

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

Financial Report

Year Ended November 30, 2017

## TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-3
 <b>BASIC FINANCIAL STATEMENTS</b>	
 <b>GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)</b>	
Statement of net position	6
Statement of activities	7
 <b>FUND FINANCIAL STATEMENTS (FFS)</b>	
Balance sheet - governmental fund	9
Statement of revenues, expenditures, and change in fund balance - governmental fund	10
Statement of net position - proprietary fund	11
Statement of revenues, expenses, and change in fund net position - proprietary fund	12-13
Statement of cash flows - proprietary fund	14
Notes to basic financial statements	15-24
 <b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
General Fund -	
Budgetary comparison schedule	26-27
Notes to the required supplementary information	28
 <b>OTHER SUPPLEMENTARY INFORMATION</b>	
Statement of net position - compared to prior year totals	30
General Fund -	
Comparative balance sheet	31
Budgetary comparison schedule with comparative actual amounts for prior year	32-33
Park Operating Fund -	
Comparative statement of net position	34
Comparative statement of revenues, expenses, and change in fund net position	35-36
 <b>INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS</b>	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	38-39
Summary schedule of current and prior year audit findings and management's corrective action plan	40-41

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Parks and Recreation Commission of Carencro, Inc. (PARC), a component unit of the City of Carencro, Louisiana, as of and for the year ended November 30, 2017, and the related notes to the financial statements, which collectively comprise the PARC's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

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

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

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

## ***Opinions***

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

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on pages 26 and 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The PARC has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the PARC's basic financial statements. The statement of net position, individual fund statements and budgetary comparison schedule included on pages 30 through 36 is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The comparative statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements are fairly stated in all material respects in relation to the basic financial statements as a whole. The prior year comparative information on these statements was derived from the PARC's 2016 financial statements, which were subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, were fairly presented in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated April 19, 2018, on our consideration of the PARC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the PARC's internal control over financial reporting and compliance.

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

Lafayette, Louisiana  
April 19, 2018

**BASIC FINANCIAL STATEMENTS**

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

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

Statement of Net Position  
November 30, 2017

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and interest-bearing deposits	\$ 289,605	\$ 45,422	\$ 335,027
Receivables, net	11	1,830	1,841
Inventory	-	27,956	27,956
Due from General Fund	-	2,600	2,600
Total current assets	289,616	77,808	367,424
Noncurrent assets:			
Capital assets, net	-	5,484,983	5,484,983
Total assets	289,616	5,562,791	5,852,407
<b>LIABILITIES</b>			
Accounts and other payables	28,650	11,781	40,431
Unearned revenues	-	12,126	12,126
Due to Park Operating Fund	2,600	-	2,600
Total liabilities	31,250	23,907	55,157
<b>NET POSITION</b>			
Net investment in capital assets	-	5,484,983	5,484,983
Restricted for recreation	258,366	-	258,366
Unrestricted	-	53,901	53,901
Total net position	\$258,366	\$5,538,884	\$5,797,250

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

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

Statement of Activities  
For the Year Ended November 30, 2017

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		Total
		Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Governmental activities:</b>							
General government	\$ 84,157	\$ -	\$ -	\$ -	\$ (84,157)	\$ -	\$ (84,157)
Recreation	365,968	4,030	704,320	-	342,382	-	342,382
Total governmental activities	<u>450,125</u>	<u>4,030</u>	<u>704,320</u>	<u>-</u>	<u>258,225</u>	<u>-</u>	<u>258,225</u>
<b>Business-type activities:</b>							
Pelican Park	812,626	646,729	-	-	-	(165,897)	(165,897)
Carencro Sports Complex	244,943	142,737	-	-	-	(102,206)	(102,206)
Total business-type activities	<u>1,057,569</u>	<u>789,466</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(268,103)</u>	<u>(268,103)</u>
<b>Total</b>	<u>\$ 1,507,694</u>	<u>\$ 793,496</u>	<u>\$ 704,320</u>	<u>\$ -</u>	<u>258,225</u>	<u>(268,103)</u>	<u>(9,878)</u>
<b>General revenues:</b>							
Interest and investment earnings					450	115	565
Transfers					(177,196)	177,196	-
Total general revenues and transfers					<u>(176,746)</u>	<u>177,311</u>	<u>565</u>
Change in net position					81,479	(90,792)	(9,313)
Net position - December 1, 2016					<u>176,887</u>	<u>5,629,676</u>	<u>5,806,563</u>
Net position - November 30, 2017					<u>\$ 258,366</u>	<u>\$ 5,538,884</u>	<u>\$ 5,797,250</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

