CITY OF CARENCRO, LOUISIANA

Financial Report

Year Ended November 30, 2025

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

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 (City), as of and for the year ended November 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental activities	Unmodified
Business-type activities	Qualified
General fund	Unmodified
1967 Sales tax fund	Unmodified
1993 Sales tax fund	Unmodified
Tax increment financing district sales tax fund	Unmodified
2016 Sales tax fund	Unmodified
Debt service fund	Unmodified
Utility fund	Unmodified
Culture & recreation fund	Qualified
Aggregate remaining fund information	Unmodified

Qualified Opinions on the Business-Type Activities and Culture &Recreation Fund

In our opinion, except for the effects of the matter discussed in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the culture & recreation fund, as of November 30, 2025, and the 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.

Unmodified Opinion on the governmental activities, the general fund, the 1967 sales tax fund, the 1993 sales tax fund, the tax increment financing district sales tax fund, the 2016 sales tax fund, the debt service fund, the utility fund, and the aggregate remaining fund information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the general fund, the 1967 sales tax fund, the 1993 sales tax fund, the tax increment financing district sales tax fund, the 2016 sales tax fund, the debt service fund, the utility fund, and the aggregate remaining fund information of the City, as of November 30, 2025, 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.

Basis for Qualified and Unmodified Opinions

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

Matter Giving Rise to Qualified Opinion on the Business-Type Activities and Culture & Recreation Fund

Due to the City's inability to reconcile the operating revenues to the individual point of sale systems, we were unable to satisfy ourselves by any auditing procedures, as to the reasonableness of the revenues reported for the year ended November 30, 2025.

Emphasis of Matter

As described in Note 25, the City adopted new accounting guidance, GASB Statement No. 101, Compensated Absences. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Required Supplementary Information

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

The City has omitted management's discussion and analysis 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying comparative statements and justice system funding schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the comparative statements and the justice system funding schedule are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The prior year comparative information on the comparative statements has been derived from the City of Carencro's 2024 financial statements, which were subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and, in our opinion, were fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
May 20, 2026

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)

CITY OF CARENCRO, LOUISIANA

Statement of Net Position
November 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and interest-bearing deposits	$ 15,345,967	$ 1,328,028	$ 16,673,995
Investments	11,651,435	713,346	12,364,781
Receivables, net	1,394,402	1,023,031	2,417,433
Inventory	-	4,427	4,427
Loan receivable	-	71,072	71,072
Internal balances	(563,312)	563,312	-
Due from other governmental agencies	366,662	64,235	430,897
Prepaid items	176,256	76,780	253,036
Restricted cash and interest-bearing deposits	-	10,253,153	10,253,153
Restricted investments	-	490,096	490,096
Capital assets:			
Non-depreciable	3,562,334	21,272,976	24,835,310
Depreciable, net	39,648,643	39,288,464	78,937,107
Total assets	71,582,387	75,148,920	146,731,307
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	1,016,777	114,662	1,131,439
LIABILITIES			
Accounts and other payables	737,789	1,068,629	1,806,418
Customers deposits payable	-	586,036	586,036
Accrued interest	128,848	39,573	168,421
Unearned revenue	877,725	-	877,725
Long-term liabilities:			
Portion due or payable within one year	2,102,973	1,097,409	3,200,382
Portion due or payable after one year	22,913,631	6,055,294	28,968,925
Other post employment benefits payable	1,505,924	810,883	2,316,807
Net pension liability	4,453,780	664,697	5,118,477
Total liabilities	32,720,670	10,322,521	43,043,191
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	1,033,197	48,992	1,082,189
Deferred inflows related to OPEB	264,635	142,496	407,131
Total deferred inflows of resources	1,297,832	191,488	1,489,320
NET POSITION			
Net investment in capital assets	18,427,810	53,058,182	71,485,992
Restricted for sales tax dedications	24,054,867	476,190	24,531,057
Restricted for debt service	1,286,554	712,535	1,999,089
Restricted for capital projects	162,380	9,405,105	9,567,485
Unrestricted (deficit)	(5,350,949)	1,097,561	(4,253,388)
Total net position	$ 38,580,662	$ 64,749,573	$ 103,330,235

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, 2025

Activities	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position: Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities -							
General government	$ 2,255,062	$ 914,907	$ -	$ 33,968	$ (1,306,187)	$ -	$ (1,306,187)
Public safety -							
Police	4,794,786	487,612	598,531	806,751	(2,901,892)	-	(2,901,892)
Fire	1,817,259	-	314,297	-	(1,502,962)	-	(1,502,962)
City Court	195,862	-	-	-	(195,862)	-	(195,862)
Highway and streets	2,281,148	-	10,358	725,713	(1,545,077)	-	(1,545,077)
Culture and recreation	62,077	-	-	-	(62,077)	-	(62,077)
Interest on long-term debt	612,022	-	-	-	(612,022)	-	(612,022)
Total governmental activities	12,018,216	1,402,519	923,186	1,566,432	(8,126,079)	-	(8,126,079)
Business-type activities:							
Gas	1,189,898	836,396	-	139,594	-	(213,908)	(213,908)
Water	2,296,029	2,752,170	-	1,058,469	-	1,514,610	1,514,610
Sewer	2,416,715	1,945,080	-	-	-	(471,635)	(471,635)
Sanitation	1,271,359	1,201,697	-	-	-	(69,662)	(69,662)
Pelican park	1,076,803	258,061	-	-	-	(818,742)	(818,742)
Carencro sports complex	575,891	363,976	-	-	-	(211,915)	(211,915)
Community center	200,226	49,380	-	-	-	(150,846)	(150,846)
Carencro park	15,250	-	-	-	-	(15,250)	(15,250)
Welcome center	8,332	-	-	-	-	(8,332)	(8,332)
Total business-type activities	9,050,503	7,406,760	-	1,198,063	-	(445,680)	(445,680)
Total government	$ 21,068,719	$ 8,809,279	$ 923,186	$ 2,764,495	(8,126,079)	(445,680)	(8,571,759)
General revenues:							
Taxes -							
Property taxes, levied for general purposes					558,462	-	558,462
Sales and use taxes, levied for general purposes					15,749,348	-	15,749,348
Franchise taxes					723,520	-	723,520
Grants and contributions not restricted to specific programs -							
State sources					17,074	-	17,074
Non-employer contributions					227,640	53,661	281,301
Gain on disposition of capital assets					21,300	-	21,300
Interest and investment earnings					1,022,022	158,943	1,180,965
Investment gains					6,910	23,767	30,677
Miscellaneous					103,628	15,961	119,589
Net transfers					(12,290,719)	12,290,719	-
Total general revenues and transfers					6,139,185	12,543,051	18,682,236
Change in net position					(1,986,894)	12,097,371	10,110,477
Net position - December 1, 2024					40,567,556	52,652,202	93,219,758
Net position - November 30, 2025					$ 38,580,662	$ 64,749,573	$ 103,330,235

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

General Fund

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

Special Revenue Funds

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

1967 Sales Tax Fund -
To account for the receipt and use of proceeds of the City's 1% sales and use tax. These taxes are dedicated to and used for the purpose of paying principal and interest on any bonded debt or funded indebtedness of the City and for purposes of constructing and acquiring the City's sewer system, waterworks and natural gas utilities, paving and improving streets, sidewalks and bridges, constructing street lighting, drainage facilities, fire and police department stations and equipment, public buildings, public parks, public works or for any one or more of said purposes.

1993 Sales Tax Fund -
To account for the receipt and use of proceeds of the City's 1% sales and use tax. These taxes are dedicated to and used for the purpose of paying principal and interest of any bonded debt of the City issued for any lawful capital purpose. The remaining proceeds are dedicated and divided as follows: one-third (1/3) for the purpose of paying the cost of fire and police protection for the City; one-third (1/3) for operating and maintaining recreational facilities and programs for the City; and one-third (1/3) for paying the cost of capital improvements for the City, including acquiring the necessary sites, furnishings, and equipment.

Tax 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.

Debt Service Fund -

Debt Service Fund -
To accumulate monies for the payment of the City's general obligation bonds, which are financed by the various sales tax revenues of the City.

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.

Culture & Recreation Fund -
To account for the operations of the City's parks. All activities necessary for operation are accounted for in this fund, including, but not limited to, administration, operations, maintenance, and financing and related debt service.

CITY OF CARENCRO, LOUISIANA

Balance Sheet
Governmental Funds
November 30, 2025

	General	1967 Sales Tax	1993 Sales Tax	TIF District Sales Tax	2016 Sales Tax	Debt Service Fund	Other Governmental Funds	Total
ASSETS								
Cash	$2,296,805	$ 84,088	$ 200,472	$5,317,646	$ 5,874,168	$ 1,338,366	$ 234,422	$15,345,967
Investments	335,101	148,110	-	26	11,168,130	-	68	11,651,435
Receivables:								
Taxes	16,720	366,143	366,143	226,485	366,125	-	318	1,341,934
Other	52,468	-	-	-	-	-	-	52,468
Due from other funds	266,173	-	68,220	1	15,000	77,036	-	426,430
Due from government agencies	179,400	-	-	-	-	-	187,262	366,662
Prepaid items	176,256	-	-	-	-	-	-	176,256
Total assets	$3,322,923	$ 598,341	$ 634,835	$5,544,158	$17,423,423	$ 1,415,402	$ 422,070	$29,361,152
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	$ 504,954	$ -	$ -	$ -	$ -	$ -	$ 3,068	$ 508,022
Accrued liabilities	113,582	-	-	-	-	-	-	113,582
Contracts payable	15,941	-	-	3,811	-	-	36,470	56,222
Retainage payable	-	-	-	-	-	-	59,963	59,963
Unearned revenue	877,725	-	-	-	-	-	-	877,725
Due to other funds	687,474	85,256	100,921	-	-	-	116,091	989,742
Total liabilities	2,199,676	85,256	100,921	3,811	-	-	215,592	2,605,256
Fund balances:								
Nonspendable - prepaid items	176,256	-	-	-	-	-	-	176,256
Restricted - sales tax dedications	-	513,085	533,914	5,540,347	17,423,423	-	44,098	24,054,867
Restricted - debt service	-	-	-	-	-	1,415,402	-	1,415,402
Restricted - capital projects	-	-	-	-	-	-	162,380	162,380
Unassigned	946,991	-	-	-	-	-	-	946,991
Total fund balances	1,123,247	513,085	533,914	5,540,347	17,423,423	1,415,402	206,478	26,755,896
Total liabilities and fund balances	$3,322,923	$ 598,341	$ 634,835	$5,544,158	$17,423,423	$ 1,415,402	$ 422,070	$29,361,152

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, 2025

Total fund balances for governmental funds at November 30, 2025		$26,755,896
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Capital assets, net	$ 42,566,409	
Right-of-use assets, net	514,220	
Subscription assets, net	130,348	43,210,977
The deferred outflows of expenditures for the various pensions are not a use of current resources, and therefore, are not reported in the funds		1,016,777
Long-term liabilities are not due and payable in the current period and, therefore, not reported in the governmental funds.		
Long-term liabilities at November 30, 2025:		
Bonds payable, including related premiums	(23,956,973)	
Accrued interest payable	(128,848)	
Right-of-use liabilities	(567,300)	
Subscription liabilities	(142,709)	
Net pension liability	(4,453,780)	
Other post employment benefits	(1,505,924)	
Compensated absences payable	(349,622)	(31,105,156)
The deferred inflows of contributions for OPEB and various pensions are not available resources, and therefore, are not reported in the funds.		(1,297,832)
Total net position of governmental activities at November 30, 2025		$38,580,662

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, 2025

	General	1967 Sales Tax	1993 Sales Tax	TIF District Sales Tax	2016 Sales Tax	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total
Revenues:									
Taxes	$ 1,281,982	$ 4,330,397	$4,330,397	$ 2,753,391	$ 4,329,954	$ -	$ -	$ 5,209	$17,031,330
Licenses and permits	914,907	-	-	-	-	-	-	-	914,907
Intergovernmental	1,780,979	-	-	-	-	-	-	725,713	2,506,692
Fines and forfeits	487,612	-	-	-	-	-	-	-	487,612
Miscellaneous	212,874	20,202	18,845	159,420	648,921	-	52,300	41,298	1,153,860
Total revenues	4,678,354	4,350,599	4,349,242	2,912,811	4,978,875	-	52,300	772,220	22,094,401
Expenditures:									
Current -									
General government:									
Administrative	1,242,394	57,610	59,059	102,362	280,628	-	-	-	1,742,053
Code department	371,830	-	-	-	-	-	-	-	371,830
Public safety:									
Police	4,232,258	-	-	-	-	-	-	-	4,232,258
Fire	1,435,930	-	-	-	-	-	-	-	1,435,930
City Court	195,862	-	-	-	-	-	-	-	195,862
Highways and streets	1,179,085	-	-	-	-	-	-	-	1,179,085
Culture and tourism	-	-	-	-	-	-	-	62,077	62,077
Capital outlay	656,156	-	-	139,369	-	-	-	1,057,718	1,853,243
Debt service -									
Principal retirement	445,276	-	-	-	-	-	1,525,000	-	1,970,276
Interest and fiscal charges	61,854	-	-	-	-	-	536,598	-	598,452
Total expenditures	9,820,645	57,610	59,059	241,731	280,628	-	2,061,598	1,119,795	13,641,066
Excess (deficiency) of revenues over expenditures	(5,142,291)	4,292,989	4,290,183	2,671,080	4,698,247	-	(2,009,298)	(347,575)	8,453,335
Other financing sources (uses):									
Proceeds from issuance of debt	-	-	-	-	9,310,000	-	-	-	9,310,000
Premiums on issuance of debt	-	-	-	-	287,937	-	-	-	287,937
Transfers in	6,735,388	-	-	-	-	-	3,024,607	977,725	10,737,720
Transfers out	(511,459)	(4,554,405)	(4,269,805)	(318,062)	(10,853,696)	-	-	(2,521,012)	(23,028,439)
Total other financing sources (uses)	6,223,929	(4,554,405)	(4,269,805)	(318,062)	(1,255,759)	-	3,024,607	(1,543,287)	(2,692,782)
Net changes in fund balances	1,081,638	(261,416)	20,378	2,353,018	3,442,488	-	1,015,309	(1,890,862)	5,760,553
Fund balances, beginning	41,609	774,501	513,536	3,187,329	13,980,935	651,630	-	1,845,803	20,995,343
Changes in financial reporting entity (changes in major funds)	-	-	-	-	-	(651,630)	400,093	251,537	-
Fund balances, ending	$ 1,123,247	$ 513,085	$ 533,914	$ 5,540,347	$ 17,423,423	$ -	$ 1,415,402	$ 206,478	$26,755,896

