type Activities	Total
Accounts	\$ 754	\$ 443,693	\$ 444,447
Unbilled utility	-	236,991	236,991
Franchise tax	13,225	-	13,225
Sales tax	701,449	-	701,449
Interest	1,040	2,244	3,284
Totals	<u>\$ 716,468</u>	<u>\$ 682,928</u>	<u>\$ 1,399,396</u>

(5) Due From Other Governmental Agencies

Amounts due from other governmental agencies at November 30, 2018 of \$660,655 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, 2018. \$ 417,862

Amount due from State of Louisiana Division of Administration Office of Community Development for reimbursement of expenditures incurred and paid for sewer system improvements at November 30, 2018. 240,293

Amount due from the Lafayette Parish Convention and Visitors Commission for reimbursement of expenditures incurred and paid for the construction of Patriots Pavilion at November 30, 2018. 2,500

Total due from other governmental agencies \$ 660,655

(6) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at November 30, 2018:

Customers' deposits	\$ 443,505
2012 Revenue bond sinking fund	210,861
2016 Revenue bond sinking fund	118,949
	<u>\$ 773,315</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(7) Capital Assets

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

	Balance 12/01/17	Additions	Deletions	Balance 11/30/18
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,190,693	\$ -	\$ -	\$ 1,190,693
Construction in progress	3,836,963	2,671,425	4,202,245	2,306,143
Other capital assets:				
Land improvements	49,217	94,224	-	143,441
Buildings	5,569,851	285,786	-	5,855,637
Infrastructure	9,918,996	3,891,198	-	13,810,194
Equipment, furniture and fixtures	1,537,451	254,528	13,706	1,778,273
Vehicles	2,414,968	345,664	127,732	2,632,900
Totals	<u>24,518,139</u>	<u>7,542,825</u>	<u>4,343,683</u>	<u>27,717,281</u>
Less accumulated depreciation				
Land improvements	20,990	1,741	-	22,731
Buildings	2,097,949	171,133	-	2,269,082
Infrastructure	3,067,055	382,420	-	3,449,475
Equipment, furniture and fixtures	1,075,699	104,263	13,706	1,166,256
Vehicles	1,944,280	252,343	127,732	2,068,891
Total accumulated depreciation	<u>8,205,973</u>	<u>911,900</u>	<u>141,438</u>	<u>8,976,435</u>
Governmental activities, capital assets, net	<u>\$ 16,312,166</u>	<u>\$6,630,925</u>	<u>\$ 4,202,245</u>	<u>\$ 18,740,846</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 2,090,548	\$ 30,545	\$ -	\$ 2,121,093
Construction in progress	2,540,288	4,433,746	1,439,319	5,534,715
Other capital assets:				
Gas system	1,213,854	7,641	-	1,221,495
Water system	11,845,670	118,572	-	11,964,242
Sewer system	13,123,208	1,364,609	-	14,487,817
Machinery and equipment	1,653,980	175,684	20,012	1,809,652
Totals	<u>32,467,548</u>	<u>6,130,797</u>	<u>1,459,331</u>	<u>37,139,014</u>
Less accumulated depreciation				
Gas system	1,091,140	17,965	-	1,109,105
Water system	6,043,103	370,264	-	6,413,367
Sewer system	7,133,842	411,689	-	7,545,531
Machinery and equipment	1,174,271	99,207	20,012	1,253,466
Total accumulated depreciation	<u>15,442,356</u>	<u>899,125</u>	<u>20,012</u>	<u>16,321,469</u>
Business-type activities, capital assets, net	<u>\$ 17,025,192</u>	<u>\$5,231,672</u>	<u>\$ 1,439,319</u>	<u>\$ 20,817,545</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 101,331
Police	258,377
Fire	87,625
Highways and streets	407,219
Culture and recreation	<u>57,348</u>
Total depreciation expense	<u>\$ 911,900</u>

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

Gas	\$ 37,807
Water	384,933
Sewer	471,425
Sanitation	<u>4,961</u>
Total depreciation expense	<u>\$ 899,125</u>

(8) Accounts and Other Payables

The accounts and other payables consisted of the following at November 30, 2018:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts	\$ 114,896	\$ 171,087	\$ 285,983
Contracts	461,958	218,853	680,811
Retainage	150,193	130,984	281,177
Customer rental deposits	2,900	-	2,900
Accrued liabilities	-	<u>14,600</u>	<u>14,600</u>
Totals	<u>\$ 729,947</u>	<u>\$ 535,524</u>	<u>\$ 1,265,471</u>

(9) Due to Other Governmental Agencies

Due to other governmental agencies in the amount of \$274,918 for governmental activities consists of \$218,918 due to Lafayette Parish School System for sales tax revenues overpaid to the City and \$56,000 due to Lafayette Consolidated Government for excess grant expenditures reimbursed to the City as of November 30, 2018.

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, 2018:

	Balance 12/1/2017	Additions	Reductions	Balance 11/30/2018
Governmental Activities:				
Sales tax revenue bonds	\$ 10,225,000	\$ -	\$ 1,775,000	\$ 8,450,000
Series 2012 refunding bond	189,000	-	189,000	-
Capital lease	13,046	341,131	103,306	250,871
Compensated absences	118,128	38,012	23,927	132,213
Total governmental activities	<u>\$ 10,545,174</u>	<u>\$ 379,143</u>	<u>\$ 2,091,233</u>	<u>\$ 8,833,084</u>
Business-type Activities:				
Series 2012 refunding bond	\$ 2,798,000	\$ -	\$ 239,000	\$ 2,559,000
DHH loan payable	-	1,921,554	-	1,921,554
Capital lease	16,531	-	16,531	-
Compensated absences	65,483	2,714	6,091	62,106
Total business-type activities	<u>\$ 2,880,014</u>	<u>\$ 1,924,268</u>	<u>\$ 261,622</u>	<u>\$ 4,542,660</u>

Long-term debt payable at November 30, 2018 is comprised of the following individual issues:

Governmental activities:

		Current Portion
General obligation bonds –		
\$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	\$ 560,000	\$ 85,000
\$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	840,000	160,000
\$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	3,660,000	580,000
\$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	<u>3,390,000</u>	<u>265,000</u>
	<u>\$ 8,450,000</u>	<u>\$ 1,090,000</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

	<u>Current Portion</u>
Capital lease -	
\$341,131 vehicle lease dated December 6, 2017, due in four annual installments of \$90,707 including interest at 4.27% percent through December 6, 2020; secured by General Fund revenues.	\$ <u>250,871</u> \$ <u>80,008</u>
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%; payable from City's excess annual revenues	\$ <u>2,559,000</u> \$ <u>251,000</u>
DHH water loan payable -	
\$1,921,554 loan from the Louisiana Department of Health and Hospitals; interest at 1.95%; payable from utility system revenues. The balance through November 30, 2018 is net of a 20% debt forgiveness.	\$ <u>1,921,554</u> \$ <u>-</u>

The debt as of November 30, 2018 is due as follows:

June 30,	<u>Governmental Activities</u>				<u>Business-Type Activities</u>	
	<u>Bonds</u>		<u>Capital Lease</u>		<u>Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 1,090,000	\$ 198,567	\$ 80,008	\$ 10,699	\$ 251,000	68,138
2020	1,120,000	172,986	83,426	7,280	259,000	60,998
2021	1,145,000	146,795	87,437	3,716	271,000	53,578
2022	1,170,000	119,953	-	-	278,000	45,892
2023	1,210,000	92,404	-	-	289,000	37,954
2024-2028	2,365,000	180,060	-	-	1,114,000	73,976
2029-2033	<u>350,000</u>	<u>4,883</u>	<u>-</u>	<u>-</u>	<u>97,000</u>	<u>1,358</u>
Totals	<u>\$ 8,450,000</u>	<u>\$ 915,648</u>	<u>\$ 250,871</u>	<u>\$ 21,695</u>	<u>\$ 2,559,000</u>	<u>\$ 341,894</u>

Equipment held under the capital lease had a book value at November 30, 2018 of \$\$272,905 (cost of \$341,131 less accumulated amortization of \$68,226). Amortization in the amount of \$6,782 is included in depreciation expense for the year ended November 30, 2018.

During the fiscal year ended November 30, 2018, the City borrowed \$2,401,942 (net of \$\$480,388 which was forgiven) from the Louisiana Department of Health and Hospitals, resulting in a loan balance of \$1,921,554 at November 30, 2018. The loan is an interim loan to finance the costs of drinking water infrastructure improvements. Upon completion of the project, the City will issue taxable water revenue bonds for permanent financing of the project.

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 \$2,453,506 during the year ended November 30, 2018 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 \$2,453,506 during the year ended November 30, 2018 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 \$1,686,451 during the year ended November 30, 2018 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 \$2,442,940 during the year ended November 30, 2018 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 \$7,789 during the year ended November 30, 2018 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, 2018.

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 by the State of Louisiana directly to certain groups of employees. The City is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contribution made by the State. For the fiscal year ended November 30, 2018, the State paid supplemental salaries in the amount of \$189,363 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, 2018, 2017, and 2016 amounted to \$197,409, \$180,259, and \$179,738, 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:

	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>
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, 2018 for the defined benefit pension plans in which the City is a participating employer were as follows:

<u>Plan</u>	<u>Active Member Contribution Percentage</u>	<u>Employer Contribution Percentage</u>	<u>Amount from Nonemployer Contributing Entities</u>	<u>Amount of City Contributions</u>
MERS	5.00%	13.25%	\$ 32,817	\$ 131,833
MPERS	10.00%	30.75%	50,405	257,272
FRS	10.00%	26.50%	20,523	59,993

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Net Pension Liability

The City's net pension liability at November 30, 2018 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, 2018 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	\$ 1,105,520	1.307021%	0.027200%
MPERS	2,159,404	0.255428%	0.001641%
FRS	454,846	0.079075%	0.040533%
Total	<u>\$ 3,719,770</u>		

Since the measurement date of the net pension liability was June 30, 2018, 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
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Expected remaining service lives	3	4	7
Investment rate of return (net of investment expense)	7.275%	7.200%	7.300%
Inflation Rate	2.60%	2.60%	2.70%
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)	(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 for disabled annuitants
- (4) RP-2000 Sex Distinct Employee Table set back 4 years for males and set back 3 years for females for active members
- (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 for healthy annuitants and beneficiaries.
- (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.