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

Balance Sheet  
Governmental Fund  
November 30, 2017

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

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

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

Statement of Revenues, Expenditures, and Change in Fund Balance -  
Governmental Fund  
For the Year Ended November 30, 2017

	<u>General Fund</u>
Revenues:	
Charges for services	\$ 4,030
Intergovernmental -	
Local contribution	692,850
Miscellaneous	<u>11,920</u>
Total revenues	<u>708,800</u>
Expenditures:	
Current -	
General government	84,157
Recreation	<u>365,968</u>
Total expenditures	<u>450,125</u>
Excess of revenues over expenditures	258,675
Other financing uses:	
Transfers to Park Operating Fund	<u>(177,196)</u>
Net change in fund balance	81,479
Fund balance, beginning	<u>176,887</u>
Fund balance, ending	<u>\$258,366</u>

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

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

Statement of Net Position  
Proprietary Fund  
November 30, 2017

	<u>Park Operating Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 6,000
Interest-bearing deposits	39,422
Receivables, net	1,830
Inventory	27,956
Due from General Fund	<u>2,600</u>
Total current assets	77,808
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>5,484,983</u>
Total assets	<u>5,562,791</u>
<b>LIABILITIES</b>	
Accounts payable	2,448
Accrued liabilities	9,333
Unearned revenues	<u>12,126</u>
Total liabilities	<u>23,907</u>
<b>NET POSITION</b>	
Net investment in capital assets	5,484,983
Unrestricted	<u>53,901</u>
Total net position	<u>\$ 5,538,884</u>

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

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

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

	Park Operating Fund		
	Carencro		Total
	Pelican Park	Sports Complex	
Operating revenues:			
Charges for services -			
Concession sales	\$ 294,449	\$ 10,762	\$ 305,211
Lounge sales	127,484	-	127,484
League, entry and sponsorship fees	74,278	77,394	151,672
Gate receipts	55,737	7,203	62,940
Membership dues	50,286	-	50,286
Pro-shop sales	10	-	10
Softball sales	9,711	-	9,711
Park rental income	3,334	-	3,334
Events	27,238	44,787	72,025
Other	4,202	2,591	6,793
Total operating revenues	646,729	142,737	789,466
Costs of revenues:			
Purchases -			
Food	104,922	15,191	120,113
Liquor	18,636	-	18,636
Beer	41,697	-	41,697
Softballs	7,872	-	7,872
Uniforms	687	1,307	1,994
Total cost of revenues	173,814	16,498	190,312
Gross profit	472,915	126,239	599,154

(continued)

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

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

	Park Operating Fund		
	Pelican Park	Carencro Sports Complex	Total
Operating expenses:			
Salaries	\$ 195,258	\$ 55,322	\$ 250,580
Payroll taxes	20,118	5,065	25,183
Workman's compensation	8,432	-	8,432
Advertising	1,988	2,569	4,557
Awards	9,816	1,988	11,804
Depreciation expense	121,576	99,869	221,445
Legal and accounting	14,071	305	14,376
Lounge entertainment	2,850	-	2,850
Office and postage expenses	10,063	4,208	14,271
Service contracts	18,782	10,133	28,915
Sponsorship fees	26,583	9,403	35,986
Umpire fees	34,540	9,654	44,194
Utilities and telephone	49,830	20,104	69,934
Repairs, maintenance and supplies	51,995	9,806	61,801
Miscellaneous	13,040	19,000	13,059
Total operating expenses	<u>578,942</u>	<u>228,445</u>	<u>807,387</u>
Operating loss	<u>\$ (106,027)</u>	<u>\$ (102,206)</u>	<u>(208,233)</u>
Non-operating revenues (expenses):			
Interest income			115
Loss on disposal of assets			(1,530)
PARC expenses paid by Pelican Park			(58,340)
Total non-operating revenue (expenses)			<u>(59,755)</u>
Loss before transfers			(267,988)
Transfers from General Fund			<u>177,196</u>
Change in net position			(90,792)
Net position, beginning			<u>5,629,676</u>
Net position, ending			<u>\$ 5,538,884</u>