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

CITY OF CARENCRO, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended November 30, 2025

Total net changes in fund balances at November 30, 2025 per Statement of Revenues, Expenditures and Changes in Fund Balances		$ 5,760,553
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/amortization expense.		
Capital outlay	$ 1,853,243	
Depreciation and amortization expense	(2,335,825)	
Loss on disposal of asset	(1,234)	(483,816)
Because some revenues are not considered measurable at year end, they are not considered "available" revenues in the governmental funds.		
Non-employer pension contributions		227,640
Debt proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, the retirement of principal is recorded as an expenditure in the governmental funds but reduces the liability in the statement of net position.		
Issuance of debt including related premiums	(9,597,937)	
Principal payments	1,970,276	(7,627,661)
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	(52,468)	
Other post employment benefits	(94,777)	
Pension expense	297,205	
Interest expense	(13,570)	136,390
Total changes in net position at November 30, 2025 per Statement of Activities		$ (1,986,894)

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

CITY OF CARENCRO, LOUISIANA

Statement of Net Position
Proprietary Funds
November 30, 2025

	Utility Fund	Culture & Recreation Fund	Total
ASSETS			
Current assets:			
Cash	$ 981,542	$ 346,486	$ 1,328,028
Due from other funds	376,886	359,817	736,703
Investments	663,692	49,654	713,346
Receivables, net	1,008,871	14,160	1,023,031
Inventory	-	4,427	4,427.000
Loan receivable	-	71,072	71,072
Due from other governmental agencies	64,235	-	64,235
Prepaid items	47,431	29,349	76,780
Total current assets	3,142,657	874,965	4,017,622
Noncurrent assets:			
Restricted assets -			
Interest-bearing deposits	10,018,661	234,492	10,253,153
Investments	490,096	-	490,096
Capital assets -			
Land and construction in progress	19,666,943	1,606,033	21,272,976
Other capital assets, net of accumulated depreciation	32,326,672	6,949,332	39,276,004
Right-of-use assets	12,460	-	12,460
Total noncurrent assets	62,514,832	8,789,857	71,304,689
Total assets	65,657,489	9,664,822	75,322,311
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	93,799	20,863	114,662
LIABILITIES			
Current liabilities (payable from current assets):			
Accounts payable	548,595	18,586	567,181
Retainage and contracts payable	444,899	35,522	480,421
Accrued liabilities	20,454	573	21,027
Due to other funds	66,206	107,185	173,391
Notes payable	209,372	-	209,372
Right-of-use lease liability	13,037	-	13,037
Total	1,302,563	161,866	1,464,429
Current liabilities (payable from restricted assets):			
Customers deposits payable	586,036	-	586,036
Bonds payable	550,000	325,000	875,000
Accrued interest	33,342	6,231	39,573
Total	1,169,378	331,231	1,500,609
Total current liabilities	2,471,941	493,097	2,965,038
Noncurrent liabilities:			
Compensated absences payable	129,866	-	129,866
Net pension liability	543,753	120,944	664,697
Notes payable	1,049,428	-	1,049,428
OPEB liability	671,875	139,008	810,883
Bonds payable	3,846,000	1,030,000	4,876,000
Total noncurrent liabilities	6,240,922	1,289,952	7,530,874
Total liabilities	8,712,863	1,783,049	10,495,912
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	40,078	8,914	48,992
Deferred inflows related to OPEB	118,068	24,428	142,496
Total deferred inflows of resources	158,146	33,342	191,488
NET POSITION			
Net investment in capital assets	45,893,339	7,164,843	53,058,182
Restricted for debt service	484,274	228,261	712,535
Restricted for capital projects	9,405,105	-	9,405,105
Restricted for sales tax dedications	-	476,190	476,190
Unrestricted	1,097,561	-	1,097,561
Total net position	$ 56,880,279	$ 7,869,294	$ 64,749,573

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 Funds
For the Year Ended November 30, 2025

	Utility Fund	Culture & Recreation Fund	Total
Operating revenues:			
Charges for services	$ 6,341,524	$ 671,417	$ 7,012,941
Penalties, permits, and connection fees	393,819	-	393,819
Miscellaneous	-	15,961	15,961
Total operating revenues	6,735,343	687,378	7,422,721
Operating expenses:			
Gas	1,189,898	-	1,189,898
Water	2,127,161	-	2,127,161
Sewerage	2,416,715	-	2,416,715
Sanitation	1,271,359	-	1,271,359
Pelican Park	-	1,041,309	1,041,309
Carencro Sports Complex	-	535,141	535,141
Community Center	-	200,226	200,226
Carencro Park	-	15,250	15,250
Welcome Center	-	8,332	8,332
Total operating expenses	7,005,133	1,800,258	8,805,391
Loss from operations	(269,790)	(1,112,880)	(1,382,670)
Nonoperating revenues (expenses):			
Interest income	110,746	48,197	158,943
Interest expense and fiscal charges	(168,868)	(40,750)	(209,618)
Investment income	23,767	-	23,767
Loss on disposition of assets	-	(35,494)	(35,494)
Non-employer contributions	43,897	9,764	53,661
Total nonoperating revenues (expenses)	9,542	(18,283)	(8,741)
Loss before transfers and capital contributions	(260,248)	(1,131,163)	(1,391,411)
Capital contributions	1,198,063	-	1,198,063
Transfers:			
Transfers in	11,401,198	1,594,584	12,995,782
Transfers out	(643,897)	(61,166)	(705,063)
Total transfers	10,757,301	1,533,418	12,290,719
Change in net position	11,695,116	402,255	12,097,371
Net position, beginning	45,185,163	7,467,039	52,652,202
Net position, ending	$ 56,880,279	$ 7,869,294	$ 64,749,573

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, 2025

	Utility Fund	Culture & Recreation Fund	Total
Cash flows from operating activities:			
Receipts from customers	$ 6,596,947	$ 699,009	$ 7,295,956
Payments to suppliers	(2,995,021)	(968,633)	(3,963,654)
Payments to employees	(1,765,729)	(620,528)	(2,386,257)
Net cash provided (used) by operating activities	1,836,197	(890,152)	946,045
Cash flows from noncapital financing activities:			
Transfers from other funds	10,757,301	1,533,418	12,290,719
Amounts loaned to non-profits	-	(31,072)	(31,072)
Amounts owed to other funds	(781,490)	(33,823)	(815,313)
Net cash provided by noncapital financing activities	9,975,811	1,468,523	11,444,334
Cash flows from capital and related financing activities:			
Proceeds from grants	1,676,600	-	1,676,600
Principal paid on bonds	(535,000)	(315,000)	(850,000)
Principl paid on right-of-use lease asset	(14,223)	-	(14,223)
Principal paid on notes payable	(184,928)	-	(184,928)
Interest paid	(172,111)	(42,199)	(214,310)
Acquisition of property, plant and equipment	(4,290,678)	(2,060,165)	(6,350,843)
Net cash used by capital and related financing activities	(3,520,340)	(2,417,364)	(5,937,704)
Cash flows from investing activities:			
Maturity of investments and interest-bearing deposits with maturity in excess of ninety days	-	431,410	431,410
Interest on investments	95,309	48,197	143,506
Net cash provided by investing activities	95,309	479,607	574,916
Net increase/(decrease) in cash and cash equivalents	8,386,977	(1,359,386)	7,027,591
Cash and cash equivalents, beginning of period	2,613,226	1,940,364	4,553,590
Cash and cash equivalents, end of period	$ 11,000,203	$ 580,978	$ 11,581,181

(continued)

CITY OF CARENCRO, LOUISIANA

Statement of Cash Flows
Proprietary Fund (Continued)
For the Year Ended November 30, 2025

	Utility Fund	Culture & Recreation Fund	Total
Reconciliation of operating loss to net cash provided (used) by operating activities:			
Operating loss	$ (269,790)	$ (1,112,880)	$ (1,382,670)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	1,919,668	296,365	2,216,033
Amortization expense	13,915	-	13,915
Pension expense (benefit)	(19,218)	525	(18,693)
OPEB expense (benefit)	42,286	8,748	51,034
Bad debt expense	19,330	-	19,330
Changes in current assets and liabilities:			
Accounts receivable	(177,984)	11,631	(166,353)
Inventory	-	(4,428)	(4,428)
Prepaid items	(28,534)	(22,832)	(51,366)
Accounts payable	297,233	(37,983)	259,250
Accrued liabilities	4,482	(29,298)	(24,816)
Customer deposits	20,258	-	20,258
Compensated absences payable	14,551	-	14,551
Net cash provided (used) by operating activities	$ 1,836,197	$ (890,152)	$ 946,045
Reconciliation of cash and cash equivalents per statement of cash flows to the statement of net position:			
Cash and cash equivalents, beginning of period -			
Cash - unrestricted	$ 2,024,776	$ 1,722,599	$ 3,747,375
Cash and interest-bearing deposits - restricted	588,450	217,765	806,215
Total cash and cash equivalents	2,613,226	1,940,364	4,553,590
Cash and cash equivalents, end of period -			
Cash - unrestricted	$ 981,542	$ 346,486	$ 1,328,028
Cash and interest-bearing deposits - restricted	10,018,661	234,492	10,253,153
Total cash and cash equivalents	11,000,203	580,978	11,581,181
Net increase (decrease)	$ 8,386,977	$ (1,359,386)	$ 7,027,591

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

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

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

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

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.

2. Whether the primary government's governing authority (City Council) appoints a majority of board members of the potential component unit and is able to impose its will on the potential component unit or the potential component unit is fiscally dependent on the primary government.

3. Financial benefit/burden relationship between the primary government and the potential component unit.

4. The nature and significance of the relationship between the potential component unit with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

There are no component units over which the City exercises significant influence.

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.

Fund Financial Statements

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

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

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

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

The major funds of the City are described below:

Governmental Funds:

General Fund

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

Special Revenue Funds -

1967 Sales Tax Fund

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

1993 Sales Tax Fund

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

Tax 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.

Debt Service Fund

The Debt Service Fund is used to accumulate monies for payment of the City's general obligations bonds which are financed through the various sales taxes of the City.

Proprietary Fund:

Enterprise Fund

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

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

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

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

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

Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. For all other revenue, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

However, debt service expenditures, claims, and judgments, and compensated absences are recorded only to the extent they have matured.

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

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

Cash and interest-bearing deposits

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

Investments

Under state law, the City may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States.

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 I50, investments meeting the criteria specified in the Statement are stated at fair value, which is quoted market prices.

Interfund receivables and payables

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

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

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes and federal and state grants. The major receivable balance for business-type activities is accounts receivable for customer utility services, which is reported net of an allowance for bad debts. The allowance amount at November 30, 2025 was $268,914. 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, 2025 consist of insurance premiums requiring up-front payments.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City maintains a threshold level of $5,000 or more for capitalizing capital assets.

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. 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.

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, 2025, the City's deferred outflows of resources and deferred inflows of resources are attributable to pension plans and other post-employment benefits.

Equity Classifications

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

1. Net investment in capital assets – This component consists of net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

2. Restricted net position – This component is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the City's debt. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets.

   Constraints may be placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project. At November 30, 2025, the City reported \$36,097,631 of restricted net position, \$24,540,076 of which was restricted by enabling legislation.

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

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

1. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

2. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

3. Committed – amounts that can be used only for specific purposes determined by a formal decision of the City Council, which is the highest level of decision-making authority for the City.

4. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City's adopted policy, only the City Council may assign amounts for specific purposes.

5. Unassigned – all other spendable amounts.

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

Revenue Source	Legal Restrictions of Use
Sales tax	See Note 10

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

G. Use of Estimates

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

H. Pensions

The net pension liability, deferred outflows of resources, and deferred inflows of resources related to pension, and pension expense, has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. Non-employer contributions are recognized as revenues in the government-wide financial statements. In the governmental fund financial statements contributions are recognized as expenditures when due.

I. Postemployment Benefits Other than Pensions (OPEB)

The total OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, and OPEB expense has been determined using the flow of economic resources measurement focus and full accrual basis of accounting.

(2) Cash, Interest-Bearing Deposits and Investments

A. Cash and Interest-bearing Deposits

Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At November 30, 2025, the City had cash and interest-bearing deposits (book balances) of $26,927,148.

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, 2025, are secured as follows:

Bank balances	$ 27,133,729
Federal deposit insurance	$ 673,050
Pledged securities	26,460,679
Total	$ 27,133,729

Deposits in the amount of $26,460,679 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, 2025, the City had the following investments and maturities:

			Investment Maturities				
Investment Type	% of Portfolio	Fair Value	Less Than 1 Year	1 - 5 Years	6-10 Years	10-15 Years	15-20 Years
U.S. treasury securities	2%	$ 261,544	$ 261,544	$ -	$ -	$ -	$ -
U.S. agency securities	3%	359,484	64,028	21,805	84,003	51,611	138,037
LAMP	95%	12,233,849	12,233,849	-	-	-	-
Total	100%	$ 12,854,877	$ 12,559,421	$ 21,805	$ 84,003	$ 51,611	$ 138,037

Custodial Credit Risk – In the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's requires all investments to be kept in the City's name and all ownership to be evidenced by an acceptable safekeeping receipt issued by a third-party financial institution which is acceptable to the City. Accordingly, the City had no custodial credit risk related to its investments at November 30, 2025.

Credit Risk – The risks are managed by restricting investments to those authorized by R.S. 33:5162. The City's investment policy limits investments to fully insured and/or fully collateralized certificates of deposits and direct and indirect obligations of U.S. government agencies. At November 30, 2025, the Government's investment in U.S. treasury notes and U.S. agency securities were rated AA+ by Standards & Poor's.