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.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Long-term Rate of Return

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

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

Asset Class	MERS*		MPERS*	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	35%	1.50%	22%	0.46%
Equities	50%	2.20%	52%	3.58%
Alternative Investments	15%	0.60%	20%	1.07%
Other	-	-	6%	0.17%
Total	<u>100%</u>	<u>4.30%</u>	<u>100%</u>	<u>5.28%</u>
Inflation		<u>2.70%</u>		<u>2.75%</u>
Expected Return		<u>7.00%</u>		<u>8.03%</u>

Asset Class	FRS*	
	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	26%	1.76%
Domestic Equity	22%	6.14%
International Equity	22%	7.46%
Global Equity	10%	6.74%
Global Tactical Asset	5%	4.31%
Risk Parity	5%	4.89%
Private Equity	4%	8.73%
Real Estate	6%	4.38%
Total	<u>100%</u>	<u>5.54%</u>
Inflation/Rebalancing		<u>2.70%</u>
Expected Return		<u>8.24%</u>

*Arithmetic real rates of return

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net positions was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS, MPERS, and FRS was 7.275%, 7.20%, and 7.30% respectively, for the year ended June 30, 2018.

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, 2018, the City recognized \$246,930, \$335,394, and \$136,231 in pension expense for MERS, MPERS, and FRS, respectively.

At November 30, 2018, 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	\$ 2,962	\$ 9,735	\$ -	\$ 12,697
Changes in assumptions	41,370	141,116	31,730	214,216
Net difference between projected and actual earnings on pension plan investments	179,684	103,517	29,576	312,777
Changes in proportion and differences between actual contributions and proportionate share of contributions	12,798	73,997	293,261	380,056
Employer contributions to the pension plans subsequent to the measurement date of the net pension liability	56,694	123,388	27,090	207,172
Total	<u>\$ 293,508</u>	<u>\$ 451,753</u>	<u>\$ 381,657</u>	<u>\$ 1,126,918</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

	Deferred Inflows of Resources			
	MERS	MPERS	FRS	Total
Differences between expected and actual experience	\$ 49,792	\$ 110,350	\$ 34,619	\$ 194,761
Changes in assumptions	-	-	72	72
Changes in proportion and differences between actual contributions and proportionate share of contributions	2,041	176,066	-	178,107
Total	<u>\$ 51,833</u>	<u>\$ 286,416</u>	<u>\$ 34,691</u>	<u>\$ 372,940</u>

Deferred outflows of resources of \$207,172 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, 2019. 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
2019	\$ 105,656	\$ 105,506	\$ 84,371	\$ 295,533
2020	57,459	(11,709)	67,071	112,821
2021	16,293	(55,607)	46,537	7,223
2022	5,573	3,759	51,795	61,127
2023	-	-	39,113	39,113
Thereafter	-	-	30,989	30,989
	<u>184,981</u>	<u>41,949</u>	<u>319,876</u>	<u>\$ 546,806</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	7.275%	\$ 1,450,860	\$ 1,105,520	\$ 811,951
MPERS	7.20%	3,034,560	2,159,404	1,425,181
FRS	7.30%	663,727	454,846	279,313
Total		<u>\$ 5,149,147</u>	<u>\$ 3,719,770</u>	<u>\$ 2,516,445</u>

Payables to the Pension Plans

At November 30, 2018, the City had no outstanding payables to MERS, MPERS, or FRS.

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(16) Litigation and Claims

At November 30, 2018, 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.

(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, 2018, the City's natural gas purchases amounted to \$177,142, of which \$21,052 was owed for purchases for the month of November 2018.

(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, 2018, 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>\$ 742,278</u>	<u>\$ 1,504,244</u>	<u>\$ 1,306,750</u>	<u>\$ 846,726</u>	<u>\$ 4,399,998</u>
Operating expenses:					
Depreciation	37,807	384,933	471,425	4,961	899,125
Other	<u>681,514</u>	<u>1,105,029</u>	<u>707,206</u>	<u>820,617</u>	<u>3,314,365</u>
Total operating expenses	<u>719,321</u>	<u>1,489,962</u>	<u>1,178,630</u>	<u>825,577</u>	<u>4,213,490</u>
Operating income	<u>\$ 22,957</u>	<u>\$ 14,282</u>	<u>\$ 128,120</u>	<u>\$ 21,149</u>	<u>\$ 186,508</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(20) Fair Value Measurements

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

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

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

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

The following table presents assets that are measured at fair value on a recurring basis at November 30, 2018:

Governmental Funds:

<u>Description</u>	<u>Total</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
U.S. Treasuries	\$ 67,746	\$ 67,746	\$ -	\$ -
U.S. Agency Securities	<u>115,255</u>	<u>115,255</u>	<u>-</u>	<u>-</u>
	<u>\$ 183,001</u>	<u>\$ 183,001</u>	<u>\$ -</u>	<u>\$ -</u>

Proprietary Fund:

<u>Description</u>	<u>Total</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
U.S. Treasuries	\$ 205,926	\$ 205,926	\$ -	\$ -
U.S. Agency Securities	<u>222,609</u>	<u>222,609</u>	<u>-</u>	<u>-</u>
	<u>\$ 428,535</u>	<u>\$ 428,535</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF CARENCRO, LOUISIANA

Notes to Financial Statements (Continued)

(21) Compensation of City Officials

A detail of compensation paid to the City Council for the year ended November 30, 2018 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>

(22) 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, 2018 follows:

Salary	\$ 77,196
Benefits - insurance	5,039
Benefits - retirement	10,473
Vehicle allowance	6,000
Registration fees	795
Housing	1,386
Other	52
	<u>\$ 100,941</u>

(23) Interfund Transactions

A. Interfund receivables and payables consisted of the following at November 30, 2018:

	<u>Receivable</u>	<u>Payable</u>
Governmental funds:		
Major governmental funds -		
General Fund	\$ -	\$ 431
TIF District Sales Tax Special Revenue Fund	-	42,003
Capital Projects Fund	<u>42,003</u>	<u>-</u>
Total governmental funds	42,003	42,434
Proprietary fund:		
Utility Fund	<u>431</u>	<u>-</u>
Total	<u>\$ 42,434</u>	<u>\$ 42,434</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, 2018:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds:		
Major governmental funds -		
General Fund	\$ 3,592,000	\$ -
1967 Sales Tax Special Revenue Fund	-	2,299,131
1993 Sales Tax Special Revenue Fund	-	1,540,000
TIF District Sales Tax Special Revenue Fund	-	1,274,080
2016 Sales Tax Special Revenue Fund	-	425,000
Capital Projects Fund	48,292	258,270
Non-major governmental funds -		
2011 Sales Tax Bond Fund	100,008	-
2012 Sales Tax Bond Fund	64,292	249,187
2013 Sales Tax Bond Fund	547,345	-
2014 Sales Tax Bond Fund	657,026	-
Sidewalk Construction Fund	-	48,292
LCDBG 2009 Sewer Improvements Fund	-	341,947
Proprietary fund:		
Utility Fund	1,426,944	-
Total	<u>\$ 6,435,907</u>	<u>\$ 6,435,907</u>

B. External transactions consisted of the following for the year ended November 30, 2018:

1993 Sales Tax Special Revenue Fund	
Payments to PARC, Inc. to fund culture and recreation activities	\$ (813,033)
2014 Sales Tax Bond Fund	
Revenues from PARC, Inc. to fund a portion of debt service requirements	<u>291,300</u>
	<u>\$ (521,733)</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.

(24) 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.

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended November 30, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Taxes	\$ 717,000	\$ 655,155	\$ 754,165	\$ 99,010
Licenses and permits	677,500	658,945	675,509	16,564
Intergovernmental	641,272	635,271	644,772	9,501
Fines and forfeits	457,000	501,646	461,136	(40,510)
Miscellaneous	31,200	30,949	36,755	5,806
Total revenues	<u>2,523,972</u>	<u>2,481,966</u>	<u>2,572,337</u>	<u>90,371</u>
Expenditures:				
Current -				
General government:				
Administrative	709,926	798,228	802,990	(4,762)
Code department	262,915	220,888	257,998	(37,110)
Public safety:				
Police	2,500,089	2,306,212	2,374,377	(68,165)
Fire	739,763	779,629	790,313	(10,684)
City court	229,326	243,039	223,315	19,724
Highways and streets	548,550	694,187	725,665	(31,478)
Culture and tourism	66,306	73,053	77,589	(4,536)
Capital outlay	611,556	737,006	681,231	55,775
Debt service-				
Principal retirement	90,707	103,306	103,306	-
Interest and fiscal charges	-	120	120	-
Total expenditures	<u>5,759,138</u>	<u>5,955,668</u>	<u>6,036,904</u>	<u>(81,236)</u>
Deficiency of revenues over expenditures	<u>(3,235,166)</u>	<u>(3,473,702)</u>	<u>(3,464,567)</u>	<u>9,135</u>
Other financing sources:				
Proceeds from capital lease	341,131	341,131	341,131	-
Transfers in	3,035,000	3,592,000	3,592,000	-
Total other financing sources	<u>3,376,131</u>	<u>3,933,131</u>	<u>3,933,131</u>	<u>-</u>
Net change in fund balance	140,965	459,429	468,564	9,135
Fund balance, beginning	<u>99,513</u>	<u>99,513</u>	<u>99,513</u>	<u>-</u>
Fund balance, ending	<u>\$ 240,478</u>	<u>\$ 558,942</u>	<u>\$ 568,077</u>	<u>\$ 9,135</u>