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

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

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

	<u>Park Operating Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$ 784,133
Payments to suppliers	(509,913)
Payments to employees	<u>(272,866)</u>
Net cash provided by operating activities	<u>1,354</u>
Cash flows from noncapital financing activities:	
Cash received from General Fund	<u>177,196</u>
Cash flows from capital and related financing activities:	
Acquisition of property, plant and equipment	(137,070)
PARC expenses paid by Pelican Park	<u>(58,340)</u>
Net cash used by capital and related financing activities	<u>(195,410)</u>
Cash flows from investing activities:	
Interest income	<u>115</u>
Net decrease in cash and cash equivalents	(16,745)
Cash and cash equivalents, beginning of period	<u>62,167</u>
Cash and cash equivalents, end of period	<u>\$ 45,422</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (208,233)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	221,445
Increase in receivables	(1,794)
Increase in inventory	(4,678)
Increase in Due From General Fund	(2,600)
Decrease in accounts payable	(4,744)
Increase in accrued liabilities	5,497
Decrease in unearned revenues	<u>(3,539)</u>
Net cash provided by operating activities	<u>\$ 1,354</u>

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

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

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

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

Notes to Basic Financial Statements (Continued)

Fund Accounting

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

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

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

The major funds of the PARC are described below:

Governmental Fund -

General Fund

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

Proprietary Fund -

Enterprise fund

The enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The PARC's enterprise fund is the Park Operating Fund.

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

Notes to Basic Financial Statements (Continued)

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

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

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

Basis of Accounting

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

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

Notes to Basic Financial Statements (Continued)

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

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

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

Cash and interest-bearing deposits

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

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

Interfund receivables and payables

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

Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds."

Inventories

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

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires an entity to delay recognition of decreases in net position as expenditures until a future period. In other instances, entities are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There were no deferred outflows of resources and deferred inflows of resources as of November 30, 2017.

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

Notes to Basic Financial Statements (Continued)

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the business-type activities column in the government-wide financial statements. The governmental activities have no capital. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The PARC maintains a threshold level of \$1,000 or more for capitalizing capital assets.

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

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

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

In the fund financial statements, the governmental fund operations have no capital assets. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Compensated Absences

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

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

Thirty days of sick leave and one week of vacation may be carried over to a subsequent year. Upon termination of employment, employees are to be paid for accumulated vacation leave only. The PARC had no material accumulated leave benefits required to be reported at November 30, 2017.

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

Notes to Basic Financial Statements (Continued)

Equity Classifications

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

1. Net investment in capital assets - This component consists of net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
2. Restricted net position - This component is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets.
3. Unrestricted net position - This component consists of all other net position that does not meet the definition of the above two components and is available for general use by the PARC.

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

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

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

Notes to Basic Financial Statements (Continued)

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

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

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

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

Interfund Transfers

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

F. Revenue Restrictions

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

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

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

Notes to Basic Financial Statements (Continued)

G. Income Taxes

The PARC qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service (IRS) as other than a private foundation. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2014, 2015, and 2016 are subject to examination by the IRS, generally for three years after they were filed.

H. Capitalization of Interest Expense

It is the policy of the PARC to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the Proprietary Fund. At November 30, 2017, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

I. Use of Estimates

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

(2) Cash and Interest-Bearing Deposits

At November 30, 2017, the PARC had cash balances (book balances) totaling \$335,027 as follows:

Cash	\$ 6,000
Interest-bearing deposits	<u>329,027</u>
	<u>\$ 335,027</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the PARC's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) in the amount of \$359,258 were fully secured by federal deposit insurance at November 30, 2017.

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

Notes to Basic Financial Statements (Continued)

(3) Capital Assets

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

	<u>Balance</u> 12/01/16	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> 11/30/17
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 889,044	\$ -	\$ -	\$ 889,044
Construction in progress	19,651	94,158	-	113,809
Other capital assets:				
Building and improvements	4,648,633	15,491	4,036	4,660,088
Furniture, fixtures and equipment	<u>768,707</u>	<u>27,421</u>	<u>8,751</u>	<u>787,377</u>
Total	<u>6,326,035</u>	<u>137,070</u>	<u>12,787</u>	<u>6,450,318</u>
Less: accumulated depreciation				
Building and improvements	435,142	168,238	2,505	600,875
Furniture, fixtures and equipment	<u>320,003</u>	<u>53,207</u>	<u>8,750</u>	<u>364,460</u>
Total accumulated depreciation	<u>755,145</u>	<u>221,445</u>	<u>11,255</u>	<u>965,335</u>
Capital assets, net	<u>\$5,570,890</u>	<u>\$ (84,375)</u>	<u>\$ 1,532</u>	<u>\$5,484,983</u>