Concentration of Credit Risk – The risk relates to the amount of investments in any one entity. At November 30, 2025, no more than 5 percent of the City's total investments were invested in any single issue.

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

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

- Credit risk – LAMP has a fund rating of AAAm issued by Standard & Poor's.

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

- Concentration of credit risk – LAMP's pooled investments are excluded from the 5 percent disclosure requirements.

- Interest rate risk – LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 77 days as of November 30, 2025.

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

(3) Receivables

Receivables at November 30, 2025 consist of the following:

	Governmental Activities	Business-type Activities	Total
Accounts (net)	$ -	$ 694,049	$ 694,049
Unbilled utility	-	321,482	321,482
Franchise tax	16,720	-	16,720
Sales tax	1,325,214	-	1,325,214
Other	52,468	7,500	59,968
Total	$ 1,394,402	$ 1,023,031	$ 2,417,433

(4) Due From Other Governmental Agencies

Amounts due from other governmental agencies at November 30, 2025 consist of the following:

Fund Financial Statements:	
Governmental Funds -	
State supplemental pay	$ 17,080
Lafayette parish school board	27,375
State grant funds	104,276
Federal grant funds	217,931
	$ 366,662
Proprietary funds -	
Federal grant funds	$ 64,235
Government-wide financial statements:	
Total amount reported in governmental funds	$ 366,662
Total amount reported in proprietary funds	64,235
Total	$ 430,897

(5) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the fiscal year ended November 30, 2025, taxes were levied by the City in September 2024 and were billed to the taxpayers by the Assessor in November 2024. 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, 2025, taxes of 4.66 mills were levied on property with assessed valuations totaling $122,056,211 and were dedicated to general corporate purposes. Total taxes levied were $568,781. There were no ad valorem taxes receivable at November 30, 2025.

(6) Capital Assets

Capital asset activity for the year ended November 30, 2025 was as follows:

	Balance 12/01/24	Additions	Deletions	Balance 11/30/25
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 1,675,560	$ -	$ -	$ 1,675,560
Construction in progress	1,048,485	1,404,148	565,859	1,886,774
Other capital assets:				
Land improvements	79,629	-	-	79,629
Buildings	18,085,317	251,153	-	18,336,470
Infrastructure	29,247,132	314,705	-	29,561,837
Equipment, furniture and fixtures	2,592,213	449,095	13,964	3,027,344
Vehicles	3,119,063	-	74,209	3,044,854
Totals	55,847,399	2,419,101	654,032	57,612,468
Less: accumulated depreciation				
Land improvements	20,158	4,722	-	24,880
Buildings	2,114,911	467,985	-	2,582,896
Infrastructure	7,968,683	1,055,972	-	9,024,655
Equipment, furniture and fixtures	1,426,058	301,649	12,730	1,714,977
Vehicles	1,658,941	113,919	74,209	1,698,651
Total accumulated depreciation	13,188,751	1,944,247	86,939	15,046,059
Total capital assets being depreciated, net	42,658,648	474,854	567,093	42,566,409
Leased assets	1,556,745	-	259,583	1,297,162
Less: accumulated amortization	732,019	310,506	259,583	782,942
Leased assets being amortized, net	824,726	(310,506)	-	514,220
Subscription-Based Information Technology Arrangement Assets	317,978	-	-	317,978
Less accumlated amortization	106,558	81,072	-	187,630
Total subscription-based information technology arrangement assets being amortized, net	211,420	(81,072)	-	130,348
Governmental activities, capital assets, net	$ 43,694,794	$ 83,276	$ 567,093	$ 43,210,977

Depreciation and amortization expense was charged to governmental activities as follows:

General government	$ 85,767
Police	775,370
Fire	372,909
Highways and streets	1,101,779
Total depreciation and amortization expense	$2,335,825

	Balance 12/01/24	Additions	Deletions	Balance 11/30/25
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 3,735,609	$ 44,678	$ -	$ 3,780,287
Construction in progress	15,782,207	4,484,961	2,774,479	17,492,689
Other capital assets:				
Gas system	2,663,782	183,800	-	2,847,582
Water system	21,527,265	111,659	-	21,638,924
Sewer system	29,858,740	711,199	-	30,569,939
Machinery and equipment	2,191,998	128,040	-	2,320,038
Pelican park	2,386,683	2,198,447	98,541	4,486,589
Carencro sports complex	3,685,443	121,629	-	3,807,072
Community center	2,301,370	9,241	-	2,310,611
Totals	84,133,097	7,993,654	2,873,020	89,253,731
Less accumulated depreciation				
Gas system	1,286,391	66,223	-	1,352,614
Water system	9,094,819	627,318	-	9,722,137
Sewer system	11,219,061	1,118,486	-	12,337,547
Machinery and equipment	1,529,871	107,641	-	1,637,512
Pelican park	1,544,001	122,286	63,047	1,603,240
Carencro sports complex	806,432	106,659	-	913,091
Community center	1,071,190	67,420	-	1,138,610
Total accumulated depreciation	26,551,765	2,216,033	63,047	28,704,751
Total capital assets being depreciated, net	57,581,332	5,777,621	2,809,973	60,548,980
Leased assets	107,984	-	6,396	101,588
Less: accumulated amortization	81,609	13,915	6,396	89,128
Leased assets being amortized, net	26,375	(13,915)	-	12,460
Business-type activities, capital assets, net	$ 57,607,707	$ 5,763,706	$ 2,809,973	$ 60,561,440

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

Gas	$ 80,138
Water	627,318
Sewer	1,118,486
Sanitation	107,641
Pelican park	122,286
Carencro sports complex	106,659
Community center	67,420
Total depreciation and amortization expense	$ 2,229,948

(7) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at November 30, 2025:

Customers' deposits	$ 586,036
2012 Revenue bond sinking fund	215,476
2014A Revenue bond sinking fund	234,492
2018 Revenue bond sinking, reserve, and contingency funds	302,140
Sales tax bond proceeds for long-term sewer infrastructure upgrades	9,405,105
Total	$ 10,743,249

(8) Accounts and Other Payables

The accounts and other payables consisted of the following at November 30, 2025:

	Governmental Activities	Business-type Activities	Total
Accounts	$ 508,022	$ 567,181	$ 1,075,203
Retainage and contracts payable	116,185	480,421	596,606
Accrued liabilities	113,582	21,027	134,609
Totals	$ 737,789	$ 1,068,629	$ 1,806,418

(9) Long-Term Liabilities

Governmental activities:

The City has issued various sales tax revenue bonds to provide funds for the acquisition, construction, or improvement of major capital facilities. These bonds are direct obligations and are pledged by the various sales taxes of the City.

Business-type activities:

The City has issued certificates of indebtedness to finance the costs of major infrastructure improvements. These bonds are direct obligations and are pledged by the revenues of the utility system.

The City has borrowed proceeds from a revenue bond issued by the Louisiana Department of Health and Hospitals to finance the costs of drinking water infrastructure improvements. The City has drawn down this bond in full and is pledged by the revenues of the system.

The City has borrowed proceeds from a bank to finance the cost of equipment for the support of the City's water department.

The City has issued a sales tax revenue bond to provide for the acquisition and improvement of its parks and recreation facilities. These bonds are direct obligations and are pledged by the 1993 sales taxes.

Long term debt at November 30, 2025 is comprised of the following:

	Issue date	Final Maturity Date	Interest Rates	Balance Outstanding	Due Within One Year
Governmental activities:					
Direct borrowing general obligation bonds –					
Series 2019	2019	2029	2.68%	$ 3,460,000	$ 830,000
Series 2021	2021	2030	1.95%	3,295,000	520,000
Series 2022	2022	2038	4.58%	7,605,000	210,000
Series 2025	2025	2050	4.5-5%	9,310,000	210,000
				23,670,000	1,770,000
Add: Unamortized issue premium				286,973	-
Total bond indebtedness				23,956,973	1,770,000
Other liabilities -					
Leases				567,300	272,170
Subscriptions				142,709	60,803
Compensated absences				349,622	-
Total long-term liabilities - governmental activities				$ 25,016,604	$ 2,102,973

	Issue date	Final Maturity Date	Interest Rates	Balance Outstanding	Due Within One Year
Business-type activities:					
Direct placement -					
Certificate of indebtedness					
Series 2012	2012	2029	2.80%	$ 602,000	$ 319,000
Revenue bonds					
Series 2014A	2014	2029	2.79%	1,355,000	325,000
Series 2018	2018	2039	2.45%	3,794,000	231,000
Total bond indebtedness				5,751,000	875,000
Direct borrowing notes payables					
Note payable to a bank	2021	2031	3.95%	1,258,800	209,372
Other liabilities -					
Leases				13,037	13,037
Compensated absences				129,866	-
Total long-term liabilities - business-type activities				$ 7,152,703	$ 1,097,409

The following is a summary of long-term liabilities transactions of the City for the year ended November 30, 2025:

	Balance 12/1/2024	Additions	Reductions	Balance 11/30/2025
Governmental Activities:				
Direct placement sales tax revenue bonds				
Series 2019	$ 4,270,000	$ -	$ 810,000	$ 3,460,000
Series 2021	3,810,000	-	515,000	3,295,000
Series 2022	7,805,000	-	200,000	7,605,000
Series 2025	-	9,310,000	-	9,310,000
	15,885,000	9,310,000	1,525,000	23,670,000
Add: Unamortized issue premium	-	287,937	964	286,973
Total bond indebtedness	15,885,000	9,597,937	1,525,964	23,956,973
Direct borrowing notes payable	59,140	-	59,140	-
Other liabilities -				
Leases	877,563	-	310,263	567,300
Subscriptions	219,025	-	76,316	142,709
Compensated absences *	297,154	52,468	-	349,622
Total governmental activities	$17,337,882	$9,650,405	$ 1,971,683	$25,016,604
Business-type Activities:				
Direct placement certificate of indebtedness				
Series 2012	$ 912,000	$ -	$ 310,000	$ 602,000
Direct placement revenue bonds				
Series 2014A	1,670,000	-	315,000	1,355,000
Series 2018	4,019,000	-	225,000	3,794,000
Direct borrowing notes payables				
Note payable to a bank	1,443,728	-	184,928	1,258,800
Other liabilities -				
Leases	27,260	-	14,223	13,037
Compensated absences *	115,315	14,551	-	129,866
Total business-type activities	$ 8,187,303	$ 14,551	$ 1,049,151	$ 7,152,703

* Amount is shown as a net change.

The annual debt service requirements to maturity of all bonds and notes payable are as follows:

	Governmental Activities	
	Sales Tax Revenue Bonds	
November 30,	Principal	Interest
2026	$ 1,770,000	$ 914,915
2027	1,820,000	868,060
2028	1,870,000	813,790
2029	1,940,000	757,602
2030	1,430,000	690,867
2031-2035	5,520,000	2,769,384
2036-2040	4,315,000	1,568,039
2041-2045	2,230,000	930,826
2046-2050	2,775,000	385,876
Totals	$23,670,000	$9,699,359

	Business-Type Activities					
	Certificate of Indebtedness		Revenue Bonds		Notes Payable	
November 30,	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 319,000	$ 12,390	$ 556,000	$ 126,225	$ 209,372	$ 45,145
2027	92,000	6,636	572,000	111,358	217,642	36,875
2028	94,000	4,032	587,000	96,066	226,239	28,278
2029	97,000	1,358	598,000	80,441	235,176	244,243
2030	-	-	1,331,000	283,784	370,371	-
2031-2035	-	-	1,505,000	112,406	-	-
Totals	$ 602,000	$ 24,416	$5,149,000	$ 810,280	$1,258,800	$354,541

(10) Sales and Use Tax

Proceeds of the 1967 1% sales and use tax levied by the City of Carencro were $4,330,397 during the year ended November 30, 2025 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 $4,330,397 during the year ended November 30, 2025 and are dedicated to the following purposes:

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

Proceeds of the TIF District 1% sales and use tax were $2,753,391 during the year ended November 30, 2025 and are dedicated for financing economic development projects in the I-49 Corridor Economic Development District and paying principal and interest on any bonded debt or funded indebtedness of the City of Carencro issued for projects in the District.

Proceeds of the 2016 1% sales and use tax were $4,329,954 during the year ended November 30, 2025 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 $5,209 during the year ended November 30, 2025 and are dedicated and used to fund the construction and maintenance of water and sewer infrastructure, economic development and tourism within the City.

(11) <u>Flow of Funds; Restrictions on Use - Utilities Revenues</u>

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

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

There will also be established and maintained a fund called the "Utilities Revenue Bond Debt Service Fund." The City is required to deposit into the Sinking Fund at least monthly in advance of the date on which each payment of principal and/or interest on the bonds funds sufficient to promptly pay the maturing principal and/or interest so falling due on such date. The City is required to keep 50% of the maximum annual debt service in a reserve fund which amounts to $162,147 and a depreciation and contingencies fund with a required balance of $50,000.

The City was in compliance with all covenants of the contracts at November 30, 2025.

(12) 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:

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

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

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

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

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

[1] Membership commencing prior to January 1, 2013

[2] Membership commencing January 1, 2013

[3] With actuarially reduced benefits

[4] Under hazardous duty sub plan commencing January 1, 2013

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

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

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, 2025 for the defined benefit pension plans in which the City is a participating employer were as follows:

Plan	Active Member Contribution Percentage	Employer Contribution Percentage	Amount from Nonemployer Contributing Entities	Amount of City Contributions
MERS	5.00%	13.50%	$ 79,900	$ 272,439
MPERS	10.00%	33.375%	151,286	675,326
FRS	10.00%	33.25%	50,115	155,182

Net Pension Liability

The City's net pension liability at November 30, 2025 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, 2025 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:

Plan	Proportionate Share of Net Pension Liability	Proportionate Share (%) of Net Pension Liability	Increase/(Decrease) from Prior Measurement Date
MERS	$ 989,721	2.070152%	0.002221%
MPERS	3,522,683	0.510083%	-0.048724%
FRS	606,073	0.143889%	-0.007704%
Total	$ 5,118,477		

Since the measurement date of the net pension liability was June 30, 2025, the net pension liability is based upon fiduciary net position for each of the plans as of those dates. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the City's net pension liability is available in the separately issued plan financial reports for those fiscal years. The financial report for each plan may be accessed on their website as follows:

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

Actuarial Assumptions

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

	MERS	MPERS	FRS
Date of experience study on which significant assumptions are based	7/1/2018 - 6/30/2023	7/1/2014 - 6/30/2019	7/1/2014 - 6/30/2019
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Expected remaining service lives	2	4	7
Investment rate of return (net of investment expense)	6.85%	6.75%	6.90%
Inflation Rate	2.50%	2.50%	2.50%
Projected salary increases	4.6%-9.5%	4.7% - 13%	5.2% - 14.1%
Projected benefit changes including COLAs	None	None	None
Source of mortality assumptions	(1), (2), (3)	(4), (5), (6)	(7), (8), (9)

(1) PubG-2010(B) Healthy Retiree Table set equal to 115% for males and females, each adjusted using their respective male and female MP2021 scales.