CITY OF CARENCRO, LOUISIANA
 1967 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
 For the Year Ended November 30, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,200,000	\$ 2,527,533	\$ 2,453,506	\$ (74,027)
Miscellaneous	<u>2,400</u>	<u>6,552</u>	<u>7,002</u>	<u>450</u>
Total revenues	2,202,400	2,534,085	2,460,508	(73,577)
Expenditures:				
Current -				
General government	<u>33,000</u>	<u>36,900</u>	<u>32,246</u>	<u>4,654</u>
Excess of revenues over expenditures	2,169,400	2,497,185	2,428,262	(68,923)
Other financing uses:				
Transfers out	<u>(2,166,318)</u>	<u>(2,299,131)</u>	<u>(2,299,131)</u>	<u>-</u>
Net change in fund balance	3,082	198,054	129,131	(68,923)
Fund balance, beginning	<u>342,278</u>	<u>342,278</u>	<u>342,278</u>	<u>-</u>
Fund balance, ending	<u>\$ 345,360</u>	<u>\$ 540,332</u>	<u>\$ 471,409</u>	<u>\$ (68,923)</u>

CITY OF CARENCRO, LOUISIANA
1993 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended November 30, 2018

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 2,200,000	\$ 2,527,533	\$ 2,453,506	\$ (74,027)
Miscellaneous	<u>2,200</u>	<u>4,875</u>	<u>6,115</u>	<u>1,240</u>
Total revenues	<u>2,202,200</u>	<u>2,532,408</u>	<u>2,459,621</u>	<u>(72,787)</u>
Expenditures:				
Current:				
General government	33,000	36,900	32,246	4,654
Culture and recreation	<u>720,000</u>	<u>825,000</u>	<u>813,033</u>	<u>11,967</u>
Total expenditures	<u>753,000</u>	<u>861,900</u>	<u>845,279</u>	<u>16,621</u>
Excess of revenues over expenditures	1,449,200	1,670,508	1,614,342	(56,166)
Other financing uses:				
Transfers out	<u>(1,440,000)</u>	<u>(1,540,000)</u>	<u>(1,540,000)</u>	<u>-</u>
Net change in fund balance	9,200	130,508	74,342	(56,166)
Fund balance, beginning	<u>181,312</u>	<u>181,312</u>	<u>181,312</u>	<u>-</u>
Fund balance, ending	<u>\$ 190,512</u>	<u>\$ 311,820</u>	<u>\$ 255,654</u>	<u>\$ (56,166)</u>

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

Budgetary Comparison Schedule
For the Year Ended November 30, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 1,575,000	\$ 1,752,364	\$ 1,686,451	\$ (65,913)
Intergovernmental - DOTD	-	2,315	2,315	-
Miscellaneous	11,000	18,581	19,699	1,118
Total revenues	<u>1,586,000</u>	<u>1,773,260</u>	<u>1,708,465</u>	<u>(64,795)</u>
Expenditures:				
Current:				
General government	23,000	28,250	25,766	2,484
Capital outlay	250,000	439,981	375,751	64,230
Total expenditures	<u>273,000</u>	<u>468,231</u>	<u>401,517</u>	<u>66,714</u>
Excess of revenues over expenditures	1,313,000	1,305,029	1,306,948	1,919
Other financing uses:				
Transfers out	(872,078)	(1,278,080)	(1,274,080)	4,000
Net change in fund balance	440,922	26,949	32,868	5,919
Fund balance, beginning	763,301	763,301	763,301	-
Fund balance, ending	<u>\$ 1,204,223</u>	<u>\$ 790,250</u>	<u>\$ 796,169</u>	<u>\$ 5,919</u>

CITY OF CARENCRO, LOUISIANA
2016 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended November 30, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,400,000	\$ 2,422,707	\$ 2,442,940	\$ 20,233
Miscellaneous	<u>2,850</u>	<u>35,125</u>	<u>45,820</u>	<u>10,695</u>
Total revenues	1,402,850	2,457,832	2,488,760	30,928
Expenditures:				
Current:				
General government	<u>16,850</u>	<u>32,185</u>	<u>25,936</u>	<u>6,249</u>
Excess of revenues over expenditures	1,386,000	2,425,647	2,462,824	37,177
Other financing uses:				
Transfers out	<u>-</u>	<u>(425,000)</u>	<u>(425,000)</u>	<u>-</u>
Net change in fund balance	1,386,000	2,000,647	2,037,824	37,177
Fund balance, beginning	<u>1,301,716</u>	<u>1,301,716</u>	<u>1,301,716</u>	<u>-</u>
Fund balance, ending	<u>\$ 2,687,716</u>	<u>\$ 3,302,363</u>	<u>\$ 3,339,540</u>	<u>\$ 37,177</u>

CITY OF CARENCRO, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
For the Year Ended November 30, 2018

<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					
6/30/2018	1.307021%	\$ 1,105,520	\$ 968,604	114.1%	65.60%
6/30/2017	1.279821%	1,107,343	949,500	116.6%	63.49%
6/30/2016	1.286743%	1,066,591	927,589	115.0%	63.34%
6/30/2015	1.280409%	870,226	845,432	102.9%	68.71%
Municipal Police Employees' Retirement System					
6/30/2018	0.255428%	2,159,404	753,802	286.5%	71.89%
6/30/2017	0.253787%	2,215,668	757,792	292.4%	70.08%
6/30/2016	0.299971%	2,811,573	757,451	371.2%	66.04%
6/30/2015	0.265326%	2,078,552	709,359	293.0%	70.73%
Firefighters' Retirement System					
6/30/2018	0.079075%	454,846	187,438	242.7%	74.76%
6/30/2017	0.038542%	220,917	89,172	247.7%	73.55%
6/30/2016	0.289980%	189,763	40,455	469.1%	68.16%
6/30/2015	0.013216%	71,328	37,689	189.3%	72.45%

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, 2018

<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					
2018	\$131,833	\$131,833	\$ -	1,070,942	12.31%
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					
2018	257,272	257,272	-	825,383	31.17%
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					
2018	59,993	59,993	-	230,920	25.98%
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, 2018, the General Fund had actual expenditures over appropriations, at the functional level, as follows:

<u>Function</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
General government	\$1,019,116	\$ 1,060,988	\$ (41,872)
Public safety	3,328,880	3,388,005	(59,125)
Highways and streets	694,187	725,665	(31,478)
Culture and tourism	73,053	77,589	(4,536)

OTHER SUPPLEMENTARY INFORMATION

CITY OF CARENCRO, LOUISIANA

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

	2018			2017 Totals
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 6,226,007	\$ 262,734	\$ 6,488,741	\$ 4,929,330
Investments	203,886	528,962	732,848	778,665
Receivables, net	716,468	682,928	1,399,396	1,455,281
Internal balances	(431)	431	-	-
Due from other governmental agencies	660,655	-	660,655	590,338
Prepaid items	45,422	28,371	73,793	70,591
Total current assets	<u>7,852,007</u>	<u>1,503,426</u>	<u>9,355,433</u>	<u>7,824,205</u>
Noncurrent assets:				
Restricted assets -				
Cash and interest-bearing deposits	-	727,707	727,707	569,481
Investments	-	45,608	45,608	44,788
Capital assets -				
Land and construction in progress	3,496,836	7,655,808	11,152,644	9,658,492
Other capital assets, net	15,244,010	13,161,737	28,405,747	23,678,866
Total noncurrent assets	<u>18,740,846</u>	<u>21,590,860</u>	<u>40,331,706</u>	<u>33,951,627</u>
Total assets	<u>26,592,853</u>	<u>23,094,286</u>	<u>49,687,139</u>	<u>41,775,832</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	<u>924,397</u>	<u>202,521</u>	<u>1,126,918</u>	<u>1,065,826</u>
LIABILITIES				
Current liabilities:				
Accounts and other payables	729,947	535,524	1,265,471	531,264
Due to other governmental agencies	274,918	-	274,918	250,954
Unearned revenue	-	-	-	15,500
Customers deposits payable	-	443,505	443,505	413,320
Capital lease payable	80,008	-	80,008	29,577
Bonds and certificates of indebtedness payable	1,090,000	251,000	1,341,000	1,393,000
Accrued interest	73,728	22,989	96,717	96,347
Total current liabilities	<u>2,248,601</u>	<u>1,253,018</u>	<u>3,501,619</u>	<u>2,729,962</u>
Noncurrent liabilities:				
Compensated absences payable	132,213	62,106	194,319	183,611
Net pension liability	2,956,961	762,809	3,719,770	3,543,928
DHH water loan payable	170,863	1,921,554	2,092,417	-
Bonds and certificates of indebtedness payable	7,360,000	2,308,000	9,668,000	11,819,000
Total noncurrent liabilities	<u>10,620,037</u>	<u>5,054,469</u>	<u>15,674,506</u>	<u>15,546,539</u>
Total liabilities	<u>12,868,638</u>	<u>6,307,487</u>	<u>19,176,125</u>	<u>18,276,501</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	<u>337,175</u>	<u>35,765</u>	<u>372,940</u>	<u>321,980</u>
NET POSITION				
Net investment in capital assets	10,088,478	15,987,154	26,075,632	20,459,855
Restricted for debt service	1,062,401	306,821	1,369,222	2,021,507
Restricted for sales tax dedications	4,878,019	-	4,878,019	2,599,524
Unrestricted (deficit)	(1,717,461)	659,580	(1,057,881)	(837,709)
Total net position	<u>\$ 14,311,437</u>	<u>\$ 16,953,555</u>	<u>\$ 31,264,992</u>	<u>\$ 24,243,177</u>