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

Pelican Park	\$ 121,576
Carencro Sports Complex	<u>99,869</u>
Total depreciation expense	<u>\$ 221,445</u>

(4) External Transactions

Most of the revenues from PARC's General Fund are derived from transfers from the City of Carencro, the primary government. The transfers are made from one-third (1/3) of the 1993 sales and use tax levied by the City. The funds are dedicated for recreational purposes. These transactions are classified as external transactions on the government-wide statement of activities. During the fiscal year ended November 30, 2017, external transactions consisted of \$692,850 of contributions received from the City for operating and capital expenditures, \$291,300 paid to the City for debt service payments, and \$11,895 paid to the City for Carencro Sports Complex construction expenditures. The amount paid to the City is included in recreation expenditures.

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

Notes to Basic Financial Statements (Continued)

(5) Risk Management

PARC is exposed to risks of loss in the area of general liability. These risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(6) Litigation

There was no litigation pending against PARC at November 30, 2017.

(7) Interfund Transactions

Transfers of \$177,196 were made from the General Fund to the Park Operating Fund in order to properly charge the expenditures of the monies to the fund to which they were applicable in accordance with budgetary authorizations and to properly transfer capital assets to the Park Operating Fund.

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

The schedule of compensation, benefits, and other payments to Tom Meyers, Parks and Recreation Chairman from December 1, 2016 through November 30, 2017 follows:

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

**REQUIRED SUPPLEMENTARY  
INFORMATION**

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

General Fund  
Budgetary Comparison Schedule  
For the Year Ended November 30, 2017

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services:				
Registration fees	\$ 5,000	\$ 4,030	\$ 4,030	\$ -
Intergovernmental -				
Local contribution	650,000	693,000	692,850	(150)
Miscellaneous -				
Sponsor income	11,000	9,500	9,500	-
Interest income	100	280	450	170
Other	-	-	1,970	1,970
Total revenues	<u>666,100</u>	<u>706,810</u>	<u>708,800</u>	<u>1,990</u>
<b>Expenditures:</b>				
Current -				
General government:				
Parc per diem	39,000	15,600	15,600	-
Parc auto allowance	3,000	-	-	-
Legal and accounting	10,000	8,986	6,735	2,251
Office expenditures and supplies	500	68	5	63
Park insurance	23,000	23,264	22,806	458
Utilities	8,000	7,523	7,521	2
Repairs and maintenance	15,000	15,442	12,986	2,456
Maintenance - inmates	10,000	11,072	11,502	(430)
Travel and meetings	6,500	5,725	5,904	(179)
Miscellaneous	1,500	1,789	1,098	691
Total general government	<u>116,500</u>	<u>89,469</u>	<u>84,157</u>	<u>5,312</u>
Recreation:				
Salaries	22,500	22,485	22,485	-
CAYSI appropriation	12,000	6,617	4,933	1,684
Other park appropriations	294,800	297,307	306,740	(9,433)
Park concert program	33,300	29,382	28,675	707
Summer recreation program expenditures	4,000	2,771	2,771	-
Uniforms	-	-	364	(364)
Total recreation	<u>366,600</u>	<u>358,562</u>	<u>365,968</u>	<u>(7,406)</u>
Total expenditures	<u>483,100</u>	<u>448,031</u>	<u>450,125</u>	<u>(2,094)</u>
Excess of revenues over expenditures	183,000	258,779	258,675	(104)

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

General Fund  
Budgetary Comparison Schedule (Continued)  
For the Year Ended November 30, 2017

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Other financing uses:				
Transfers to Park Operating Fund	(55,000)	(149,958)	(177,196)	(27,238)
Excess of revenues over expenditures and other uses	128,000	108,821	81,479	(27,342)
Fund balance, beginning	176,887	176,887	176,887	-
Fund balance, ending	<u>\$ 304,887</u>	<u>\$ 285,708</u>	<u>\$ 258,366</u>	<u>\$ (27,342)</u>

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

Notes to the Required Supplementary Information

(1) Budgets and Budgetary Accounting

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

- a. The treasurer prepares a proposed budget and submits it to the Parks and Recreation Commission for the fiscal year no later than fifteen days prior to the beginning of each fiscal year
- b. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
- e. Budgetary amendments involving the transfers of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Commission.
- f. All budgetary appropriations lapse at the end of each fiscal year.
- g. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Commission.