(2) PubG-2010(B) Employee Table set equal to 115% for males and females, each adjusted using their respective male and female MP2021 scales.

(3) PubNS-2010(B) Disabled Retiree Table set equal to 115% for males and females with the full generational MP 2021 scale.

(4) Pub-2016 Healthy Retiree Table multiplied by 125% for males and 125% for females, each with full generational projection using the MP2021 scale.

(5) Pub-2016 Employee Table multiplied by 125% for males and 125% for females, each with full generational projection using the MP2021 scale.

(6) Pub-2016 Disabled Retiree Table multiplied by 125% for males and 125% for females, each with full generational projection using the MP2021 scales.

(7) Pub-2016 Healthy Retiree Table multiplied by 110% for males and 110% for females, each with full generational projection using the MP2021 scale.

(8) Pub-2016 Employee Table multiplied by 110% for males and 110% for females, each with full generational projection using the MP2021 scale.

(9) Pub-2016 Disabled Retiree Table multiplied by 110% for males and 110% for females, each with full generational projection using the MP2021 scales.

Cost of Living Adjustments

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

Long-term Rate of Return

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

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

	MERS*		MPERS*	
Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	29%	1.26%	35.0%	1.21%
Equities	53%	2.31%	51.0%	3.20%
Alternative Investments	18%	0.78%	14.0%	1.04%
Total	100%	4.35%	100%	5.45%
Inflation		2.50%		2.67%
Expected Return		6.85%		8.12%

	FRS*	
Asset Class	Target Allocation	Long-term Expected Real Rate of Return
U.S. Equity	27.00%	6.23%
Non-U.S. Equity	11.00%	6.36%
Global Equity	10.00%	6.50%
Emerging Market Equity	4.00%	8.26%
U.S. Core Fixed Income	23.00%	2.09%
U.S. TIPS	2.00%	2.00%
Emerging Market Debt	2.00%	4.05%
Global Multisector Fixed Income	5.00%	2.34%
Private Equity/Private Debt	9.00%	9.77%
Real Estate	4.00%	4.85%
Real Assets	3.00%	5.93%
Total	100%	58.38%

*Arithmetic real rates of return

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net positions was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS, MPERS, and FRS was 6.85%, 6.75%, and 6.9% respectively, for the year ended June 30, 2025.

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, 2025, the City recognized $229,585, $675,326, and $146,435 in pension expense for MERS, MPERS, and FRS, respectively.

At November 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	MERS	MPERS	FRS	Total
Differences between expected and actual experience	$ -	$ 170,803	$ 77,613	$ 248,416
Changes in assumptions	-	-	27,632	27,632
Changes in proportion and differences between actual contributions and proportionate share of contributions	54,246	142,315	182,759	379,320
Employer contributions to the pension plans subsequent to the measurement date of the net pension liability	116,483	292,699	66,889	476,071
Total	$ 170,729	$ 605,817	$ 354,893	$ 1,131,439

	Deferred Inflows of Resources			
	MERS	MPERS	FRS	Total
Differences between expected and actual experience	$ 13,813	$ 93,198	$ 10,934	$ 117,945
Changes in assumptions	23,379	161,791	-	185,170
Changes in proportion and differences between actual contributions and proportionate share of contributions	35,756	591,448	151,870	779,074
Total	$ 72,948	$ 846,437	$ 162,804	$ 1,082,189

Deferred outflows of resources of $476,071 resulting from the employer contributions subsequent to the measurement date will be recognized as pension expense during the year ending November 30, 2025.

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

November 30	MERS	MPERS	FRS	TOTAL
2026	$ 113,247	$ 287,737	$ 104,899	$ 505,883
2027	(62,405)	(365,661)	(11,596)	(439,662)
2028	(48,944)	(339,152)	(11,622)	(399,718)
2029	(20,600)	(116,243)	10,665	(126,178)
2030	-	-	32,000	32,000
Thereafter	-	-	854	854
	$ (18,702)	$ (533,319)	$ 125,200	$ (426,821)

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:

		Net Pension Liability		
Plan	Current Discount Rate	1% Decrease	Current Discount Rate	1% Increase
MERS	6.85%	$ 1,707,262	$ 989,721	$ 383,127
MPERS	6.75%	5,778,398	3,522,683	1,633,607
FRS	6.90%	1,169,428	606,073	136,461
Total		$ 8,655,088	$ 5,118,477	$2,153,195

Payables to the Pension Plans

At November 30, 2025, the City had outstanding payables to MERS, MPERS, and FRS of $21,802, $53,611, and $12,747, respectively.

(13) Post Employment Health Insurance Benefits

Plan description – The City of Carencro (the City) provides certain continuing health care benefits for its retired employees. The City of Carencro's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the City. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the City. No assets are accumulated in a trust that meets the criteria of the Governmental Accounting Standards Board (GASB).

Benefits Provided – Employees are eligible for continuing benefits after working fifteen (15) years of full time service with the City, and having been enrolled in the group health insurance plan offered by the City for the immediate two years prior to retirement. Benefits begin once the employee begins receiving benefits from one of the City's three retirement plans.

Employees covered by benefit terms – As of the measurement date November 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	4
Inactive employees or beneficiaries entitled to but not yet receiving benefit payments	-
Active employees	80
	84

Total OPEB Liability

The City's total OPEB liability is $2,316,807 as of the measurement date November 30, 2025, the end of the fiscal year.

Actuarial Assumptions and other inputs – The total OPEB liability in the November 30, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%	
Salary increases	**Service**	**MERS**
	1-4	7.90%
	4+	4.90%
Discount rate	4.03% annually (Beginning of Year to Determine ADC) 4.75%, annually (As of End of Year Measurement Date)	
Healthcare cost trend rates	Getzen model, initial trend of 5.5%	
Mortality	Pub-2010 Public retirement plans mortality table, headcount weighted for general below median employees and healthy retirees, multiplied by 120% projected using the SOA MP-2021 scale.	

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of November 30, 2025, the end of the applicable measurement period.

The actuarial assumptions used in the November 30, 2025 valuation were based on the results of ongoing evaluations of the assumptions from December 1, 2023 to November 30, 2024.

Changes in the Total OPEB Liability

Balance at November 30, 2024	$	2,382,614
Changes for the year		
Service cost		135,514
Interest		101,130
Difference between expected and actual experience		-
Changes in assumptions		(284,902)
Benefit payments and net transfers		(17,549)
Net changes		(65,807)
Balance at November 30, 2025	$	2,316,807

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.75%) or 1-percentage-point higher (4.75%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	$2,724,912	$2,316,807	$1,985,988

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	$1,920,313	$2,316,807	$2,828,616

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended November 30, 2025, the City recognized OPEB expense of $163,359. At November 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 407,131
Total	$ -	$ 407,131

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended November 30	
2026	$ (73,285)
2027	(73,285)
2028	(73,285)
2029	(73,285)
2030	(73,285)
Thereafter	(40,706)
Total	$ (407,131)

(14) Leases

The City has entered into lease agreements involving various vehicles with lease terms from August 2020 through January 2029 with incremental borrowing rates between 6.96%-8.45%. The terms and conditions of the leases do not contain variable payments, residual value guarantees, or any other special provisions. The total of the City's leased assets are recorded at a cost of $1,398,750, less accumulated amortization of $872,070.

The future lease payments under these agreements are as follows:

Year Ended November 30	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2026	$ 272,170	$ 25,706	$ 297,876	$ 13,037	$ 355	$ 13,392
2027	227,095	21,449	248,544	-	-	-
2028	63,217	5,971	69,188	-	-	-
2029	4,818	455	5,273	-	-	-
Total	$ 567,300	$ 53,581	$ 620,881	$ 13,037	$ 355	$ 13,392

(15) Subscription-Based Information Technology Arrangements

The City has entered into subscription-based information technology arrangements (SBITAs) involving police case management software with lease terms from May 2023 through November 2028 with incremental borrowing rates between 6.21-6.52%. The terms and conditions of the leases do not contain variable payments, residual value guarantees, or any other special provisions. The total of the City's subscription assets are recorded at a cost of $317,978, less accumulated amortization of $187,630.

The future lease payments under these agreements are as follows:

Year Ended November 30	Governmental Activities		
	Principal	Interest	Total
2026	60,803	8,197	69,000
2027	39,660	5,340	45,000
2028	42,246	2,754	45,000
Total	$ 142,709	$ 16,291	$ 159,000

(16) On-Behalf Payment for Salaries

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

Supplemental salary payments are made by the State of Louisiana directly to certain groups of employees. The City is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contribution made by the State. For the fiscal year ended November 30, 2025, the State paid supplemental salaries in the amount of $66,734 to fire employees. The payments are recorded as intergovernmental revenue and public safety expenses/expenditures in the GAAP basis government-wide and General Fund financial statements.

(17) Compensation of City Officials

A detail of compensation paid to the City Council for the year ended November 30, 2025 follows:

Alfred Sinegal	$ 15,297
Antoine Babineaux, Jr.	15,297
Taylor James	15,297
Jordan Arceneaux	15,297
Danielle Capritto	15,297
	$ 76,485

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

The schedule of compensation, benefits, and other payments to Charlotte Clavier, Mayor, for the year ended November 30, 2025 follows:

Salary	$ 91,221
Benefits - insurance	7,442
Benefits - retirement	13,764
Vehicle and cell phone allowance	10,200
Travel	689
Total	$ 123,316

(19) 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, 2025, the City's natural gas purchases amounted to $230,795, of which $19,200 was owed for purchases for the month of November 2025.

(20) Contingent Liabilities

The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The City's prior year grant activity is currently under review by federal grantors; however, the City believes any liability for reimbursement is remote.

At November 30, 2025, the City is involved in several lawsuits claiming damages. In the opinion of the City's legal counsel, the City has one lawsuit with a likely possibility of liability. However, the potential loss cannot be estimated at this time.

(21) Risk Management

The City is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years except as discussed below.

(22) Fair Value Measurement

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

The three levels of inputs used to measure fair value are as follows:

a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

b. Level 2 inputs are observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

c. Level 3 inputs are unobservable inputs for the asset or liability.

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

a. The carrying amount reported in the statement of net position for the following approximates fair value due to the short maturities of these instruments: cash, accounts receivable, and accounts payable.

b. The fair value for investment securities are based on quoted market prices at the reporting date multiplied by the quantity held. The carrying value equals fair value.

The following table presents assets that are measured at fair value on a recurring basis at November 30, 2025:

Governmental Funds:

Description	Total	Level 1	Level 2	Level 3
U.S. Treasuries	$ 110,425	$ 110,425	$ -	$ -
U.S. Agency Securities	37,685	-	37,685	-
	$ 148,110	$ 110,425	$ 37,685	$ -

Proprietary Funds:

Description	Total	Level 1	Level 2	Level 3
U.S. Treasuries	$ 151,119	$ 151,119	$ -	$ -
U.S. Agency Securities	321,799	-	321,799	-
	$ 472,918	$ 151,119	$ 321,799	$ -

(23) Interfund Transactions

A. Interfund receivables and payables consisted of the following at November 30, 2025:

	Receivable	Payable
Governmental funds:		
Major governmental funds -		
General Fund	$ 266,173	$ 687,474
1967 Sales Tax Fund	-	85,256
1993 Sales Tax Fund	68,220	100,921
TIF District Sales Tax Fund	1	-
2016 Sales Tax Fund	15,000	-
Debt Service Fund	77,036	-
Non-major governmental funds	-	116,091
Total governmental funds	426,430	989,742
Proprietary funds:		
Utility Fund	376,886	66,206
Culture and Recreation	359,817	107,185
Total proprietary funds	736,703	173,391
Total	$ 1,163,133	$ 1,163,133

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

B. Transfers consisted of the following for the year ended November 30, 2025:

	Transfers In	Transfers Out
Governmental funds:		
Major governmental funds -		
General Fund	$ 6,735,388	$ 511,459
1967 Sales Tax Special Revenue Fund	-	4,554,405
1993 Sales Tax Special Revenue Fund	-	4,269,805
TIF District Sales Tax Special Revenue Fund	-	318,062
2016 Sales Tax Special Revenue Fund	-	10,853,696
Debt Service fund	3,024,607	-
Non-major governmental funds	977,725	2,521,012
Total governmental funds	10,737,720	23,028,439
Proprietary fund:		
Utility Fund	11,401,198	643,897
Culture and Recreation	1,594,584	61,166
Total proprietary funds	12,995,782	705,063
Total	$ 23,733,502	$ 23,733,502

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

(24) Net Position

Net position is presented as net investment in capital assets, restricted, and unrestricted on the City's government-wide statement of net position. The City's net position is affected by transactions that resulted in the recognition of deferred outflows of resources and deferred inflows of resources and the balance of the related asset or liability is significant. As discussed in Note 12 and 13, the City's recognition of net pension liability and OPEB obligations in accordance with GASBS No. 68 and 75, respectively, significantly affected the City's unrestricted component of net position as of November 30, 2025.

(25) New Accounting Pronouncement

As of December 1, 2024, the City adopted the requirements of Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. The implementation of this standard had no material effect on the City's financial statements for the year ended November 30, 2025.