CITY OF CARENCRO, LOUISIANA

Balance Sheet
General and Special Revenue Funds
November 30, 2018

With Comparative Totals as of 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	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	ASSETS									
Cash	\$ 317,123	\$ 32,182	\$ 106,176	\$ 57,194	\$ -	\$ -	\$ -	\$ 69,015	\$ -	\$ -
Interest-bearing deposits	401,626	364,751	20,928	20,894	97,247	47,225	901,919	822,599	3,145,338	1,103,589
Investments	-	-	184,858	185,101	-	-	-	-	-	-
Receivables:										
Taxes	13,225	12,343	190,641	201,035	190,641	201,035	125,220	124,321	194,462	198,127
Due from other funds	-	122,656	-	-	-	-	-	-	-	-
Accrued interest	-	-	1,040	1,002	-	-	-	-	-	-
Other	754	754	-	-	-	-	-	-	-	-
Prepaid items	45,422	43,026	-	-	-	-	-	-	-	-
Total assets	<u>\$ 778,150</u>	<u>\$ 575,712</u>	<u>\$ 503,643</u>	<u>\$ 465,226</u>	<u>\$ 287,888</u>	<u>\$ 248,260</u>	<u>\$ 1,027,139</u>	<u>\$ 1,015,935</u>	<u>\$ 3,339,800</u>	<u>\$ 1,301,716</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 112,517	\$ 122,498	\$ 260	\$ 295	\$ 260	\$ 295	\$ 1,253	\$ 311	\$ 260	\$ -
Contracts payable	85,186	-	-	-	-	-	-	9,057	-	-
Retainage payable	9,039	-	-	-	-	-	32,744	65,618	-	-
Customer rental deposits	2,900	3,700	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-
Due to other governmental agencies	-	-	31,974	36,653	31,974	36,653	154,970	177,648	-	-
Due to other funds	431	350,001	-	86,000	-	30,000	42,003	-	-	-
Total liabilities	<u>210,073</u>	<u>476,199</u>	<u>32,234</u>	<u>122,948</u>	<u>32,234</u>	<u>66,948</u>	<u>230,970</u>	<u>252,634</u>	<u>260</u>	<u>-</u>
Fund balances -										
Nonspendable - prepaid items	45,422	43,026	-	-	-	-	-	-	-	-
Restricted - sales tax dedications	-	-	471,409	342,278	255,654	181,312	796,169	763,301	3,339,540	1,301,716
Unassigned	522,655	56,487	-	-	-	-	-	-	-	-
Total fund balances	<u>568,077</u>	<u>99,513</u>	<u>471,409</u>	<u>342,278</u>	<u>255,654</u>	<u>181,312</u>	<u>796,169</u>	<u>763,301</u>	<u>3,339,540</u>	<u>1,301,716</u>
Total liabilities and fund balances	<u>\$ 778,150</u>	<u>\$ 575,712</u>	<u>\$ 503,643</u>	<u>\$ 465,226</u>	<u>\$ 287,888</u>	<u>\$ 248,260</u>	<u>\$ 1,027,139</u>	<u>\$ 1,015,935</u>	<u>\$ 3,339,800</u>	<u>\$ 1,301,716</u>

CITY OF CARENCRO, LOUISIANA
General Fund

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

	2018		Actual	Variance with Final Budget Positive (Negative)	2017 Actual
	Budget				
	Original	Final			
Taxes:					
Ad valorem	\$ 280,000	\$ 271,502	\$ 269,502	\$ (2,000)	\$ 257,793
Franchise -					
Electric	386,000	333,919	434,748	100,829	397,826
Cable TV and gas	51,000	49,734	49,915	181	48,998
Total taxes	<u>717,000</u>	<u>655,155</u>	<u>754,165</u>	<u>99,010</u>	<u>704,617</u>
Licenses and permits:					
Occupational licenses	412,000	383,406	377,934	(5,472)	381,129
Code department permits	265,500	275,539	297,575	22,036	266,431
Total licenses and permits	<u>677,500</u>	<u>658,945</u>	<u>675,509</u>	<u>16,564</u>	<u>647,560</u>
Intergovernmental:					
Federal grants	122,568	120,495	120,326	(169)	32,511
State of Louisiana -					
Department of Transportation and Development	20,715	20,715	20,715	-	20,715
Beer taxes	16,500	15,471	16,088	617	16,045
On-behalf payments	198,000	180,310	189,363	9,053	169,039
Lafayette Parish Government -					
Two percent fire insurance refund	90,811	84,272	84,272	-	92,061
Proceeds for fire department	56,250	56,250	56,250	-	50,000
Lafayette Parish School Board - resource officer	136,428	157,758	157,758	-	142,185
Total intergovernmental	<u>641,272</u>	<u>635,271</u>	<u>644,772</u>	<u>9,501</u>	<u>522,556</u>
Fines and forfeits:					
Fines and court costs	84,000	121,422	113,071	(8,351)	83,731
Police special detail and accident reports	373,000	380,224	348,065	(32,159)	340,825
Total fines, forfeits, etc.	<u>457,000</u>	<u>501,646</u>	<u>461,136</u>	<u>(40,510)</u>	<u>424,556</u>
Miscellaneous:					
Interest	2,000	4,246	5,482	1,236	2,620
Community Center rentals	28,000	23,200	27,500	4,300	32,575
Donations	1,000	400	750	350	13,306
Other sources	200	3,103	3,023	(80)	181
Total miscellaneous	<u>31,200</u>	<u>30,949</u>	<u>36,755</u>	<u>5,806</u>	<u>48,682</u>
Total revenues	<u>\$ 2,523,972</u>	<u>\$ 2,481,966</u>	<u>\$ 2,572,337</u>	<u>\$ 90,371</u>	<u>\$ 2,347,971</u>

CITY OF CARENCRO, LOUISIANA
General Fund

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

	2018			Variance with Final Budget Positive (Negative)	2017 Actual
	Budget		Actual		
	Original	Final			
Current:					
General government -					
Administrative:					
Mayor and council salaries	\$ 128,721	\$ 126,826	\$ 127,056	\$ (230)	\$ 126,523
Other salaries and wages	74,834	74,835	74,835	-	84,153
Retirement	20,144	20,626	20,626	-	16,494
Group insurance	12,569	12,547	13,084	(537)	10,668
Payroll taxes	14,425	10,434	10,434	-	11,147
Insurance	66,600	29,482	32,400	(2,918)	57,154
Office	25,200	20,242	23,528	(3,286)	26,661
Advertisements and recordings	13,500	11,303	4,453	6,850	9,503
Dues	8,500	12,231	12,231	-	8,225
Legal fees	81,000	76,694	79,601	(2,907)	66,918
Professional fees	25,000	25,000	23,855	1,145	22,825
Engineering	112,000	278,863	286,470	(7,607)	150,807
Travel and conferences	11,500	10,677	11,756	(1,079)	12,690
Gas and repairs	2,000	3,770	3,670	100	2,372
Auto allowance	6,923	7,200	7,200	-	6,923
Utilities and telephone	16,200	14,741	17,229	(2,488)	17,033
Rent	6,000	6,000	6,050	(50)	6,000
Repairs and maintenance	36,160	43,373	36,223	7,150	35,332
Condemnation	30,000	-	-	-	-
Senior citizens' compensation	9,000	7,683	6,640	1,043	8,790
Uniforms	1,000	1,350	1,393	(43)	529
Miscellaneous	8,650	4,351	4,256	95	9,498
Total administrative	<u>709,926</u>	<u>798,228</u>	<u>802,990</u>	<u>(4,762)</u>	<u>690,245</u>
Code department:					
Salaries	45,100	27,975	31,390	(3,415)	41,000
Retirement	5,976	3,185	3,575	(390)	4,900
Group insurance	5,039	4,619	5,040	(421)	4,759
Payroll taxes	3,450	2,082	2,337	(255)	2,995
Insurance	2,550	1,418	1,489	(71)	2,152
Inspection fees	197,500	180,851	213,159	(32,308)	199,555
Miscellaneous	3,300	758	1,008	(250)	2,175
Total code department	<u>262,915</u>	<u>220,888</u>	<u>257,998</u>	<u>(37,110)</u>	<u>257,536</u>
Total general government	<u>972,841</u>	<u>1,019,116</u>	<u>1,060,988</u>	<u>(41,872)</u>	<u>947,781</u>

(continued)

CITY OF CARENCRO, LOUISIANA
General Fund

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

	2018				2017 Actual
	Budget		Actual	Variance with Final Budget	
	Original	Final		Positive (Negative)	
Public safety:					
Police department -					
Salaries	1,535,010	1,449,038	1,492,264	(43,226)	1,262,707
Retirement	119,177	139,393	139,393	-	239,687
Group insurance	183,038	145,495	161,431	(15,936)	153,024
Payroll taxes	102,594	99,314	99,479	(165)	90,282
Insurance	260,000	193,033	194,522	(1,489)	221,092
Gas and repairs	113,000	114,539	110,910	3,629	107,178
Equipment expenditures	20,000	17,458	19,897	(2,439)	31,981
Maintenance	20,700	28,684	22,726	5,958	22,986
Utilities and telephone	17,200	19,813	21,420	(1,607)	19,363
Auto allowance	14,400	14,400	14,400	-	14,400
Legal fees	1,000	1,288	2,013	(725)	1,150
Miscellaneous	4,000	3,799	754	3,045	671
Supplies	26,000	20,013	26,751	(6,738)	18,879
Office supplies	17,100	11,787	13,988	(2,201)	12,582
Grant expenditures	6,870	6,796	6,796	-	130
Radio user fees	2,500	-	-	-	-
Uniforms	21,000	16,009	18,268	(2,259)	31,077
Training	31,500	23,299	26,836	(3,537)	20,175
Drug task force expenditures	3,500	1,713	1,729	(16)	2,673
Drug testing	1,500	341	800	(459)	2,029
Total police department	<u>2,500,089</u>	<u>2,306,212</u>	<u>2,374,377</u>	<u>(68,165)</u>	<u>2,252,066</u>
Fire department -					
Salaries	352,830	372,346	376,094	(3,748)	242,567
Retirement	56,531	59,009	59,993	(984)	31,665
Group insurance	36,956	35,816	39,085	(3,269)	19,273
Payroll taxes	25,346	22,495	23,431	(936)	15,701
Insurance	66,000	102,857	96,624	6,233	56,378
Maintenance and supplies	26,500	32,165	30,554	1,611	29,442
Auto	52,500	54,413	68,574	(14,161)	45,296
Utilities and telephone	18,200	17,517	17,742	(225)	18,078
Equipment expenditures	20,000	15,756	10,263	5,493	34,431
Miscellaneous	61,000	50,077	49,436	641	56,270
Consultant fees	4,000	2,676	2,276	400	-
Training	7,000	6,525	6,472	53	5,915
Radio user fees	6,400	2,565	2,565	-	4,875
Uniforms	6,500	5,412	7,204	(1,792)	11,696
Total fire department	<u>739,763</u>	<u>779,629</u>	<u>790,313</u>	<u>(10,684)</u>	<u>571,587</u>