**OTHER SUPPLEMENTARY  
INFORMATION**

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

Statement of Net Position  
November 30, 2017  
With Comparative Totals for November 30, 2016

	2017			2016 Total
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Current assets:				
Cash and interest-bearing deposits	\$ 289,605	\$ 45,422	\$ 335,027	\$ 246,778
Receivables, net	11	1,830	1,841	47
Inventory	-	27,956	27,956	23,278
Due from General Fund	-	2,600	2,600	-
Total current assets	<u>289,616</u>	<u>77,808</u>	<u>367,424</u>	<u>270,103</u>
Noncurrent assets:				
Capital assets, net	-	5,484,983	5,484,983	5,570,890
Total assets	<u>289,616</u>	<u>5,562,791</u>	<u>5,852,407</u>	<u>5,840,993</u>
<b>LIABILITIES</b>				
Accounts and other payables	28,650	11,781	40,431	18,763
Unearned revenues	-	12,126	12,126	15,667
Due to Park Operating Fund	2,600	-	2,600	-
Total liabilities	<u>31,250</u>	<u>23,907</u>	<u>55,157</u>	<u>34,430</u>
<b>NET POSITION</b>				
Net investment in capital assets	-	5,484,983	5,484,983	5,570,890
Restricted for recreation	258,366	-	258,366	176,887
Unrestricted	-	53,901	53,901	58,786
Total net position	<u>\$ 258,366</u>	<u>\$ 5,538,884</u>	<u>\$ 5,797,250</u>	<u>\$ 5,806,563</u>

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

General Fund  
Comparative Balance Sheet  
November 30, 2017 and 2016

	2017	2016
<b>ASSETS</b>		
Interest-bearing deposits	\$ 289,605	\$ 184,611
Receivables:		
Accrued interest	11	11
Total assets	\$ 289,616	\$ 184,622
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 28,650	\$ 7,735
Due to Park Operating Fund	2,600	-
Total liabilities	31,250	7,735
Fund balance:		
Restricted for recreation	258,366	176,887
Total liabilities and fund balance	\$ 289,616	\$ 184,622

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

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

	2017		Actual	Variance - Positive (Negative)	2016 Actual
	Budget				
	Original	Final			
<b>Revenues:</b>					
Charges for services:					
Registration fees	\$ 5,000	\$ 4,030	\$ 4,030	\$ -	\$ 4,560
Intergovernmental -					
Local contribution	650,000	693,000	692,850	(150)	583,872
Miscellaneous -					
Sponsor income	11,000	9,500	9,500	-	7,530
Interest income	100	280	450	170	1,018
Other	-	-	1,970	1,970	-
Total revenues	<u>666,100</u>	<u>706,810</u>	<u>708,800</u>	<u>1,990</u>	<u>596,980</u>
<b>Expenditures:</b>					
Current -					
General government:					
Parc per diem	39,000	15,600	15,600	-	34,750
Parc auto allowance	3,000	-	-	-	3,000
Legal and accounting	10,000	8,986	6,735	2,251	7,005
Office expenditures and supplies	500	68	5	63	912
Park insurance	23,000	23,264	22,806	458	21,378
Utilities	8,000	7,523	7,521	2	8,774
Repairs and maintenance	15,000	15,442	12,986	2,456	13,085
Maintenance - inmates	10,000	11,072	11,502	(430)	9,400
Travel and meetings	6,500	5,725	5,904	(179)	7,303
Miscellaneous	1,500	1,789	1,098	691	1,277
Total general government	<u>116,500</u>	<u>89,469</u>	<u>84,157</u>	<u>5,312</u>	<u>106,884</u>
Recreation:					
Salaries	22,500	22,485	22,485	-	22,440
CAYSI appropriation	12,000	6,617	4,933	1,684	4,649
Other park appropriations	294,800	297,307	306,740	(9,433)	552,066
Park concert program	33,300	29,382	28,675	707	23,398
Summer recreation program	4,000	2,771	2,771	-	2,561
Uniforms	-	-	364	(364)	1,183
Total recreation	<u>366,600</u>	<u>358,562</u>	<u>365,968</u>	<u>(7,406)</u>	<u>606,297</u>
Total expenditures	<u>483,100</u>	<u>448,031</u>	<u>450,125</u>	<u>(2,094)</u>	<u>713,181</u>
Excess (deficiency) of revenues over expenditures	183,000	258,779	258,675	(104)	(116,201)