(26) Subsequent Events

On December 23, 2025, the City of Carencro issued $22,920,000 of Bond Anticipation Notes, Series 2025 for the interim financing of construction of major sewer infrastructure improvements. The Bond Anticipation Notes are payable in quarterly interest only payments bearing interest of 5.97% until December 23, 2028. On December 23, 2028, the bonds will be purchased by the United States Department of Agriculture and will be converted to Utilities Revenue Bonds totaling $22,920,000. The Utilities Revenue Bonds will bear interest not to exceed 2.875% and will be secured by the net revenues of the combined utility system.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended November 30, 2025

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 1,188,896	$ 1,227,400	$ 1,281,982	$ 54,582
Licenses and permits	828,500	904,000	914,907	10,907
Intergovernmental	1,658,855	1,746,642	1,780,979	34,337
Fines and forfeits	537,000	470,000	487,612	17,612
Miscellaneous	29,600	115,100	212,874	97,774
Total revenues	4,242,851	4,463,142	4,678,354	215,212
Expenditures:				
Current -				
General government:				
Administrative	1,030,340	1,233,337	1,242,394	(9,057)
Code department	489,081	423,870	371,830	52,040
Public safety:				
Police	4,093,846	4,211,511	4,232,258	(20,747)
Fire	1,468,697	1,452,885	1,435,930	16,955
City court	295,655	195,655	195,862	(207)
Highways and streets	1,148,626	1,182,628	1,179,085	3,543
Capital outlay	1,475,050	655,000	656,156	(1,156)
Debt service-				
Principal retirement	337,793	437,793	445,276	(7,483)
Interest and fiscal charges	64,342	64,342	61,854	2,488
Total expenditures	10,403,430	9,857,021	9,820,645	36,376
Deficiency of revenues over expenditures	(6,160,579)	(5,393,879)	(5,142,291)	251,588
Other financing sources (uses):				
Transfers in	6,170,133	6,712,923	6,735,388	22,465
Transfers out	-	(505,081)	(511,459)	(6,378)
Total other financing sources (uses)	6,170,133	6,207,842	6,223,929	16,087
Net change in fund balance	9,554	813,963	1,081,638	267,675
Fund balance, beginning	639,177	41,609	41,609	-
Fund balance, ending	$ 648,731	$ 855,572	$ 1,123,247	$ 267,675

See notes to the required supplementary information.

CITY OF CARENCRO, LOUISIANA
1967 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended November 30, 2025

	Budget Original	Budget Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 4,000,000	$ 4,300,000	$ 4,330,397	$ 30,397
Miscellaneous	16,000	16,000	20,202	4,202
Total revenues	4,016,000	4,316,000	4,350,599	34,599
Expenditures:				
Current -				
General government	77,000	77,000	57,610	19,390
Excess of revenues over expenditures	3,939,000	4,239,000	4,292,989	53,989
Other financing uses:				
Transfers out	(3,994,170)	(4,827,554)	(4,554,405)	273,149
Net change in fund balance	(55,170)	(588,554)	(261,416)	327,138
Fund balance, beginning	928,611	774,501	774,501	-
Fund balance, ending	$ 873,441	$ 185,947	$ 513,085	$ 327,138

See notes to the required supplementary information.

CITY OF CARENCRO, LOUISIANA
1993 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended November 30, 2025

	Budget Original	Budget Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 4,000,000	$ 4,300,000	$ 4,330,397	$ 30,397
Miscellaneous	40,000	20,000	18,845	(1,155)
Total revenues	4,040,000	4,320,000	4,349,242	29,242
Expenditures:				
Current:				
General government	77,000	77,000	59,059	17,941
Excess of revenues over expenditures	3,963,000	4,243,000	4,290,183	47,183
Other financing uses:				
Transfers out	(4,294,569)	(4,509,191)	(4,269,805)	239,386
Net change in fund balance	(331,569)	(266,191)	20,378	286,569
Fund balance, beginning	637,505	513,536	513,536	-
Fund balance, ending	$ 305,936	$ 247,345	$ 533,914	$ 286,569

See notes to the required supplementary information.

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

Budgetary Comparison Schedule
For the Year Ended November 30, 2025

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 2,500,000	$ 2,750,000	$ 2,753,391	$ 3,391
Miscellaneous	150,000	150,000	159,420	9,420
Total revenues	2,650,000	2,900,000	2,912,811	12,811
Expenditures:				
Current:				
General government	50,000	105,000	102,362	2,638
Capital outlay	120,000	165,000	139,369	25,631
Total expenditures	170,000	270,000	241,731	28,269
Excess of revenues over expenditures	2,480,000	2,630,000	2,671,080	41,080
Other financing sources (uses):				
Transfers out	(584,253)	(427,174)	(318,062)	109,112
Net change in fund balance	1,895,747	2,202,826	2,353,018	150,192
Fund balance, beginning	3,203,277	3,187,329	3,187,329	-
Fund balance, ending	$ 5,099,024	$ 5,390,155	$ 5,540,347	$ 150,192

See notes to the required supplementary information.

CITY OF CARENCRO, LOUISIANA
2016 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended November 30, 2025

	Budget Original	Budget Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 4,000,000	$ 4,300,000	$ 4,329,954	$ 29,954
Miscellaneous	450,000	650,000	648,921	(1,079)
Total revenues	4,450,000	4,950,000	4,978,875	28,875
Expenditures:				
Current:				
General government	77,000	306,272	280,628	25,644
Excess of revenues over expenditures	4,373,000	4,643,728	4,698,247	54,519
Other financing sources (uses):				
Proceeds on issuance of debt	-	9,310,000	9,310,000	-
Premium on issuance of debt	-	287,937	287,937	-
Transfers out	-	(13,383,881)	(10,853,696)	2,530,185
Total other financing sources (uses)	-	(3,785,944)	(1,255,759)	2,530,185
Net change in fund balance	4,373,000	857,784	3,442,488	2,584,704
Fund balance, beginning	13,576,142	13,980,935	13,980,935	-
Fund balance, ending	$ 17,949,142	$ 14,838,719	$ 17,423,423	$ 2,584,704

See notes to the required supplementary information.

CITY OF CARENCRO, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
For the Year Ended November 30, 2025

Plan/ Fiscal Year	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Municipal Employees' Retirement System					
6/30/2025	2.070152%	$ 989,721	$ 1,967,883	50.3%	84.91%
6/30/2024	2.067931%	1,254,765	2,085,611	60.2%	80.10%
6/30/2023	1.833858%	1,470,499	1,573,986	93.4%	73.25%
6/30/2022	1.786485%	1,568,504	1,436,273	109.2%	69.56%
6/30/2021	1.596402%	924,809	1,226,871	75.4%	79.14%
6/30/2020	1.433324%	1,298,916	1,110,786	116.9%	66.26%
6/30/2019	1.284063%	1,123,315	981,621	114.4%	66.14%
6/30/2018	1.307021%	1,105,520	968,604	114.1%	65.60%
6/30/2017	1.279821%	1,107,343	949,500	116.6%	63.49%
6/30/2016	1.286743%	1,066,591	927,589	115.0%	63.34%
Municipal Police Employees' Retirement System					
6/30/2025	0.510083%	3,522,683	1,909,897	184.4%	81.94%
6/30/2024	0.558807%	5,062,768	1,969,896	257.0%	68.14%
6/30/2023	0.535769%	5,660,383	1,820,515	310.9%	71.30%
6/30/2022	0.514031%	5,254,309	1,510,646	347.8%	70.80%
6/30/2021	0.465691%	2,482,388	1,420,738	174.7%	84.08%
6/30/2020	0.404790%	3,741,203	1,250,286	299.2%	70.94%
6/30/2019	0.316168%	2,871,335	987,333	290.8%	71.89%
6/30/2018	0.255428%	2,159,404	753,802	286.5%	71.89%
6/30/2017	0.253787%	2,215,668	757,792	292.4%	70.08%
6/30/2016	0.299971%	2,811,573	757,451	371.2%	66.04%
Firefighters' Retirement System					
6/30/2025	0.143889%	606,073	472,866	128.2%	86.96%
6/30/2024	0.151593%	853,555	428,815	199.0%	81.68%
6/30/2023	0.118349%	772,441	317,699	243.1%	77.69%
6/30/2022	0.105798%	746,013	272,572	273.7%	74.68%
6/30/2021	0.101032%	358,042	254,016	141.0%	86.78%
6/30/2020	0.095112%	659,274	236,793	278.4%	72.61%
6/30/2019	0.101602%	636,223	245,558	259.1%	73.96%
6/30/2018	0.079075%	454,846	187,438	242.7%	74.76%
6/30/2017	0.038542%	220,917	89,172	247.7%	73.55%
6/30/2016	0.289980%	189,763	40,455	469.1%	68.16%

See notes to the required supplementary information.

CITY OF CARENCRO, LOUISIANA

Schedule of Employer Contributions
For the Year Ended November 30, 2025

Year Ended November 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
Municipal Employees' Retirement System					
2025	$272,439	$272,439	$ -	$ 1,976,811	13.78%
2024	297,991	297,991	-	2,045,867	14.57%
2023	270,164	270,164	-	1,742,994	15.50%
2022	224,686	224,686	-	1,449,587	15.50%
2021	196,225	196,225	-	1,265,968	15.50%
2020	173,217	173,217	-	1,183,985	14.63%
2019	142,246	142,246	-	1,049,012	13.56%
2018	131,833	131,833	-	1,104,129	11.94%
2017	113,456	113,456	-	1,031,418	11.00%
2016	96,328	96,328	-	950,918	10.13%
Municipal Police Employees' Retirement System					
2025	675,326	675,326	-	1,949,175	34.65%
2024	692,562	692,562	-	2,000,217	34.62%
2023	638,694	638,694	-	2,043,821	31.25%
2022	494,049	494,049	-	1,660,670	29.75%
2021	466,521	466,521	-	1,382,284	33.75%
2020	438,911	438,911	-	1,329,228	33.02%
2019	356,702	356,702	-	1,102,634	32.35%
2018	257,272	257,272	-	819,860	31.38%
2017	238,705	238,705	-	761,906	31.33%
2016	247,445	247,445	-	812,894	30.44%
Firefighters Retirement System					
2025	155,182	155,182	-	481,184	32.25%
2024	139,358	139,358	-	420,944	33.11%
2023	132,319	132,319	-	400,967	33.00%
2022	89,604	89,604	-	263,541	34.00%
2021	85,376	85,376	-	264,732	32.25%
2020	71,198	71,198	-	240,290	29.63%
2019	65,783	65,783	-	243,460	27.02%
2018	59,993	59,993	-	226,389	26.50%
2017	31,665	31,665	-	122,875	25.77%
2016	18,708	18,708	-	70,810	26.42%

See notes to the required supplementary information.

CITY OF CARENCRO, LOUISIANA

Schedule of Changes in Total OPEB Liability and Related Ratios
For the Year Ended November 30, 2025

Total OPEB Liability	2025	2024
Service cost	$ 135,514	$ 149,448
Interest	101,130	88,324
Changes in benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	(284,902)	(228,098)
Benefit payments and net transfers	(17,549)	(16,634)
Net changes	(65,807)	(6,960)
Total OPEB liability - beginning	2,382,614	2,389,574
Total OPEB liability - ending	$ 2,316,807	$ 2,382,614
Covered employee payroll	$ 4,095,332	$ 3,904,034
Total OPEB liability as a percentage of covered-employee payroll	56.57%	61.03%

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

See notes to the required supplementary information.

Notes to the Required Supplementary Information

(1) Budget and Budgetary Accounting

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

a. Prior to November 15, the City Clerk submits to the Mayor and City Council a proposed operating budget for the fiscal year commencing the following December 1.

b. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

c. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

e. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.

f. All budgetary appropriations lapse at the end of each fiscal year.

g. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted and as amended by the Board of Aldermen.

(2) Pension Plans

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

(3) Other Postemployment Benefits

A) Benefit changes – There were no changes in benefit terms.

B) Changes of assumptions:

Change in the discount rate – The discount rate at November 30, 2025 is 4.75%, an increase of .72% from the prior year rate of 4.03%.

(4) Excess of Expenditures Over Appropriations

For the year ended November 30, 2025, the General Fund had actual expenditures over appropriations, at the functional level, as follows:

Fund/Function	Budget	Actual	Excess
General Fund:			
Public safety	$ 5,860,051	$ 5,864,050	$ (3,999)
Capital outlay	655,000	656,156	(1,156)
Debt service	502,135	507,130	(4,995)

SUPPLEMENTARY INFORMATION

CITY OF CARENCRO, LOUISIANA

Comparative Balance Sheet
General and Special Revenue Funds
November 30, 2025 and 2024

	General		1967 Sales Tax Special Revenue		1993 Sales Tax Special Revenue		TIF District Sales Tax Special Revenue		2016 Sales Tax Special Revenue	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
ASSETS										
Cash and interest bearing deposits	$2,296,805	$ 220,291	$ 84,088	$ 136,517	$ 200,472	$ 274,352	$5,317,646	$2,961,168	$ 5,874,168	$ 2,946,513
Investments	335,101	320,756	148,110	143,806	-	-	26	26	11,168,130	10,690,064
Receivables:										
Taxes	16,720	18,760	366,143	344,004	366,143	344,004	226,485	245,035	366,125	344,358
Due from other governmental agencies	179,400	70,656	-	-	-	-	-	-	-	-
Due from other funds	266,173	271,618	-	154,073	68,220	-	1	-	15,000	-
Other receivables	52,468	818	-	-	-	-	-	-	-	-
Prepaid items	176,256	55,725	-	-	-	-	-	-	-	-
Total assets	$3,322,923	$ 958,624	$ 598,341	$ 778,400	$ 634,835	$ 618,356	$5,544,158	$3,206,229	$17,423,423	$13,980,935
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	$ 504,954	$ 260,395	-	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accrued liabilities	113,582	174,428	-	-	-	-	-	-	-	-
Contracts payable	15,941	128,911	-	-	-	-	3,811	-	-	-
Unearned revenue	877,725	11,530	-	-	-	-	-	-	-	-
Due to other governmental agencies	-	-	-	3,899	-	3,899	-	18,900	-	-
Due to other funds	687,474	341,751	85,256	-	100,921	100,921	-	-	-	-
Total liabilities	2,199,676	917,015	85,256	3,899	100,921	104,820	3,811	18,900	-	-
Fund balances -										
Nonspendable - prepaid items	176,256	55,725	-	-	-	-	-	-	-	-
Restricted - sales tax dedications	-	-	513,085	774,501	533,914	513,536	5,540,347	3,187,329	17,423,423	13,980,935
Unassigned	946,991	(14,116)	-	-	-	-	-	-	-	-
Total fund balances	1,123,247	41,609	513,085	774,501	533,914	513,536	5,540,347	3,187,329	17,423,423	13,980,935
Total liabilities and fund balances	$3,322,923	$ 958,624	$ 598,341	$ 778,400	$ 634,835	$ 618,356	$5,544,158	$3,206,229	$17,423,423	$13,980,935