(continued)

CITY OF CARENCRO, LOUISIANA
General Fund

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

	2018				
	Budget		Actual	Variance with Final Budget	2017 Actual
	Original	Final		Positive (Negative)	
City Court department -					
City magistrate	10,500	12,104	11,620	484	11,389
Other salaries	6,826	5,697	5,778	(81)	6,477
Supplies	-	2,045	-	2,045	-
Legal fees	12,000	6,762	7,063	(301)	12,263
Fine fees	140,000	155,226	144,191	11,035	131,035
Traffic detail expenditures	<u>60,000</u>	<u>61,205</u>	<u>54,663</u>	<u>6,542</u>	<u>56,854</u>
Total city court department	<u>229,326</u>	<u>243,039</u>	<u>223,315</u>	<u>19,724</u>	<u>218,018</u>
Total public safety	<u>3,469,178</u>	<u>3,328,880</u>	<u>3,388,005</u>	<u>(59,125)</u>	<u>3,041,671</u>
Highways and streets:					
Salaries	136,090	136,132	132,404	3,728	135,581
Retirement	17,926	18,096	17,540	556	15,690
Group insurance	27,684	24,118	25,171	(1,053)	24,174
Payroll taxes	10,350	9,741	9,479	262	9,614
Insurance	36,500	26,816	27,054	(238)	30,987
Maintenance and supplies	59,500	132,748	141,322	(8,574)	119,918
Engineering	40,000	95,597	120,898	(25,301)	41,223
Street equipment repairs and maintenance	22,500	52,467	49,689	2,778	28,324
Lighting	111,500	101,657	100,395	1,262	104,874
Dumping fees	-	-	565	(565)	-
Inmate labor	58,000	65,920	60,094	5,826	56,648
Auto	28,500	23,530	32,253	(8,723)	25,529
Training	-	399	399	-	-
Uniforms	-	6,966	7,020	(54)	6,561
Total highways and streets	<u>548,550</u>	<u>694,187</u>	<u>725,665</u>	<u>(31,478)</u>	<u>599,170</u>
Culture and tourism -					
Community Center:					
Salaries	4,000	3,216	4,136	(920)	4,464
Payroll taxes	306	251	325	(74)	346
Insurance	12,000	9,587	9,567	20	10,161
Equipment and supplies	13,500	20,292	22,391	(2,099)	15,112
Janitorial services	21,000	23,287	24,300	(1,013)	21,250
Utilities and telephone	<u>15,500</u>	<u>16,420</u>	<u>16,870</u>	<u>(450)</u>	<u>17,192</u>
Total community center	<u>66,306</u>	<u>73,053</u>	<u>77,589</u>	<u>(4,536)</u>	<u>68,525</u>
Total culture and tourism	<u>66,306</u>	<u>73,053</u>	<u>77,589</u>	<u>(4,536)</u>	<u>68,525</u>

(continued)

CITY OF CARENCRO, LOUISIANA
General Fund

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

	2018		Actual	Variance with Final Budget Positive (Negative)	2017 Actual
	Budget				
	Original	Final			
Capital outlay:					
General government	26,425	59,513	66,806	(7,293)	21,489
Public safety	534,131	525,442	468,150	57,292	117,490
Highways and street	51,000	52,051	52,051	-	-
Culture and tourism	-	100,000	94,224	5,776	-
Total capital outlay	<u>611,556</u>	<u>737,006</u>	<u>681,231</u>	<u>55,775</u>	<u>138,979</u>
Debt service:					
Principal retirement	90,707	103,306	103,306	-	134,033
Interest and fiscal charges	-	120	120	-	7,066
Total debt service	<u>90,707</u>	<u>103,426</u>	<u>103,426</u>	<u>-</u>	<u>141,099</u>
 Total expenditures	 <u>\$ 5,759,138</u>	 <u>\$ 5,955,668</u>	 <u>\$ 6,036,904</u>	 <u>\$ (81,236)</u>	 <u>\$ 4,937,225</u>

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

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

	2018		Actual	Variance with Final Budget Positive (Negative)	2017 Actual
	Budget				
	Original	Final			
Revenues:					
Taxes	\$2,200,000	\$2,527,533	\$2,453,506	\$(74,027)	\$2,155,153
Interest	2,400	6,552	7,002	450	4,170
Total revenues	<u>2,202,400</u>	<u>2,534,085</u>	<u>2,460,508</u>	<u>(73,577)</u>	<u>2,159,323</u>
Expenditures:					
Current -					
General government:					
Collection fees	20,500	25,275	22,166	3,109	21,520
Professional fees	12,500	11,625	10,080	1,545	10,525
Office expenditures	-	-	-	-	771
Total expenditures	<u>33,000</u>	<u>36,900</u>	<u>32,246</u>	<u>4,654</u>	<u>32,816</u>
Excess of revenues over expenditures	2,169,400	2,497,185	2,428,262	(68,923)	2,126,507
Other financing uses:					
Transfers out	<u>(2,166,318)</u>	<u>(2,299,131)</u>	<u>(2,299,131)</u>	-	<u>(2,075,111)</u>
Net change in fund balance	3,082	198,054	129,131	(68,923)	51,396
Fund balance, beginning	<u>342,278</u>	<u>342,278</u>	<u>342,278</u>	-	<u>290,882</u>
Fund balance, ending	<u>\$ 345,360</u>	<u>\$ 540,332</u>	<u>\$ 471,409</u>	<u>\$(68,923)</u>	<u>\$ 342,278</u>

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

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

	2018			Variance with Final Budget Positive (Negative)	2017 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 2,200,000	\$2,527,533	\$2,453,506	\$ (74,027)	\$2,155,153
Miscellaneous - interest	2,200	4,875	6,115	1,240	2,245
Total revenues	<u>2,202,200</u>	<u>2,532,408</u>	<u>2,459,621</u>	<u>(72,787)</u>	<u>2,157,398</u>
Expenditures:					
Current -					
General government:					
Collection fees	20,500	25,275	22,166	3,109	21,520
Professional fees	12,500	11,625	10,080	1,545	10,525
Total general government	33,000	36,900	32,246	4,654	32,045
Culture and recreation	720,000	825,000	813,033	11,967	692,850
Total expenditures	<u>753,000</u>	<u>861,900</u>	<u>845,279</u>	<u>16,621</u>	<u>724,895</u>
Excess of revenues over expenditures	1,449,200	1,670,508	1,614,342	(56,166)	1,432,503
Other financing uses -					
Transfers out	<u>(1,440,000)</u>	<u>(1,540,000)</u>	<u>(1,540,000)</u>	-	<u>(1,380,000)</u>
Net change in fund balance	9,200	130,508	74,342	(56,166)	52,503
Fund balance, beginning	<u>181,312</u>	<u>181,312</u>	<u>181,312</u>	-	<u>128,809</u>
Fund balance, ending	<u>\$ 190,512</u>	<u>\$ 311,820</u>	<u>\$ 255,654</u>	<u>\$ (56,166)</u>	<u>\$ 181,312</u>

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

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

	2018			Variance with Final Budget Positive (Negative)	2017 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$1,575,000	\$1,752,364	\$1,686,451	\$ (65,913)	\$1,424,472
Intergovernmental - DOTD	-	2,315	2,315	-	-
Miscellaneous - interest	11,000	18,581	19,699	1,118	10,483
Total revenues	<u>1,586,000</u>	<u>1,773,260</u>	<u>1,708,465</u>	<u>(64,795)</u>	<u>1,434,955</u>
Expenditures:					
Current -					
General government:					
Collection fees	15,750	17,525	15,553	1,972	13,899
Engineering	-	2,280	1,880	400	-
Repairs and maintenance	-	1,195	1,193	2	-
Professional fees	7,250	7,250	7,140	110	6,535
Total general government	23,000	28,250	25,766	2,484	20,434
Capital outlay	250,000	439,981	375,751	64,230	1,167,280
Total expenditures	<u>273,000</u>	<u>468,231</u>	<u>401,517</u>	<u>66,714</u>	<u>1,187,714</u>
Excess of revenues over expenditures	1,313,000	1,305,029	1,306,948	1,919	247,241
Other financing uses:					
Transfers out	<u>(872,078)</u>	<u>(1,278,080)</u>	<u>(1,274,080)</u>	<u>4,000</u>	<u>(916,446)</u>
Net change in fund balance	440,922	26,949	32,868	5,919	(669,205)
Fund balance, beginning	<u>763,301</u>	<u>763,301</u>	<u>763,301</u>	<u>-</u>	<u>1,432,506</u>
Fund balance, ending	<u>\$1,204,223</u>	<u>\$ 790,250</u>	<u>\$ 796,169</u>	<u>\$ 5,919</u>	<u>\$ 763,301</u>