(continued)

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

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

	2017			Variance - Positive (Negative)	2016 Actual
	Budget		Actual		
	Original	Final			
Other financing uses:					
Transfers to Park Operating Fund	(55,000)	(149,958)	(177,196)	(27,238)	(243,538)
Excess (deficiency) of revenues over expenditures and other uses	128,000	108,821	81,479	(27,342)	(359,739)
Fund balance, beginning	176,887	176,887	176,887	-	536,626
Fund balance, ending	\$ 304,887	\$ 285,708	\$ 258,366	\$ (27,342)	\$ 176,887

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

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

	2017	2016
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash	\$ 6,000	\$ 6,000
Interest-bearing deposits	39,422	56,167
Receivables, net	1,830	36
Inventory	27,956	23,278
Due from General Fund	2,600	-
Total current assets	77,808	85,481
<b>Noncurrent assets:</b>		
Capital assets, net of accumulated depreciation	5,484,983	5,570,890
Total assets	5,562,791	5,656,371
<b>LIABILITIES</b>		
Accounts payable	2,448	7,192
Accrued liabilities	9,333	3,836
Unearned revenues	12,126	15,667
Total liabilities	23,907	26,695
<b>NET POSITION</b>		
Net investment in capital assets	5,484,983	5,570,890
Unrestricted	53,901	58,786
Total net position	\$5,538,884	\$5,629,676

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

Park Operating Fund  
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Years Ended November 30, 2017 and 2016

	Carencro					
	Pelican Park		Sports Complex		Total	
	2017	2016	2017	2016	2017	2016
<b>Operating revenues:</b>						
Charges for services -						
Concession sales	\$ 294,449	\$ 268,933	\$ 10,762	\$ 661	\$ 305,211	\$ 269,594
Lounge sales	127,484	114,673	-	-	127,484	114,673
Tournament fees	-	360	-	-	-	360
League, entry and sponsorship fees	74,278	101,990	77,394	14,608	151,672	116,598
Gate receipts	55,737	46,192	7,203	453	62,940	46,645
Membership dues	50,286	55,657	-	-	50,286	55,657
Pro-shop sales	10	200	-	-	10	200
Softball sales	9,711	6,465	-	-	9,711	6,465
Park rental income	3,334	2,233	-	-	3,334	2,233
Events	27,238	19,328	44,787	1,769	72,025	21,097
Other	4,202	3,483	2,591	-	6,793	3,483
<b>Total operating revenues</b>	<u>646,729</u>	<u>619,514</u>	<u>142,737</u>	<u>17,491</u>	<u>789,466</u>	<u>637,005</u>
<b>Costs of revenues:</b>						
Purchases -						
Food	104,922	89,816	15,191	244	120,113	90,060
Liquor	18,636	13,258	-	-	18,636	13,258
Beer	41,697	33,770	-	-	41,697	33,770
Softballs	7,872	7,215	-	-	7,872	7,215
Uniforms	687	442	1,307	-	1,994	442
<b>Total cost of revenues</b>	<u>173,814</u>	<u>144,501</u>	<u>16,498</u>	<u>244</u>	<u>190,312</u>	<u>144,745</u>
<b>Gross profit</b>	<u>472,915</u>	<u>475,013</u>	<u>126,239</u>	<u>17,247</u>	<u>599,154</u>	<u>492,260</u>

(continued)

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

Park Operating Fund  
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position (Continued)  
For the Years Ended November 30, 2017 and 2016