CITY OF CARENCRO, LOUISIANA

Comparative Statement of Net Position
Proprietary Fund
Utility Fund
November 30, 2025 and 2024

	2025	2024
ASSETS		
Current assets:		
Cash and interest bearing deposits	$ 981,542	$ 2,024,776
Due from other funds	376,886	36,450
Investments	663,692	624,663
Receivables, net	1,008,871	850,217
Due from other governmental agencies	64,235	542,772
Prepaid items	47,431	18,897
Total current assets	3,142,657	4,097,775
Noncurrent assets:		
Restricted assets -		
Cash and interest bearing deposits	10,018,661	588,450
Investments	490,096	489,921
Capital assets -		
Land and construction in progress	19,666,943	17,678,153
Other capital assets, net	32,326,672	33,111,642
Right-of-use lease asset, net	12,460	26,375
Total noncurrent assets	62,514,832	51,894,541
Total assets	65,657,489	55,992,316
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	93,799	160,569
LIABILITIES		
Current liabilities:		
Accounts payable	548,595	251,362
Retainage and contracts payable	444,899	1,612,086
Accrued liabilities	20,454	15,972
Due to other funds	66,206	507,260
Customers' deposits	586,036	565,781
Accrued interest	33,342	36,585
Notes payable	209,372	184,928
Right-of-use lease liability	13,037	22,590
Bonds payable	550,000	535,000
Total current liabilities	2,471,941	3,731,564
Noncurrent liabilities:		
Compensated absences payable	129,866	115,315
Right-of-use lease liability	-	4,670
Net pension liability	543,753	682,718
Notes payable	1,049,428	1,258,800
Bonds payable	3,846,000	4,396,000
OPEB liability	671,875	690,958
Total noncurrent liabilities	6,240,922	7,148,461
Total liabilities	8,712,863	10,880,025
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	40,078	30,998
Deferred inflows related to OPEB	118,068	56,699
Total deferred inflows of resources	158,146	87,697
NET POSITION		
Net investment in capital assets	45,893,339	42,802,096
Restricted for debt service	484,274	476,005
Restricted for capital projects	9,405,105	-
Unrestricted	1,097,561	1,907,062
Total net position	$ 56,880,279	$ 45,185,163

CITY OF CARENCRO, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Analysis of Revenues and Expenses
Years Ended November 30, 2025 and 2024

	Totals		Gas	
	2025	2024	2025	2024
Operating revenues:				
Customers service charges	$ 6,341,524	$ 6,031,141	$ 828,911	$ 803,409
Penalties, permits, and connection fees	393,819	223,359	7,485	10,625
Miscellaneous	-	5,331	-	-
Total operating revenues	6,735,343	6,259,831	836,396	814,034
Operating expenses:				
Salaries	1,414,119	1,295,836	347,720	334,933
Payroll taxes	106,724	98,511	27,553	26,380
Group insurance	193,898	199,884	41,677	39,049
Retirement	131,524	120,926	33,035	28,119
Gas purchased	230,795	182,296	230,795	182,296
Maintenance and supplies	517,549	498,826	100,096	79,498
Chemicals	316,214	372,929	-	-
Cathodic protection survey	1,496	1,833	1,496	1,833
Garbage collection fees	1,212,360	1,102,805	-	-
Depreciation expense	1,919,668	1,963,129	66,223	66,739
Amortization expense	13,915	18,945	13,915	18,945
Utilities	295,679	250,616	-	-
Telephone	19,079	22,936	-	-
Truck operation	78,350	88,488	27,743	27,377
Office supplies and postage	80,835	76,252	-	-
Insurance	157,250	115,931	28,017	22,814
Miscellaneous	46,061	6,432	-	-
Professional fees	77,058	55,030	12,106	-
Uniforms	35,351	37,708	11,405	11,829
Engineering fees	105,278	63,986	-	-
Travel	1,764	25,254	-	16,800
Contractual services	40,936	39,688	2,893	4,470
Auto allowance	9,230	7,200	9,230	7,200
Allocation of general and administrative expense	-	-	235,994	206,433
Total operating expenses	7,005,133	6,645,441	1,189,898	1,074,715
Net operating profit/(loss)	$ (269,790)	$ (385,610)	$ (353,502)	$ (260,681)

Water		Sewerage		Sanitation		Administrative	
2025	2024	2025	2024	2025	2024	2025	2024
$ 2,425,381	$ 2,321,726	$ 1,885,535	$ 1,814,776	$1,201,697	$1,091,230	$ -	$ -
326,789	143,603	59,545	69,131	-	-	-	-
-	5,331	-	-	-	-	-	-
2,752,170	2,470,660	1,945,080	1,883,907	1,201,697	1,091,230	-	-
366,269	383,390	86,045	78,918	-	-	614,085	498,595
25,754	29,100	6,444	6,615	-	-	46,973	36,416
53,804	65,488	5,881	12,058	-	-	92,536	83,289
33,625	34,284	9,618	7,792	-	-	55,246	50,731
-	-	-	-	-	-	-	-
248,913	268,936	119,735	105,125	-	-	48,805	45,267
85,209	99,695	231,005	273,234	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,212,360	1,102,805	-	-
627,318	656,888	1,118,486	1,118,610	-	-	107,641	120,892
-	-	-	-	-	-	-	-
82,197	80,840	192,616	151,301	-	-	20,866	18,475
-	-	-	-	-	-	19,079	22,936
37,499	46,918	13,108	14,193	-	-	-	-
-	-	-	-	-	-	80,835	76,252
54,675	41,543	51,504	36,658	-	-	23,054	14,916
41,360	843	315	85	-	-	4,386	5,504
-	-	-	-	-	-	64,952	55,030
12,221	13,647	11,245	10,904	-	-	480	1,328
92,086	33,256	13,192	30,730	-	-	-	-
730	5,919	-	-	-	-	1,034	2,535
11,509	11,910	26,534	23,308	-	-	-	-
-	-	-	-	-	-	-	-
353,992	309,650	530,987	464,475	58,999	51,608	(1,179,972)	(1,032,166)
2,127,161	2,082,307	2,416,715	2,334,006	1,271,359	1,154,413	-	-
$ 625,009	$ 388,353	$ (471,635)	$ (450,099)	$ (69,662)	$ (63,183)	$ -	$ -

CITY OF CARENCRO, LOUISIANA

Justice System Funding Schedule - Collecting/Disbursing Entity
Year Ended November 30, 2025

	First Six Month Period Ended 5/31/2025	Second Six Month Period Ended 11/30/2025
Beginning Balance of Amounts Collected	$ 18,977	$ -
Add: Collections -		
Civil Fees	-	-
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	57,512	56,662
Criminal Fines - Contempt	-	-
Criminal Fines - Other	161,906	159,511
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees	-	-
Interest Earnings on Collected Balances	-	-
Other	-	-
Subtotal Collections	219,418	216,173
Less: Disbursements to Governments and Nonprofits -		
Lafayette Crime Stoppers - Criminal Court Cost	1,524	1,464
Acadiana Criminalistics Lab - Criminal Fines Other	22,678	22,650
Louisiana Commission on Law Enforcement - Criminal Court Cost	1,503	1,483
Louisiana State Treasurer CMIS - Criminal Court Cost	2,278	2,378
Louisiana Supreme Court - Criminal Court Cost	380	367
Louisiana Department of Health- Criminal Court Cost	1,775	1,500
Louisiana Association of Chief of Police - Criminal Court Cost	758	746
15th JDC Public Defenders Office - Criminal Court Cost	26,617	26,074
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency - Criminal Fines Other	180,882	149,058
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil Fee Refunds	-	-
Bond Fee Refunds	-	-
Restitution Payments to Individuals (additional detail is not required)	-	-
Other Disbursements to Individuals (additional detail is not required)	-	-
Payments to 3rd Party Collection/Processing Agencies	-	-
Subtotal Disbursements/Retainage	238,395	205,720
Ending Balance of Amounts Collected but not Disbursed/Retained	$ -	$ 10,453

OTHER INFORMATION

CITY OF CARENCRO, LOUISIANA

Statement of Net Position
November 30, 2025
With Comparative Totals as of November 30, 2024

	2025			
	Governmental Activities	Business-Type Activities	Total	2024 Totals
ASSETS				
Cash and interest-bearing deposits	$ 15,345,967	$ 1,328,028	$ 16,673,995	$ 12,643,871
Investments	11,651,435	713,346	12,364,781	12,260,447
Receivables, net	1,394,402	1,023,031	2,417,433	2,173,584
Inventory	-	4,427	4,427	-
Loan receivable	-	71,072	71,072	40,000
Internal balances	(563,312)	563,312	-	-
Due from other governmental agencies	366,662	64,235	430,897	881,271
Prepaid items	176,256	76,780	253,036	81,139
Restricted cash and interest-bearing deposits	-	10,253,153	10,253,153	806,215
Restricted investments	-	490,096	490,096	489,921
Capital assets:				
Non-depreciable	3,562,334	21,272,976	24,835,310	22,241,861
Depreciable, net	39,648,643	39,288,464	78,937,107	79,060,639
Total assets	71,582,387	75,148,920	146,731,307	130,678,948
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	1,016,777	114,662	1,131,439	1,745,696
LIABILITIES				
Accounts and other payables	737,789	1,068,629	1,806,418	2,927,307
Due to other governmental agencies	-	-	-	26,698
Customers deposits payable	-	586,036	586,036	565,781
Accrued interest	128,848	39,573	168,421	158,136
Unearned revenue	877,725	-	877,725	11,530
Long-term liabilities:				
Portion due or payable within one year	2,102,973	1,097,409	3,200,382	3,052,282
Portion due or payable after one year	22,913,631	6,055,294	28,968,925	22,472,903
Other post employment benefits payable	1,505,924	810,883	2,316,807	2,382,614
Net pension liability	4,453,780	664,697	5,118,477	7,171,088
Total liabilities	32,720,670	10,322,521	43,043,191	38,768,339
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	1,033,197	48,992	1,082,189	241,034
Deferred inflows related to OPEB	264,635	142,496	407,131	195,513
Total deferred inflows of resources	1,297,832	191,488	1,489,320	436,547
NET POSITION				
Net investment in capital assets	18,427,810	53,058,182	71,485,992	74,025,706
Restricted for sales tax dedications	24,054,867	476,190	24,531,057	20,597,170
Restricted for debt service	1,286,554	712,535	1,999,089	2,412,541
Restricted for capital projects	162,380	9,405,105	9,567,485	537,788
Unrestricted (deficit)	(5,350,949)	1,097,561	(4,253,388)	(4,353,447)
Total net position	$ 38,580,662	$ 64,749,573	$ 103,330,235	$ 93,219,758

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended November 30, 2025
With Comparative Actual Amounts for the Year Ended November 30, 2024

	2025				
	Budget			Variance with Final Budget Positive	2024
	Original	Final	Actual	(Negative)	Actual
Taxes:					
Ad valorem	$ 520,000	$ 559,000	$ 558,462	$ (538)	$ 516,688
Franchise -					
Electric	609,496	644,000	688,222	44,222	610,563
Cable TV and gas	59,400	24,400	35,298	10,898	38,748
Total taxes	1,188,896	1,227,400	1,281,982	54,582	1,165,999
Licenses and permits:					
Occupational licenses	291,500	500,000	494,573	(5,427)	472,503
Code department permits	537,000	404,000	420,334	16,334	249,211
Total licenses and permits	828,500	904,000	914,907	10,907	721,714
Intergovernmental:					
Federal grants	6,000	31,000	33,968	2,968	16,750
State of Louisiana -					
Department of Transportation and Development	20,715	6,000	10,358	4,358	15,536
Beer taxes	17,000	20,000	17,074	(2,926)	16,477
Supplemental pay	283,420	281,502	287,614	6,112	289,330
State grants	700,000	785,000	806,751	21,751	238,470
Lafayette Parish Government -					
Two percent fire insurance refund	137,959	150,000	146,198	(3,802)	137,959
Proceeds for fire department	168,601	168,601	168,099	(502)	134,520
Proceeds for library security	56,160.00	36,160	40,392	4,232	12,128
Lafayette Parish School Board - resource officer	269,000	268,379	270,525	2,146	266,522
Total intergovernmental	1,658,855	1,746,642	1,780,979	34,337	1,127,692
Fines and forfeits:					
Fines and court costs	300,000	390,000	392,945	2,945	485,590
Police special detail and accident reports	237,000	80,000	94,667	14,667	186,680
Total fines and forfeits	537,000	470,000	487,612	17,612	672,270
Miscellaneous:					
Interest	27,000	59,300	122,280	62,980	60,110
Donations	100	3,800	4,297	497	100
Sale of capital assets	-	17,000	21,300	4,300	68,403
Other sources	2,500	35,000	64,997	29,997	166,643
Total miscellaneous	29,600	115,100	212,874	97,774	295,256
Total revenues	$ 4,242,851	$ 4,463,142	$ 4,678,354	$ 215,212	$ 3,982,931

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended November 30, 2025
With Comparative Actual Amounts for the Year Ended November 30, 2024