CITY OF CARENCRO, LOUISIANA
2016 Sales Tax Special Revenue Fund

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

	2018		Actual	Variance with Final Budget Positive (Negative)	2017 Actual
	Budget				
	Original	Final			
Revenues:					
Taxes	\$ 1,400,000	\$ 2,422,707	\$ 2,442,940	\$ 20,233	\$ 1,307,196
Miscellaneous	<u>2,850</u>	<u>35,125</u>	<u>45,820</u>	<u>10,695</u>	<u>3,904</u>
Total revenues	<u>1,402,850</u>	<u>2,457,832</u>	<u>2,488,760</u>	<u>30,928</u>	<u>1,311,100</u>
Expenditures:					
Current:					
General government					
Collection fees	14,000	24,225	18,801	5,424	9,384
Professional fees	<u>2,850</u>	<u>7,960</u>	<u>7,135</u>	<u>825</u>	<u>-</u>
Total general government	<u>16,850</u>	<u>32,185</u>	<u>25,936</u>	<u>6,249</u>	<u>9,384</u>
Excess of revenues over expenditures	1,386,000	2,425,647	2,462,824	37,177	1,301,716
Other financing uses:					
Transfers out	<u>-</u>	<u>(425,000)</u>	<u>(425,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,386,000	2,000,647	2,037,824	37,177	1,301,716
Fund balance, beginning	<u>1,301,716</u>	<u>1,301,716</u>	<u>1,301,716</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ 2,687,716</u>	<u>\$ 3,302,363</u>	<u>\$ 3,339,540</u>	<u>\$ 37,177</u>	<u>\$ 1,301,716</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, 2018
With Comparative Actual Amounts for the Year Ended November 30, 2017

	2018		Actual	Variance with Budget Positive (Negative)	2017 Actual
	Budget				
	Original	Budget			
Revenue:					
Intergovernmental -					
Federal grants	\$ 1,500,000	\$ 1,336,456	\$ 1,333,636	\$ (2,820)	\$ 763,950
State grants	1,540,000	228,195	228,058	(137)	121,799
Local grants	-	30,875	30,875	-	625
Local contribution	-	-	-	-	11,895
Miscellaneous	-	390	390	-	7,005
Total revenues	<u>3,040,000</u>	<u>1,595,916</u>	<u>1,592,959</u>	<u>(2,957)</u>	<u>905,274</u>
Expenditures:					
Capital outlay -	<u>2,225,000</u>	<u>2,468,385</u>	<u>2,357,032</u>	<u>111,353</u>	<u>1,404,927</u>
Excess (deficiency) of revenues over expenditures	<u>815,000</u>	<u>(872,469)</u>	<u>(764,073)</u>	<u>108,396</u>	<u>(499,653)</u>
Other financing sources (uses):					
Transfers in	66,200	48,292	48,292	-	-
Transfers out	<u>(1,500,000)</u>	<u>(256,407)</u>	<u>(258,270)</u>	<u>(1,863)</u>	<u>(278,087)</u>
Total other financing sources (uses)	<u>(1,433,800)</u>	<u>(208,115)</u>	<u>(209,978)</u>	<u>(1,863)</u>	<u>(278,087)</u>
Net change in fund balance	(618,800)	(1,080,584)	(974,051)	106,533	(777,740)
Fund balance, beginning	<u>1,203,260</u>	<u>1,203,260</u>	<u>1,203,260</u>	<u>-</u>	<u>1,981,000</u>
Fund balance, ending	<u>\$ 584,460</u>	<u>\$ 122,676</u>	<u>\$ 229,209</u>	<u>\$ 106,533</u>	<u>\$ 1,203,260</u>

CITY OF CARENCRO, LOUISIANA
Nonmajor Governmental Funds

Combining Balance Sheet
November 30, 2018
With Comparative Totals as of November 30, 2017

	Hotel/Motel Sales Tax Fund	2011 Sales Tax Bond Fund	2012 Sales Tax Bond Fund	2013 Sales Tax Bond Fund	2014 Sales Tax Bond Fund	Sidewalk Construction Fund	LCDBG 2009 Sewer Improvements Fund	Totals	
								2018	2017
ASSETS									
Cash	\$ 254	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,172	\$ 22,426	\$ 1,253
Interest-bearing deposits	14,853	94,356	-	272,759	769,014	-	-	1,150,982	1,926,266
Investments	-	-	-	-	-	19,028	-	19,028	66,601
Receivables:									
Taxes	485	-	-	-	-	-	-	485	319
Due from other funds	-	-	-	-	-	-	-	-	-
Due from other governmental agencies	-	-	-	-	-	-	240,293	240,293	-
TOTAL ASSETS	\$ 15,592	\$ 94,356	\$ -	\$ 272,759	\$ 769,014	\$ 19,028	\$ 262,465	\$ 1,433,214	\$ 1,994,439
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 345	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 345	\$ 8
Contracts payable	-	-	-	-	-	-	231,341	231,341	-
Retainage payable	-	-	-	-	-	-	14,444	14,444	-
Total liabilities	345	-	-	-	-	-	245,785	246,130	8
Fund balances:									
Restricted - sales tax dedications	15,247	-	-	-	-	-	-	15,247	10,917
Restricted - debt service	-	94,356	-	272,759	769,014	-	-	1,136,129	1,916,905
Assigned - capital projects	-	-	-	-	-	19,028	16,680	35,708	66,609
Total fund balances	15,247	94,356	-	272,759	769,014	19,028	16,680	1,187,084	1,994,431
TOTAL LIABILITIES AND FUND BALANCES	\$ 15,592	\$ 94,356	\$ -	\$ 272,759	\$ 769,014	\$ 19,028	\$ 262,465	\$ 1,433,214	\$ 1,994,439

CITY OF CARENCRO, LOUISIANA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Change in Fund Balances
For the Year Ended November 30, 2018
With Comparative Actual Amounts for the Year Ended November 30, 2017

	Hotel/Motel Sales Tax Fund	2011 Sales Tax Bond Fund	2012 Sales Tax Bond Fund	2013 Sales Tax Bond Fund	2014 Sales Tax Bond Fund	Sidewalk Construction Fund	LCDBG	Totals	
							2009 Sewer Improvements Fund	2018	2017
Revenues:									
Taxes	\$ 7,789	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,789	\$ 7,511
Intergovernmental	-	-	-	-	291,300	-	357,947	649,247	291,300
Miscellaneous	6,764	935	2,228	3,517	13,148	719	672	27,983	16,320
Total revenues	<u>14,553</u>	<u>935</u>	<u>2,228</u>	<u>3,517</u>	<u>304,448</u>	<u>719</u>	<u>358,619</u>	<u>685,019</u>	<u>315,131</u>
Expenditures:									
Current -									
General government	11	-	-	-	-	-	-	11	11
Culture and tourism	10,212	-	-	-	-	-	-	10,212	13,939
Debt service -									
Principal retirement	-	80,000	189,000	1,055,000	640,000	-	-	1,964,000	1,041,000
Interest and fiscal charges	-	16,080	1,937	42,906	186,465	-	-	247,388	266,743
Total expenditures	<u>10,223</u>	<u>96,080</u>	<u>190,937</u>	<u>1,097,906</u>	<u>826,465</u>	<u>-</u>	<u>-</u>	<u>2,221,611</u>	<u>1,321,693</u>
Excess (deficiency) of revenues over expenditures	<u>4,330</u>	<u>(95,145)</u>	<u>(188,709)</u>	<u>(1,094,389)</u>	<u>(522,017)</u>	<u>719</u>	<u>358,619</u>	<u>(1,536,592)</u>	<u>(1,006,562)</u>
Other financing sources (uses) :									
Transfer in	-	100,008	64,292	547,345	657,026	-	-	1,368,671	1,504,722
Transfer out	-	-	(249,187)	-	-	(48,292)	(341,947)	(639,426)	-
Total other financing sources (uses)	<u>-</u>	<u>100,008</u>	<u>(184,895)</u>	<u>547,345</u>	<u>657,026</u>	<u>(48,292)</u>	<u>(341,947)</u>	<u>729,245</u>	<u>1,504,722</u>
Net change in fund balances	4,330	4,863	(373,604)	(547,044)	135,009	(47,573)	16,672	(807,347)	498,160
Fund balances, beginning	<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>
Fund balances, ending	<u>\$ 15,247</u>	<u>\$ 94,356</u>	<u>\$ -</u>	<u>\$ 272,759</u>	<u>\$ 769,014</u>	<u>\$ 19,028</u>	<u>\$ 16,680</u>	<u>\$ 1,187,084</u>	<u>\$ 1,994,431</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, 2018
With Comparative Actual Amounts for the Year Ended November 30, 2017

	2018		Variance with Final Budget Positive (Negative)	2017 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 8,065	\$ 7,789	\$ (276)	\$ 7,511
Miscellaneous -				
Donations	6,000	6,000	-	5,675
Farmers market	510	540	30	674
Interest	201	224	23	73
Total revenues	<u>14,776</u>	<u>14,553</u>	<u>(223)</u>	<u>13,933</u>
Expenditures:				
Current -				
General government:				
Collection fees	<u>82</u>	<u>11</u>	<u>71</u>	<u>11</u>
Culture and tourism:				
Culture district	2,513	2,316	197	946
Culture and tourism	7,735	7,896	(161)	12,959
Economic development	<u>51</u>	<u>-</u>	<u>51</u>	<u>34</u>
Total culture and tourism	<u>10,299</u>	<u>10,212</u>	<u>87</u>	<u>13,939</u>
Total expenditures	<u>10,381</u>	<u>10,223</u>	<u>158</u>	<u>13,950</u>
Excess (deficiency) of revenues over expenditures	4,395	4,330	(65)	(17)
Fund balance, beginning	<u>10,917</u>	<u>10,917</u>	<u>-</u>	<u>10,934</u>
Fund balance, ending	<u>\$ 15,312</u>	<u>\$ 15,247</u>	<u>\$ (65)</u>	<u>\$ 10,917</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 and the \$900,000 Sales Tax Bonds, Series 2016, due in annual installments, plus interest through maturity in 2026. The City paid off the Series 2016 Sales Tax Bonds during the fiscal year ended November 30, 2018. 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, 2018
 With Comparative Actual Amounts for the Year Ended November 30, 2017