	Pelican Park		Carencro Sports Complex		Total	
	2017	2016	2017	2016	2017	2016
Operating expenses:						
Salaries	\$ 195,258	\$185,652	\$ 55,322	\$ -	\$ 250,580	\$ 185,652
Payroll taxes	20,118	15,869	5,065	-	25,183	15,869
Workman's compensation	8,432	11,131	-	-	8,432	11,131
Advertising	1,988	-	2,569	5,063	4,557	5,063
Awards	9,816	10,049	1,988	-	11,804	10,049
Depreciation expense	121,576	121,311	99,869	10,694	221,445	132,005
Legal and accounting	14,071	15,623	305	-	14,376	15,623
Lounge entertainment	2,850	2,450	-	-	2,850	2,450
Office and postage expenses	10,063	5,275	4,208	3,420	14,271	8,695
Service contracts	18,782	21,241	10,133	2,126	28,915	23,367
Sponsorship fees	26,583	11,432	9,403	3,000	35,986	14,432
Umpire fees	34,540	59,677	9,654	-	44,194	59,677
Utilities and telephone	49,830	47,533	20,104	-	69,934	47,533
Repairs, maintenance and supplies	51,995	55,216	9,806	10,400	61,801	65,616
Miscellaneous	13,040	12,552	19	-	13,059	12,552
Total operating expenses	<u>578,942</u>	<u>575,011</u>	<u>228,445</u>	<u>34,703</u>	<u>807,387</u>	<u>609,714</u>
Operating loss	<u>\$(106,027)</u>	<u>\$(99,998)</u>	<u>\$(102,206)</u>	<u>\$(17,456)</u>	<u>(208,233)</u>	<u>(117,454)</u>
Non-operating income (expenses):						
Interest income					115	81
Loss on disposal of assets					(1,530)	-
PARC expenses paid by Pelican Park					<u>(58,340)</u>	<u>(77,965)</u>
Total non-operating expenses					<u>(59,755)</u>	<u>(77,884)</u>
Loss before contributions and transfers					(267,988)	(195,338)
Capital contributions					-	3,933,605
Transfers from General Fund					<u>177,196</u>	<u>243,538</u>
Change in net position					(90,792)	3,981,805
Net position, beginning					<u>5,629,676</u>	<u>1,647,871</u>
Net position, ending					<u>\$5,538,884</u>	<u>\$5,629,676</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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the governmental activities, the business-type activities, and each major fund of the Parks and Recreation Commission of Carencro, Inc. (PARC), a component unit of the City of Carencro, Louisiana, as of and for the year ended November 30, 2017, and the related notes to the financial statements, which collectively comprise the PARC's basic financial statements and have issued our report thereon dated April 19, 2018.

### Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider deficiencies described in accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 2017-001 and 2017-002 to be material weaknesses.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the PARC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

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

## **Purpose of this Report**

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

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

Lafayette, Louisiana  
April 19, 2018

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

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

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<b>CURRENT YEAR (11/30/17) --</b>						
<u>Internal Control:</u>						
2017-001	1994	Due to the small number of employees, the commission did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Tom Meyers, Director	N/A
2017-002	2008	The PARC does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The PARC has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Tom Meyers, Director	N/A

(continued)

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

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

Ref. No.	<i>Fiscal Year</i> Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
PRIOR YEAR (11/30/16) --						
<u>Internal Control:</u>						
2016-001	1994	Due to the small number of employees, the commission did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Tom Meyers, Director	N/A
2016-002	2008	The PARC does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The PARC has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Tom Meyers, Director	N/A

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

Agreed-Upon Procedures Report

Year Ended November 30, 2017

# 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

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

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

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

The procedures and associated findings are as follows:

### Written Policies and Procedures

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

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

*There were no written policies and procedures over the preparation, adoption, monitoring, or amending of the annual 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.

*Written policies and procedures were obtained but do not address the functions noted above.*

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

*Written policies and procedures were obtained and address the functions noted above.*

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

*Written policies and procedures were obtained and address the functions noted above.*

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

*Written policies and procedures were obtained and address the functions noted above.*

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

*There were no written policies and procedures for the entity's contracting processes.*

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

*There were no written policies and procedures for the entity's credit card process.*

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

*There were no written policies and procedures for the entity's travel and expense reimbursement process.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

*There were no written policies and procedures regarding ethics.*

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

*The entity does not have debt service and therefore, this attribute is not applicable.*

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

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

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

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

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

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

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

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

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

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

### **Bank Reconciliations**

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

*A listing of client bank accounts and management's representation that listing is complete were obtained.*

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

- a) Bank reconciliations have been prepared;

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

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

*Bank statements and reconciliations for all months in the fiscal period were obtained for selected accounts noting that management's review was not documented for the two accounts selected for testing in any of the twelve months examined.*

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

*Obtained bank statements and reconciliations for all months in the fiscal period noting management does not research items that have been outstanding for more than 6 months on each of the two accounts examined.*

### **Collections**

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

*A listing of cash collection locations and management's representation that the listing is complete were obtained.*