	2025				
	Budget			Variance with Final Budget Positive	2024
	Original	Final	Actual	(Negative)	Actual
Current:					
General government -					
Administrative:					
Mayor and council salaries	$ 167,705	$ 167,705	$ 167,705	$ -	$ 167,695
Other salaries and wages	91,101	91,101	95,213	(4,112)	91,101
Retirement	28,118	28,118	31,939	(3,821)	29,209
Group insurance	21,027	21,027	16,601	4,426	18,833
Payroll taxes	24,619	24,619	22,039	2,580	21,153
Insurance	31,079	34,076	38,053	(3,977)	30,272
Office	45,000	45,000	44,259	741	31,129
Advertisements and recordings	8,000	8,000	8,414	(414)	7,173
Dues	12,000	12,000	5,918	6,082	10,850
Legal fees	25,000	15,000	8,478	6,522	16,800
Accounting and auditing fees	45,000	60,000	71,665	(11,665)	59,240
Professional fees	68,500	143,500	149,106	(5,606)	74,980
Engineering	250,000	375,000	368,750	6,250	406,369
Travel and conferences	12,000	12,000	9,565	2,435	6,737
Gas and repairs	-	20,000	19,809	191	-
Auto allowance	19,200	19,200	19,200	-	19,200
Auto	-	-	26	(26)	276
Utilities and telephone	39,271	39,271	49,093	(9,822)	38,913
Rent	6,000	6,000	6,500	(500)	6,000
Repairs and maintenance	60,000	85,000	90,844	(5,844)	83,906
Condemnation	50,000	-	-	-	-
Senior citizens' compensation	9,600	9,600	9,166	434	9,895
Uniforms	1,000	1,000	-	1,000	478
Miscellaneous	16,120	16,120	10,051	6,069	216,770
Total administrative	1,030,340	1,233,337	1,242,394	(9,057)	1,346,979
Code department:					
Salaries	156,530	86,319	89,548	(3,229)	144,033
Retirement	16,670	16,670	11,973	4,697	16,320
Group insurance	25,193	25,193	11,204	13,989	20,959
Auto	2,000.00	2,000	-	2,000	0
Payroll taxes	12,434	12,434	6,946	5,488	10,242
Insurance	7,837	7,837	8,752	(915)	6,600
Inspection fees	258,000	258,000	233,808	24,192	185,290
Repairs and Maintenance	-	2,500	2,670	(170)	4,094
Miscellaneous	10,417	12,917	6,929	5,988	12,811
Total code department	489,081	423,870	371,830	52,040	400,349
Total general government	1,519,421	1,657,207	1,614,224	42,983	1,747,328

(continued)

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended November 30, 2025
With Comparative Actual Amounts for the Year Ended November 30, 2024

	2025				
	Budget			Variance with Final Budget Positive	2024
	Original	Final	Actual	(Negative)	Actual
Public safety:					
Police department -					
Salaries	2,121,539	2,204,413	2,212,825	(8,412)	2,157,488
Retirement	720,000	672,470	673,650	(1,180)	692,267
Group insurance	269,264	229,000	226,273	2,727	248,423
Payroll taxes	132,000	161,429	163,503	(2,074)	159,240
Insurance	314,743	370,799	369,415	1,384	301,480
Gas and repairs	182,000	140,000	160,750	(20,750)	173,096
Grant expenditures	2,000	2,000	3,651	(1,651)	6,057
Equipment expenditures	18,000	89,000	95,940	(6,940)	107,206
Maintenance	5,000	18,000	12,468	5,532	28,406
Utilities and telephone	106,000	123,865	118,777	5,088	99,823
Auto allowance	48,000	48,000	46,708	1,292	49,846
Auto	-	25,000	23,341	1,659	-
Legal fees	-	-	485	(485)	-
Miscellaneous	18,500	13,300	12,660	640	5,639
Supplies	5,300	300	5,198	(4,898)	6,749
Office supplies	17,000	12,067	12,799	(732)	13,219
Computer charges	46,000	17,000	17,470	(470)	91,086
Criminal investivation	10,000	8,068	6,539	1,529	3,333
Radio user fees	3,500	3,500	-	3,500	-
Uniforms	22,000	22,000	16,652	5,348	10,055
Training	46,000	45,500	44,913	587	51,874
Drug task force expenditures	4,000	4,200	6,669	(2,469)	53,159
Drug testing	3,000	1,600	1,572	28	1,575
Total police department	4,093,846	4,211,511	4,232,258	(20,747)	4,260,021
Fire department -					
Salaries	734,735	691,493	691,567	(74)	638,681
Retirement	149,094	149,353	155,249	(5,896)	139,358
Group insurance	77,071	88,282	79,114	9,168	73,512
Payroll taxes	53,341	57,209	59,169	(1,960)	52,953
Insurance	110,856	182,000	180,911	1,089	77,424
Maintenance and supplies	62,500	28,363	28,901	(538)	36,478
Auto	65,000	65,706	55,241	10,465	72,761
Utilities and telephone	58,600	63,388	60,492	2,896	60,601
Equipment expenditures	62,000	48,037	49,356	(1,319)	31,479
Miscellaneous	67,000	42,163	42,577	(414)	71,305
Dues and subscriptions	9,500	15,345	13,138	2,207	15,277
Training	7,000	6,980	5,290	1,690	2,327
Radio user fees	4,000	6,060	6,060	-	5,945
Uniforms	8,000	8,506	8,865	(359)	17,131
Total fire department	1,468,697	1,452,885	1,435,930	16,955	1,295,232

(continued)

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended November 30, 2025
With Comparative Actual Amounts for the Year Ended November 30, 2024

	2025				
	Budget			Variance with Final Budget Positive	2024
	Original	Final	Actual	(Negative)	Actual
City Court department -					
City magistrate	15,000	11,500	8,645	2,855	10,166
Other salaries	14,070	14,070	10,984	3,086	14,721
Supplies	1,775	726	50	676	545
Legal fees	15,000	8,500	8,300	200	11,925
Fine fees	184,230	124,230	127,097	(2,867)	181,823
Traffic detail expenditures	65,580	36,629	40,786	(4,157)	69,485
Total city court department	295,655	195,655	195,862	(207)	288,665
Total public safety	5,858,198	5,860,051	5,864,050	(3,999)	5,843,918
Highways and streets:					
Salaries	397,444	397,444	388,447	8,997	395,243
Retirement	57,963	57,963	46,184	11,779	56,199
Group insurance	85,344	65,344	59,414	5,930	79,336
Payroll taxes	31,210	31,210	29,269	1,941	27,461
Insurance	51,165	53,167	59,374	(6,207)	52,748
Maintenance and supplies	110,000	135,000	133,384	1,616	181,717
Engineering	35,000	97,500	101,690	(4,190)	41,321
Street equipment repairs and maintenance	175,000	120,000	117,056	2,944	113,512
Lighting	128,000	153,000	152,633	367	138,299
Dumping fees	28,000	3,000	-	3,000	632
Auto	18,000	18,000	31,207	(13,207)	30,888
Uniforms	14,000	14,000	13,494	506	12,161
Utilities and telephone	-	-	2,626	(2,626)	-
Training	-	7,000	-	7,000	-
Contractual services	17,500	30,000	44,307	(14,307)	2,500
Total highways and streets	1,148,626	1,182,628	1,179,085	3,543	1,132,017
Culture and tourism -					
Community Center:					
Salaries	-	-	-	-	-
Payroll taxes	-	-	-	-	-
Insurance	-	-	-	-	-
Equipment and supplies	-	-	-	-	1,769
Repairs and maintenance	-	-	-	-	-
Janitorial services	-	-	-	-	-
Utilities and telephone	-	-	-	-	659
Total community center	-	-	-	-	2,428
Total culture and tourism	-	-	-	-	2,428

(continued)

CITY OF CARENCRO, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended November 30, 2025
With Comparative Actual Amounts for the Year Ended November 30, 2024

	2025				
	Budget			Variance with Final Budget Positive	2024
	Original	Final	Actual	(Negative)	Actual
Capital outlay:	1,475,050	655,000	656,156	(1,156)	351,668
Debt service:					
Principal retirement	337,793	437,793	445,276	(7,483)	480,219
Interest and fiscal charges	64,342	64,342	61,854	2,488	91,297
Total debt service	402,135	502,135	507,130	(4,995)	571,516
Total expenditures	$ 10,403,430	$ 9,857,021	$ 9,820,645	$ 36,376	$ 9,648,875

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

Budgetary Comparison Schedule
For the Year Ended November 30, 2025
With Comparative Actual Amounts for the Year Ended November 30, 2024

	2025				
	Budget			Variance with Final Budget Positive	2024
	Original	Final	Actual	(Negative)	Actual
Revenues:					
Taxes	$4,000,000	$4,300,000	$ 4,330,397	$ 30,397	$ 3,948,277
Interest	16,000	16,000	20,202	4,202	28,986
Total revenues	4,016,000	4,316,000	4,350,599	34,599	3,977,263
Expenditures:					
Current -					
General government:					
Collection fees	42,000	42,000	26,700	15,300	38,014
Professional fees	35,000	35,000	30,910	4,090	28,536
Total expenditures	77,000	77,000	57,610	19,390	66,550
Excess of revenues over expenditures	3,939,000	4,239,000	4,292,989	53,989	3,910,713
Other financing uses:					
Transfers in	-	-	-	-	145,000
Transfers out	(3,994,170)	(4,827,554)	(4,554,405)	273,149	(3,887,738)
Other financing sources/(uses)	(3,994,170)	(4,827,554)	(4,554,405)	273,149	(3,742,738)
Net change in fund balance	(55,170)	(588,554)	(261,416)	327,138	167,975
Fund balance, beginning	928,611	774,501	774,501	-	606,526
Fund balance, ending	$ 873,441	$ 185,947	$ 513,085	$ 327,138	$ 774,501

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

Budgetary Comparison Schedule
For the Year Ended November 30, 2025
With Comparative Actual Amounts for the Year Ended November 30, 2024

	2025				
	Budget			Variance with Final Budget Positive	2024
	Original	Final	Actual	(Negative)	Actual
Revenues:					
Taxes	$ 4,000,000	$ 4,300,000	$ 4,330,397	$ 30,397	$ 3,948,277
Miscellaneous - interest	40,000	20,000	18,845	(1,155)	23,751
Total revenues	4,040,000	4,320,000	4,349,242	29,242	3,972,028
Expenditures:					
Current -					
General government:					
Collection fees	42,000	42,000	26,699	15,301	36,209
Office expense	-	-	-	-	1,806
Professional fees	35,000	35,000	32,360	2,640	28,535
Total general government	77,000	77,000	59,059	17,941	66,550
Excess of revenues over expenditures	3,963,000	4,243,000	4,290,183	47,183	3,905,478
Other financing sources/(uses):					
Transfers out	(4,294,569)	(4,509,191)	(4,269,805)	239,386	(3,894,068)
Net change in fund balance	(331,569)	(266,191)	20,378	286,569	11,410
Fund balance, beginning	637,505	513,536	513,536	-	502,126
Fund balance, ending	$ 305,936	$ 247,345	$ 533,914	$ 286,569	$ 513,536

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

Budgetary Comparison Schedule
For the Year Ended November 30, 2025
With Comparative Actual Amounts for the Year Ended November 30, 2024

	2025				
	Budget			Variance with Final Budget Positive	2024
	Original	Final	Actual	(Negative)	Actual
Revenues:					
Taxes	$ 2,500,000	$ 2,750,000	$ 2,753,391	$ 3,391	$ 2,536,325
Miscellaneous	150,000	150,000	159,420	9,420	162,284
Total revenues	2,650,000	2,900,000	2,912,811	12,811	2,698,609
Expenditures:					
Current -					
General government:					
Collection fees	25,000	25,000	16,139	8,861	13,033
Repairs and maintenance	-	55,000	61,335	(6,335)	-
Professional fees	25,000	25,000	24,888	112	34,910
Total general government	50,000	105,000	102,362	2,638	47,943
Capital outlay	120,000	165,000	139,369	25,631	518,430
Total expenditures	170,000	270,000	241,731	28,269	566,373
Excess of revenues over expenditures	2,480,000	2,630,000	2,671,080	41,080	2,132,236
Other financing uses:					
Transfers in	-	-	-	-	281,905
Transfers out	(584,253)	(427,174)	(318,062)	109,112	(2,850,032)
Total other financing sources (uses)	(584,253)	(427,174)	(318,062)	109,112	(2,568,127)
Net change in fund balance	1,895,747	2,202,826	2,353,018	150,192	(435,891)
Fund balance, beginning	3,203,277	3,187,329	3,187,329	-	3,623,220
Fund balance, ending	$ 5,099,024	$ 5,390,155	$ 5,540,347	$ 150,192	$ 3,187,329

CITY OF CARENCRO, LOUISIANA
2016 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended November 30, 2025
With Comparative Actual Amounts for the Year Ended November 30, 2024

	2025				
	Budget			Variance with Final Budget Positive	2024
	Original	Final	Actual	(Negative)	Actual
Revenues:					
Taxes	$ 4,000,000	$ 4,300,000	$ 4,329,954	$ 29,954	$ 3,942,936
Miscellaneous	450,000	650,000	648,921	(1,079)	638,627
Total revenues	4,450,000	4,950,000	4,978,875	28,875	4,581,563
Expenditures:					
Current:					
General government:					
Collection fees	42,000	42,000	26,700	15,300	37,991
Professional fees	35,000	264,272	253,928	10,344	28,534
Total general government	77,000	306,272	280,628	25,644	66,525
Excess of revenues over expenditures	4,373,000	4,643,728	4,698,247	54,519	4,515,038
Other financing uses:					
Proceeds on issuance of debt	-	9,310,000	9,310,000	-	-
Premium on issuance of debt	-	287,937	287,937	-	-
Transfers out	-	(13,383,881)	(10,853,696)	2,530,185	(2,605,922)
Other financing uses	-	(3,785,944)	(1,255,759)	2,530,185	(2,605,922)
Net change in fund balance	4,373,000	857,784	3,442,488	2,584,704	1,909,116
Fund balance, beginning	13,576,142	13,980,935	13,980,935	-	12,071,819
Fund balance, ending	$ 17,949,142	$ 14,838,719	$ 17,423,423	$ 2,584,704	$ 13,980,935

CITY OF CARENCRO, LOUISIANA
Enterprise Fund
Culture & Recreation Fund

Comparative Departmental Analysis of Revenues and Expenses
Years Ended November 30, 2025 and 2024

	Totals	
	2025	2024
Operating revenues:		
Charges for services:		
Concession and lounge sales	$ 192,238	$ 219,804
League and event entry fees	307,600	294,418
Sponsorships	10,500	22,700
Rental income	161,079	153,720
Miscellaneous	15,961	28,125
Total operating revenues	687,378	718,767
Operating expenses:		
Salaries	480,276	439,701
Payroll taxes	36,836	41,588
Group insurance	49,332	39,439
Retirement	34,059	161,586
Supplies	194,039	90,684
Miscellaneous	59,374	73,213
Utilities	127,873	115,430
Contract services	83,521	67,322
Umpire fees	19,540	26,616
Repairs and maintenance	165,915	315,699
Sponsorship fees	16,063	57,448
Insurance	116,186	84,904
Cost of goods sold	93,764	135,195
Auto expense	6,850	4,003
Professional fees	6,780	21,120
Depreciation	296,365	279,349
Uniforms	1,901	2,483
Travel & Seminars	80	-
Summer recreation program	11,504	-
Total operating expenses	1,800,258	1,955,780
Net operating loss	$ (1,112,880)	$ (1,237,013)

INTERNAL CONTROL,

COMPLIANCE, AND

OTHER MATTERS

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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*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, 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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 20, 2026. Our report qualified an opinion on the business-type activities and culture and recreation fund due to the City's inability to reconcile the operating revenues to the related point of sale systems.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying summary schedule of current and prior year audit findings and management corrective action plan as items 2025-001 through 2025-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Carencro, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying summary schedule of current and prior year audit findings and management corrective action plan as item 2025-003.