	2018		Variance with Budget Positive (Negative)	2017 Actual
	Budget	Actual		
Revenues:				
Miscellaneous - interest	\$ 785	\$ 935	\$ 150	\$ 422
Expenditures:				
Debt service -				
Principal retirement	80,000	80,000	-	80,000
Interest and fiscal charges	16,080	16,080	-	18,224
Total expenditures	<u>96,080</u>	<u>96,080</u>	-	<u>98,224</u>
Deficiency of revenues over expenditures	(95,295)	(95,145)	150	(97,802)
Other financing sources:				
Transfers in	<u>100,626</u>	<u>100,008</u>	(618)	<u>97,152</u>
Net change in fund balance	5,331	4,863	(468)	(650)
Fund balance, beginning	<u>89,493</u>	<u>89,493</u>	-	<u>90,143</u>
Fund balance, ending	<u>\$ 94,824</u>	<u>\$ 94,356</u>	<u>\$ (468)</u>	<u>\$ 89,493</u>

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, 2018
 With Comparative Actual Amounts for the Year Ended November 30, 2017

	2018		Variance with Budget Positive Negative	2017 Actual
	Budget	Actual		
Revenues:				
Miscellaneous - interest	\$ 2,228	\$ 2,228	\$ -	\$ 2,429
Expenditures:				
Debt service -				
Principal retirement	189,000	189,000	-	186,000
Interest and fiscal charges	1,937	1,937	-	5,781
Total expenditures	190,937	190,937	-	191,781
Deficiency of revenues over expenditures	(188,709)	(188,709)	-	(189,352)
Other financing sources (uses):				
Transfers in	64,292	64,292	-	193,146
Transfers out	(249,187)	(249,187)	-	-
Total other financing sources (uses)	(184,895)	(184,895)	-	193,146
Net change in fund balance	(373,604)	(373,604)	-	3,794
Fund balance, beginning	373,604	373,604	-	369,810
Fund balance, ending	\$ -	\$ -	\$ -	\$ 373,604

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, 2018
 With Comparative Actual Amounts for the Year Ended November 30, 2017

	2018		Variance with Budget Positive (Negative)	2017 Actual
	Budget	Actual		
Revenues:				
Miscellaneous - interest	\$ 2,953	\$ 3,517	\$ 564	\$ 1,592
Expenditures:				
Debt service -				
Principal retirement	1,055,000	1,055,000	-	150,000
Interest and fiscal charges	42,581	42,906	(325)	42,318
Total expenditures	<u>1,097,581</u>	<u>1,097,906</u>	<u>(325)</u>	<u>192,318</u>
Deficiency of revenues over expenditures	(1,094,628)	(1,094,389)	239	(190,726)
Other financing sources:				
Transfers in	<u>550,727</u>	<u>547,345</u>	<u>(3,382)</u>	<u>557,453</u>
Net change in fund balance	(543,901)	(547,044)	(3,143)	366,727
Fund balance, beginning	<u>819,803</u>	<u>819,803</u>	<u>-</u>	<u>453,076</u>
Fund balance, ending	<u>\$ 275,902</u>	<u>\$ 272,759</u>	<u>\$ (3,143)</u>	<u>\$ 819,803</u>

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, 2018
 With Comparative Actual Amounts for the Year Ended November 30, 2017

	2018		Variance with Budget Positive (Negative)	2017 Actual
	Budget	Actual		
Revenues:				
Intergovernmental - local sources	\$ 291,300	\$ 291,300	\$ -	\$ 291,300
Miscellaneous - interest	<u>10,682</u>	<u>13,148</u>	<u>2,466</u>	<u>4,847</u>
Total revenues	<u>301,982</u>	<u>304,448</u>	<u>2,466</u>	<u>296,147</u>
Expenditures:				
Debt service				
Principal retirement	640,000	640,000	-	625,000
Interest and fiscal charges	<u>186,465</u>	<u>186,465</u>	<u>-</u>	<u>200,420</u>
Total expenditures	<u>826,465</u>	<u>826,465</u>	<u>-</u>	<u>825,420</u>
Deficiency of revenues over expenditures	(524,483)	(522,017)	2,466	(529,273)
Other financing sources:				
Transfers in	<u>657,026</u>	<u>657,026</u>	<u>-</u>	<u>656,965</u>
Net change in fund balance	132,543	135,009	2,466	127,692
Fund balance, beginning	<u>634,005</u>	<u>634,005</u>	<u>-</u>	<u>506,313</u>
Fund balance, ending	<u>\$ 766,548</u>	<u>\$ 769,014</u>	<u>\$ 2,466</u>	<u>\$ 634,005</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, 2018
 With Comparative Actual Amounts for the Year Ended November 30, 2017

	<u>2018</u>		Variance with Budget Positive (Negative)	2017 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenue:				
Miscellaneous - interest	\$ -	\$ 719	\$ 719	\$ 608
Expenditures:				
Capital outlay	-	-	-	-
Excess of revenues over expenditures	-	719	719	608
Other financing uses:				
Transfers out	(48,292)	(48,292)	-	-
Net change in fund balance	(48,292)	(47,573)	719	608
Fund balance, beginning	<u>66,601</u>	<u>66,601</u>	-	<u>65,993</u>
Fund balance, ending	<u>\$ 18,309</u>	<u>\$ 19,028</u>	<u>\$ 719</u>	<u>\$ 66,601</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, 2018
 With Comparative Actual Amounts for the Year Ended November 30, 2017

	2018		Variance with Budget Positive Negative (Negative)	2017 Actual
	Budget	Actual		
Revenue:				
Intergovernmental - LCDBG federal grant	\$ 357,654	\$ 357,947	\$ 293	\$ -
Miscellaneous	-	672	672	-
Total revenues	357,654	358,619	965	-
Expenditures:				
Capital outlay	-	-	-	-
Excess of revenues over expenditures	357,654	358,619	965	-
Other financing uses:				
Transfers out	(294,139)	(341,947)	(47,808)	6
Net change in fund balance	63,515	16,672	(46,843)	6
Fund balance, beginning	8	8	-	2
Fund balance, ending	\$ 63,523	\$ 16,680	\$ (46,843)	\$ 8

CITY OF CARENCRO, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
November 30, 2018 and 2017

Records maintained by the City indicated the following number of customers were being serviced during the month of November, 2018 and 2017:

<u>Department</u>	<u>2018</u>	<u>2017</u>
Gas (metered)	756	764
Water (metered)	3,006	2,877
Sewerage	2,651	2,530
Garbage	2,740	2,639

CITY OF CARENCRO, LOUISIANA

Schedule of Insurance In Force
(Unaudited)
November 30, 2018

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, 2018

		Interest Rate	Maturity Date	Amount
Major Governmental Funds:				
General Fund -				
Money Market Investment Account	(R)	Variable	N/A	\$ 377,498
Money Market Investment Account	(R)	Variable	N/A	<u>24,128</u>
				<u>401,626</u>
Special Revenue Funds -				
1967 Sales Tax Fund:				
Money Market Investment Account	(R)	Variable	N/A	20,928
U. S. Treasury Notes and Securities	(E)	1.375 - 4.875%	Various	<u>184,858</u>
				<u>205,786</u>
1993 Sales Tax Fund:				
Money Market Investment Account	(I)	Variable	N/A	38,774
Money Market Investment Account	(I)	Variable	N/A	<u>58,473</u>
				<u>97,247</u>
TIF District Sales Tax Fund:				
Money Market Investment Account	(R)	Variable	N/A	<u>901,919</u>
2016 Sales Tax Fund:				
Money Market Investment Account	(I)	Variable	N/A	<u>3,145,338</u>
Nonmajor governmental funds:				
Special Revenue Fund -				
Hotel/Motel Sales Tax Fund				
Money Market Investment Account	(I)	Variable	N/A	<u>14,853</u>
Debt Service Funds -				
2011 Sales Tax Bond Fund:				
Money Market Investment Account	(I)	Variable	N/A	<u>94,356</u>
2013 Sales Tax Bond Fund:				
Money Market Investment Account	(I)	Variable	N/A	<u>272,759</u>
2014 Sales Tax Bond Fund:				
Money Market Investment Account	(I)	Variable	N/A	<u>769,014</u>
Capital Projects Fund -				
Sidewalk Construction Fund:				
Louisiana Asset Management Pool	(L)	Variable	N/A	<u>19,028</u>
Total governmental funds				<u>\$5,921,926</u>

(continued)

CITY OF CARENCRO, LOUISIANA

Combined Schedule of Interest-Bearing Deposits and Investments - All Funds (Continued)
November 30, 2018

		Interest Rate	Maturity Date	Amount
Proprietary Fund:				
Utility Fund -				
Unrestricted Accounts:				
Money Market Investment Account	(I)	Variable	N/A	\$ 130,029
U. S. Treasury Notes and Securities	(E)	1.375 - 4.875%	Various	436,032
Louisiana Asset Management Pool	(L)	Variable	N/A	92,930
Total unrestricted accounts				<u>658,991</u>
Restricted Accounts:				
Customers' Deposits -				
Money Market Investment Account	(R)	Variable	N/A	367,802
Money Market Investment Account	(R)	Variable	N/A	30,095
Louisiana Asset Management Pool	(L)	Variable	N/A	45,608
				<u>443,505</u>
Revenue Bond Sinking Fund -				
Money Market Investment Account	(I)	Variable	N/A	210,861
Money Market Investment Account	(I)	Variable	N/A	117,804
Money Market Investment Account	(I)	Variable	N/A	1,145
				<u>329,810</u>
Total restricted accounts				<u>773,315</u>
Total proprietary fund				<u>1,432,306</u>
Total interest-bearing deposits and investments - all funds				<u>\$7,354,232</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, 2018 and 2017