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

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

*In the cash collection locations selected, the person responsible for collecting cash is not responsible for depositing cash in the bank, recording transactions, or reconciling the bank account. The entity has seven collection locations and the cash drawers are not shared with other employees. Employees collecting cash are not bonded.*

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

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

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

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

*The highest (dollar) week of cash collections for the collection location was obtained along with collection documentation, deposit slips, and bank statements. There were no exceptions noted as a result of applying this procedure.*

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

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

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

*The entity does have a specific process to determine the completeness of all collections.*

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

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

*A listing of disbursements and management's representation that the listing is complete were obtained.*

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

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

*Examined supporting documentation for each of the twenty-five disbursements selected and found that all disbursements (except those excluded from written policy) were initiated using a purchase order system.*

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

*Approval of purchase orders by someone who did not initiate the purchase was not documented on any of the twenty-five disbursements tested.*

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

*Examined supporting documentation for each of the twenty-five disbursements selected and found that two of the twenty-five disbursements were processed without an approved purchase order.*

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

*The entity does not have written documentation that prohibits the person responsible for processing payments from adding vendors to the entity's purchasing/disbursement system.*

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

*The entity does not have written documentation that prohibits the person with signatory authority or the person that makes the final authorization for disbursements from initiating or recording purchases.*

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

*Inquiry of management indicated that unused check stock is maintained in a locked location.*

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

*The entity does not use signature stamps or a signature machine.*

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

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14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

*A listing of active credit cards, bank debit cards, fuel cards and the name of the person who maintains possession of the cards and management's representation that the listing is complete were obtained.*

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

*The entity maintains two credit cards.*

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

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

*Monthly statements were obtained noting there was no written evidence that the monthly credit card statements and supporting documentation had been approved by someone other than the card holder.*

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

*There were finance charges and/or late fees assessed on the credit cards selected.*

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).
- a) For each transaction, report whether the transaction is supported by:
- An original itemized receipt (i.e., identifies precisely what was purchased)  
*There were no exceptions noted as a result of applying this procedure.*
  - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.  
*There were no exceptions noted as a result of applying this procedure.*
  - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)  
*There were no exceptions noted as a result of applying this procedure.*
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.  
*There were no transactions noted that would have been subject to Louisiana Public Bid Law.*
- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed).  
*There were no exceptions noted as a result of applying this procedure.*

### **Travel and Expense Reimbursement**

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17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.  
*A listing of travel and expense reimbursements by person and management's representation that the listing is complete were obtained.*
18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.  
*There are no written policies for travel and expense reimbursements.*
19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.  
*There were no exceptions noted as a result of applying this procedure.*

- b) Report whether each expense is supported by:
- An original itemized receipt that identifies precisely what was purchased.  
*There were no exceptions noted as a result of applying this procedure.*
  - Documentation of the business/public purpose.  
*There were no exceptions noted as a result of applying this procedure.*
  - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).  
*There were no exceptions noted as a result of applying this procedure.*
- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse).  
*There were no exceptions noted as a result of applying this procedure.*
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.  
*There were no exceptions noted as a result of applying this procedure.*

### ***Contracts***

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20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.  
*A listing of all contracts in effect during the fiscal period and management's representation that the listing is complete were obtained.*
21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.  
*There were no exceptions noted as a result of applying this procedure.*
- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)  
*The contracts selected were not subject to the Louisiana Public Bid Law or Procurement Code.*
  - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.  
*The entity did not solicit quotes as a best practice for the two contracts selected for testing. The contracts testing were for garbage removal and cable/internet services.*

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

*There were no contract amendments.*

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

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

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

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

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

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

*A listing of employees with their related salaries and management's representation that the listing is complete were obtained. Five employees were randomly selected and their personnel files were obtained.*

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

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

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

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

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

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

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

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

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

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

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

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

*There were no terminated employees.*

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

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

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

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

*There was no documentation for support of ethics training maintained for each of the five employees selected for testing.*

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

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

### ***Debt Service (excluding nonprofits)***

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

*No debt was issued during the fiscal period.*

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

*The entity does not have any outstanding debt.*

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

*The entity has no tax millages relating to debt service.*

***Other***

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

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

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

*No exceptions were noted as a result of applying this procedure.*

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

*No exceptions were noted as a result of applying this procedure.*

***Management's Response***

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Management of the Parks and Recreation Commission of Carencro, Inc. concurs with the exceptions and are working to address the deficiencies identified.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

Lafayette, Louisiana  
April 23, 2018