City of Carencro, Louisiana's Response to Findings

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

Purpose of this Report

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
May 20, 2026

CITY OF CARENCRO, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
And Management Corrective Action Plan
For the Year Ended November 30, 2025

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

A. Internal Control Findings -

2025-001 Inadequate Controls Over Financial Statement Preparation

Fiscal year finding initially occurred: 2021

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

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

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

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

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

Management's Corrective Action Plan:

The City currently utilizes its external audit firm to perform certain nonattest services, including financial statement preparation, adjusting journal entries, and maintenance of the depreciation schedule, and also, beginning in May 2024, has engaged an independent CPA firm to assist with reconciliations, adjustments, and review of the financial statements; however, management does acknowledge the continued existence of a control deficiency related to financial statement preparation.

The City recognizes that, notwithstanding these resources, it remains responsible for the preparation and fair presentation of its financial statements and acknowledges that material journal entries were identified during the audit.

The external CPA firm assisted with reconciling a significant number of accounts and fund-level balances prior to the audit and provided additional client entries during the audit process. Due in part to the timing of audit fieldwork and the City's current staffing limitations within its accounting function, not all customary year-end adjustments were identified and recorded prior to the commencement of the audit.

To address the identified control deficiency, the City will implement additional procedures to strengthen its internal financial reporting process, including:

- Establishing a formal year-end closing process to ensure all customary and material adjustments are identified and recorded prior to the audit
- Implementing documented management review controls over reconciliations, journal entries, and draft financial statements
- Enhancing coordination and timing of financial reporting activities with both the external CPA firm and the audit firm to allow for completion of necessary accruals and adjustments prior to audit fieldwork
- Developing a structured process to identify and evaluate recurring year-end adjustments on a timely basis

These actions are intended to improve the City's internal control framework and ensure that financial reporting is substantially complete prior to the audit, while continuing to utilize external professional resources effectively.

The City will implement these enhancements prior to the next fiscal year-end close.

2025-002 Inadequate Controls Over Reconciling Accounts

Fiscal year finding initially occurred: 2025

Criteria: The City should have control policies and procedures that includes reconciling general ledger accounts to supporting schedules or subsidiary ledgers on a monthly basis.

Condition: The City does not have adequate procedures related to the Culture and Recreation Fund in place to reconcile general ledger accounts to appropriate supporting documentation.

Cause: The lack of formalized policies and procedures resulted in the omission of monthly reconciliations of general ledger accounts, impacting the accuracy and reliability of the financial statements.

Effect: Failure to reconcile the general ledger accounts monthly resulted in the City being unable to reconcile the revenues of the Culture and Recreation Fund to the individual point of sale systems.

Recommendation: The City should establish policies and procedures to reconcile general ledger accounts to appropriate supporting documentation monthly.

Management's Corrective Action Plan:

The condition noted relates primarily to the Culture and Recreation Fund. Until May 2025, the City's park facilities, including concession stand operations, were under construction and not fully operational. During this period, normal revenue processes and related reconciliation procedures were disrupted, and point-of-sale systems were not yet fully implemented.

Upon completion of construction, the City implemented a point-of-sale system for park and concession operations. Since that time, the City has established procedures to reconcile revenues recorded in the general ledger to reports generated by the point-of-sale system, and reconciliations are now being performed on a regular basis.

To address this matter and strengthen controls going forward, the City will:

- Continue performing timely monthly reconciliations of all applicable general ledger accounts to supporting documentation, including point-of-sale system reports
- Perform a review of the design and effectiveness of controls over the point-of-sale reconciliation process to ensure completeness and accuracy of recorded revenues
- Implement enhancements to these controls, as deemed necessary, including documented review procedures and supervisory oversight
- Expand its reconciliation procedures across all funds to ensure consistency and completeness of financial reporting

These actions are intended to ensure that general ledger account balances are supported by appropriate documentation and that revenues, including those within the Culture and Recreation Fund, are accurately recorded and reconciled on a timely basis.

The City will continue to monitor these procedures and make adjustments as necessary to maintain effective internal controls over financial reporting.

B. Compliance Findings –

2025-003 Donation of Public Funds

Fiscal year finding initially occurred: 2023

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

Condition: The City did not pass an ordinance indicating the benefit of the organization to the City.

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

Effect: The City of Carencro loaned funds to a non-profit organization which may be a violation of Article 7, Section 14 of the Louisiana Constitution.

Recommendation: The City of Carencro should formally adopt an ordinance outlining the benefit of the organization to the City. Additionally, the City should obtain an Attorney General opinion as to the proper procedures necessary to loan funds to a non-profit.

Management's Corrective Action Plan:

The City acknowledges the finding related to compliance with Article 7, Section 14 of the Louisiana Constitution.

The City engaged legal counsel in connection with the formation of the nonprofit organization and relied on that guidance in structuring the arrangement. A Cooperative Endeavor Agreement (CEA) was executed between the City and the nonprofit; however, the financial assistance provided by the City was structured as a loan rather than as an appropriation supported by the required public purpose and benefit considerations.

The intent of the City was to provide initial funding to assist with the establishment of the festival, with the expectation that the funds would be repaid as the event became operational. Due to the structure of the transaction, the arrangement may not have fully complied with the requirements of Article 7, Section 14.

To address this matter and ensure compliance going forward, the City will implement the following corrective actions:

- Review the existing arrangement with legal counsel to determine the appropriate resolution of the outstanding balance, including whether the agreement should be restructured, amended, or otherwise formalized to comply with constitutional requirements
- If recommended by legal counsel, the City will seek an Attorney General's opinion to confirm the appropriate treatment and structure of such arrangements under Louisiana law
- Ensure that all future financial assistance to nonprofit organizations is:
    - Supported by a properly executed Cooperative Endeavor Agreement prior to the disbursement of funds
    - Documented with a clear public purpose and demonstrable benefit to the City
    - Structured in a manner consistent with Louisiana law (i.e., not as a loan unless specifically authorized)
- Implement formal policies and procedures requiring:
    - Legal review and approval of all cooperative endeavor agreements and funding arrangements
    - Documentation of the public benefit and consideration received by the City
    - Alignment of funding structures with constitutional requirements prior to execution

The City will continue to work with its legal counsel to ensure that all transactions involving public funds and nonprofit organizations are properly structured and documented in compliance with applicable constitutional and statutory requirements.

Part II. Prior Year Findings

A. Internal Control Findings -

2024-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

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

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

Status: Resolved.

2024-002 Inadequate Controls Over Financial Statement Preparation

Fiscal year finding initially occurred: 2021

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

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

Status: Unresolved. See item 2025-001.

2024-003 Qualified Staff to Review Payroll Function

Fiscal year finding initially occurred: 2024

Condition: The City should have a control policy in which a person with the necessary qualifications and training review all aspects of the payroll functions.

Recommendation: The City should require that a person with the necessary qualifications and training review all aspects of the payroll function monthly. In addition, the City should consider hiring an employment attorney to perform a review of the payroll policies and procedures as part of a best practice recommendation.

Status: Resolved.

B. Compliance Findings -

2024-004 Failure to transfer Sales Taxes in Accordance with Ordinance

Fiscal year finding initially occurred: 2024

Condition: Due to inaccurate transfers between bank accounts, each recipient of the tax did not receive the required amount.

Recommendation: The City should transfer all required amounts to be properly used in accordance with the ordinance.

Status: Resolved.

2024-005 Donation of Public Funds

Fiscal year finding initially occurred: 2023

Condition: The City did not pass an ordinance indicating the benefit of the organization to the City nor, did the City execute a signed cooperative endeavor agreement before funds were loaned.

Recommendation: The City of Carencro should implement policies and procedures to ensure the amounts spent are in accordance with State Law. Additionally, the City should obtain an attorney's general opinion as to the proper procedures necessary to loan funds to a non-profit.

Status: Unresolved. See item 2025-003.

2024-006 Failure to Charge for Use of City Facilities

Fiscal year finding initially occurred: 2024

Condition: The City provided use of its recreational facilities to Carencro Area Youth Sports, Inc. for no charge without passing an ordinance or signing a cooperative endeavor agreement with the organization.

Recommendation: The City of Carencro should implement policies and procedures to ensure all facility use is charged at current rates.

Status: Resolved.

2024-007 Failure to Amend Budget

Fiscal year finding initially occurred: 2023

Condition: Total expenditures and other uses of the 1967 Sales Tax Fund exceeded total budgeted expenditures and other sources by more than five percent. In addition, the 2016 Sales Tax fund revenues and other sources failed to meet total budgeted revenues by more than five percent.

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

Status: Resolved.

2024-008 Record Retention Issues

Fiscal year finding initially occurred: 2024

Condition: Louisiana Revised Statute 44:36 requires agencies to maintain records to support transactions for a minimum of three years from the date the record is created, unless required to be maintained by a specific state statute.

Recommendation: The City should develop policies and procedures to ensure that proper support is maintained for all transactions as required under state statutes.

Status: Resolved.

CITY OF CARENCRO

Carencro, Louisiana

Agreed-Upon Procedures Report

Year Ended November 30, 2025

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period December 1, 2024 through November 30, 2025. The City of Carencro's (The City) management is responsible for those C/C areas identified in the SAUPs.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period December 1, 2024 through November 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the City's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the City's operations:

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

   b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

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

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

e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

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

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

h) ***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).

i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

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

k) ***Information Technology Disaster Recovery/Business Continuity,*** including (1) identification of critical data and frequency of data backups, (2) storage of backups in separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

l) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

   a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

   b) Observe that the minutes reference or include monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

   c) Obtain the prior year audit report and observe the unassigned fund balance in the General Fund. If the General Fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period reference or include a formal plan to eliminate the negative unassigned fund balance in the General Fund.

   d) Observe whether the board/finance committee received written updates of the progress of resolving audit findings, according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Bank Reconciliations

3. Obtain a listing of the City's bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the City's main operating account. Select the City's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
   a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
   b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and
   c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding electronic fund transfers)

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

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

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

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

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

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

c) Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3 above, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was:

a) Approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy.

b) Approved by the required number of authorized signers per the entity's policy.

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

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

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

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

    a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

    b) Observe that finance charges and late fees were not assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, describe the nature of the transaction and note whether management had compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increase scrutiny.

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

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

    a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

    b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1g).

d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

    a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

    b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

    c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

    d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agree to the terms and conditions of the contract.

Payroll and Personnel

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 #17 above, obtain attendance records and leave documentation for the pay period, and:

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

    b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

    c) Observe that any leave accrued or taken during the pay period is reflected in the City's cumulative leave records.

    d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

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 and the City's policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee/officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
    a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
    b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

21. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Debt Service

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

22. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

23. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Fraud Notice

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

24. 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 City reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the City is domiciled as required by R.S. 24:523.

25. Observe that the City has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Information Technology Disaster Recovery/Business Continuity

This procedure was not subject to testing in Year 2, as no exceptions were identified during the Year 1 testing and the Year 1 audit was submitted timely.

26. Perform the following procedures, **verbally discussed the results with management, and report "We performed the procedure and discussed the results with management."**

a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

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

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

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

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

28. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain cybersecurity training documentation from management and observe that the documentation demonstrates that the following employees/officials with access to the City's information technology assets completed cybersecurity training as required by R.S. 42:1267:

    a) Completed the training if hired before June 9, 2020; and

    b) Completed the training within 30 days of initial service or employment if hired on or after June 9, 2020.

Prevention of Sexual Harassment

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

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

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

    a) Number and percentage of public servants in the agency who have completed the training requirements;

    b) Number of sexual harassment complaints received by the agency;

    c) Number of complaints which resulted in a finding that sexual harassment occurred;

    d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

    e) Amount of time it took to resolve each complaint.

Exceptions:

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

Written Policies and Procedures

1. The City does not have sufficient written policies and procedures related to contracting and debt service.

   Management's Response: Management concurs with the exception noted. The City is currently in the process of developing and formalizing written policies and procedures related to contracting and debt service to ensure compliance with applicable requirements.

Board or Finance Committee

2. The City Council did not receive written updates of the progress of resolving audit findings at each council meeting.

   Management's Response: Management concurs with the exception noted and will ensure updates on the status of audit findings are provided to the Council on an ongoing basis.

3. The minutes of the City of Carencro did not reference or include a formal plan to eliminate the negative unassigned fund balance in the General Fund.

   Management's Response: Management concurs with the exception noted; however, the condition was resolved during the current fiscal year.

Bank Reconciliations

4. One of the bank accounts selected did not include evidence that the bank reconciliation was prepared within two months of the closing date. Additionally, all bank reconciliations selected did not include written evidence that a member of management or a board member reviewed each bank reconciliation within one month of the date it was prepared.

   Management's Response: Management concurs with the exception noted. Policies and procedures have since been implemented to ensure that bank reconciliations are prepared timely and are reviewed within the required timeframe.

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

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
May 20, 2026