	<u>Enterprise Fund</u>	
	<u>2018</u>	<u>2017</u>
ASSETS		
Current assets:		
Cash	\$ 132,705	\$ 198,057
Interest-bearing deposits	130,029	106,294
Investments	528,962	526,963
Receivables -		
Accounts	443,693	406,752
Unbilled utility receivables	236,991	307,368
Due from other funds	431	-
Accrued interest	2,244	2,225
Prepaid items	28,371	27,565
Total current assets	<u>1,503,426</u>	<u>1,575,224</u>
Noncurrent assets:		
Restricted assets -		
Interest-bearing deposits	727,707	569,481
Investments	45,608	44,788
Capital assets -		
Land and construction in progress	7,655,808	4,630,836
Other capital assets, net of accumulated depreciation	13,161,737	12,394,356
Total noncurrent assets	<u>21,590,860</u>	<u>17,639,461</u>
Total assets	<u>23,094,286</u>	<u>19,214,685</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	<u>202,521</u>	<u>231,072</u>
LIABILITIES		
Current liabilities:		
Accounts payable	171,087	166,213
Contracts payable	218,853	-
Retainage payable	130,984	-
Accrued liabilities	14,600	11,680
Due to other funds	-	256,655
Customers' deposits	443,505	413,320
Accrued interest	22,989	12,914
Capital lease payable	-	16,531
Certificates of indebtedness payable	251,000	239,000
Total current liabilities	<u>1,253,018</u>	<u>1,116,313</u>
Noncurrent liabilities:		
Compensated absences payable	62,106	65,483
Net pension liability	762,809	722,552
DHH water loan payable	1,921,554	-
Certificates of indebtedness payable	2,308,000	2,559,000
Total noncurrent liabilities	<u>5,054,469</u>	<u>3,347,035</u>
Total liabilities	<u>6,307,487</u>	<u>4,463,348</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	<u>35,765</u>	<u>18,454</u>
NET POSITION		
Net investment in capital assets	15,987,154	14,210,661
Restricted for debt service	306,821	188,035
Unrestricted	659,580	565,259
Total net position	<u>\$ 16,953,555</u>	<u>\$ 14,963,955</u>

CITY OF CARENCRO, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Analysis of Revenues and Expenses
Years Ended November 30, 2018 and 2017

	Totals		Gas	
	2018	2017	2018	2017
Operating revenues:				
Customers service charges	\$ 4,187,481	\$ 4,062,884	\$ 730,800	\$ 688,529
Permits, reconnections and penalties	196,788	190,238	11,478	2,410
Miscellaneous	15,729	16,879	-	-
Total operating revenues	4,399,998	4,270,001	742,278	690,939
Operating expenses:				
Salaries	732,408	677,245	172,133	167,800
Payroll taxes	52,297	49,896	13,169	12,162
Group insurance	89,024	87,738	11,542	14,870
Retirement	198,854	160,008	45,805	39,415
Gas purchased	177,142	133,287	177,142	133,287
Maintenance and supplies	500,837	570,712	70,942	39,702
Chemicals	268,873	268,461	-	-
Cathodic protection survey	4,110	4,182	4,110	4,182
Garbage collection fees	791,522	669,362	-	-
Depreciation expense	899,125	887,950	17,965	26,263
Utilities	166,235	177,187	-	-
Telephone	19,083	18,934	-	-
Truck operation	47,122	33,474	24,265	15,922
Office supplies and postage	32,598	30,347	-	-
Bad debts	33,402	16,279	-	-
Insurance	94,942	97,735	25,709	33,773
Miscellaneous	6,078	744	-	-
Professional fees	22,005	20,080	-	-
Uniforms	17,538	17,613	5,684	6,160
Engineering fees	24,157	13,300	-	-
Travel	5,562	8,025	3,768	6,000
Contractual services	19,710	18,502	-	-
Meter reader expense	10,866	11,038	10,866	11,038
Backhoe operating lease	-	7,831	-	-
Allocation of general and administrative expense	-	-	136,221	121,827
Total operating expenses	4,213,490	3,979,930	719,321	632,401
Net operating income	\$ 186,508	\$ 290,071	\$ 22,957	\$ 58,538

Water		Sewerage		Sanitation		Administrative	
2018	2017	2018	2017	2018	2017	2018	2017
\$ 1,347,440	\$ 1,318,432	\$ 1,262,515	\$ 1,227,013	\$ 846,726	\$ 828,910	\$ -	\$ -
141,075	144,288	44,235	43,540	-	-	-	-
15,729	16,879	-	-	-	-	-	-
<u>1,504,244</u>	<u>1,479,599</u>	<u>1,306,750</u>	<u>1,270,553</u>	<u>846,726</u>	<u>828,910</u>	<u>-</u>	<u>-</u>
256,195	226,727	33,517	31,184	-	-	270,563	251,534
18,422	16,076	2,433	2,309	-	-	18,273	19,349
30,204	26,507	5,040	4,759	-	-	42,238	41,602
63,448	47,984	9,682	7,014	-	-	79,919	65,595
-	-	-	-	-	-	-	-
294,652	347,801	90,608	142,783	-	-	44,635	40,426
124,524	130,053	144,349	138,408	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	791,522	669,362	-	-
355,170	354,517	426,780	425,712	-	-	99,210	81,458
47,601	48,561	110,506	118,610	-	-	8,128	10,016
-	-	-	-	-	-	19,083	18,934
14,493	7,978	8,364	9,574	-	-	-	-
-	-	-	-	-	-	32,598	30,347
-	-	-	-	-	-	33,402	16,279
58,261	51,889	6,283	6,906	-	-	4,689	5,167
-	-	-	-	-	-	6,078	744
-	-	-	-	-	-	22,005	20,080
6,738	6,252	5,116	5,201	-	-	-	-
8,944	7,657	15,213	5,643	-	-	-	-
755	1,289	759	961	-	-	280	(225)
6,225	5,245	13,485	13,257	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	7,831
<u>204,330</u>	<u>182,741</u>	<u>306,495</u>	<u>274,112</u>	<u>34,055</u>	<u>30,457</u>	<u>(681,101)</u>	<u>(609,137)</u>
<u>1,489,962</u>	<u>1,461,277</u>	<u>1,178,630</u>	<u>1,186,433</u>	<u>825,577</u>	<u>699,819</u>	<u>-</u>	<u>-</u>
<u>\$ 14,282</u>	<u>\$ 18,322</u>	<u>\$ 128,120</u>	<u>\$ 84,120</u>	<u>\$ 21,149</u>	<u>\$ 129,091</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

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* 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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 8, 2019.

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 2018-001 and 2018-002 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 March 8, 2019.

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
March 8, 2019

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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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, 2018. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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, 2018.

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
March 8, 2019

CITY OF CARENCRO, LOUISIANA

Schedule of Expenditures of Federal Awards
Year Ended November 30, 2018

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	\$ 1,001
Passed through Louisiana Commission on Law Enforcement: Edward Byrne Memorial Justice Assistance Grant Program	16.738	6,796
<u>U.S. Department of Homeland Security</u>		
Staffing for Adequate Fire and Emergency Response	97.083	112,529
Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness: Hazard Mitigation Grant	97.039	73,764
Passed through Lafayette City-Parish Consolidated Government: Hazard Mitigation Grant	97.039	1,060,142
<u>U.S. Department of Housing and Urban Development</u>		
Community Development Block Grant	14.228	315,497
<u>U.S. Department of Environmental Protection Agency</u>		
Passed through Louisiana Department of Health Capitalization Grants for Drinking Water State Revolving Funds*	66.468	<u>1,440,181</u>
TOTAL FEDERAL EXPENDITURES		<u>\$ 3,009,910</u>

* Indicates major program

CITY OF CARENCRO, LOUISIANA

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended November 30, 2018

(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, 2018. 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, 2018. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Indirect Cost Rate

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

(4) Outstanding Loans

The City has an outstanding loan balance under the Drinking Water State Revolving Funds in the amount of \$1,921,554, of which \$1,056,385 is from federal sources.

CITY OF CARENCRO, LOUISIANA

Schedule of Findings and Questioned Costs
For the Year Ended November 30, 2018

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: Capitalization Grants for Drinking Water State Revolving Funds (66.468).
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, 2018.

Internal Control Findings –

See Internal Control findings 2018-001 and 2018-002 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, 2018

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, 2018.

Internal Control Findings –

There were no internal control findings noted for the year ended November 30, 2018.

CITY OF CARENCRO, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
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
<u>CURRENT YEAR (11/30/18) --</u>						
<u>Internal Control:</u>						
2018-001	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
2018-002	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>Management Letter:</u>						
2018-003	2010	The City should take measures to replenish the fund balance of its General Fund. Current fund balance is \$568,077 of which \$522,655 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 36 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	11/30/2018

(continued)

CITY OF CARENCRO, LOUISIANA

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

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<u>PRIOR YEAR (11/30/17) --</u>						
<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, 2018

<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>
PRIOR 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.	Yes	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

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

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* A Professional Accounting Corporation

To the Mayor and Board of Aldermen of the
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, 2017 through November 30, 2018. 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

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

1. Obtain and inspect the entity's written policies and procedures and observe that they address 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/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) 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) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Board or Finance Committee

- 2. We obtained and inspected 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) Observed 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) Observed 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) Obtained 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 client bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the entity's main operating account. 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 from the statement closing date, if applicable.

Collections

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 the 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 the collection location, and observed that job duties are properly segregated at the 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.
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.

Non-Payroll Disbursements

(excluding card purchases/payments, travel reimbursements, and petty cash purchases)

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

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, we 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

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).
 - 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

15. We obtained 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) Observed 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) Observed 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), observed that the original contract terms provided for such an amendment.
 - d) Randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agree the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

(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. Randomly select 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 agree 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

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

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe 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

(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:

Board or Finance Committee:

1. The board minutes did not reference monthly financial statements for the months of December 2017 – March 2018.

Management's response: The entity implemented procedures requiring that the board minutes make reference to monthly financial statements.

Cash Collections:

2. Out of the ten deposits selected, two did not have sequentially pre-numbered receipts, system report, or other related collection documentation that could be traced to deposit slips.

Management's response: The entity will review its policies and procedures to ensure sequentially pre-numbered receipts are properly issued when funds are received.

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

3. Out of seven credit card transactions selected, two transactions did not have written documentation of the business/public purpose.

Management's response: Management will document the business purpose on all invoices and/or receipts.

Travel and Expense Reimbursements:

4. Of the five reimbursements tested, one reimbursement exceeded the GSA rate.

Management's response: The entity has updated policies and procedures to ensure that all per diem rates are obtained from the Louisiana State Travel Guide.

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 City of Carencro 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
March 8, 2019