

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT

(A Component Unit of the Livingston Parish Council)

Annual Financial Statements

As of and for the Year Ended June 30, 2019
With Supplementary Information Schedules

TABLE OF CONTENTS

	Statement	Page
Independent Accountant’s Review Report		1 – 2
Required Supplementary Information:		
Management’s Discussion and Analysis		3 – 5
Basic Financial Statements:		
Statement of Net Position.....	A	6
Statement of Revenues, Expenses and Changes in Fund Net Position.	B	7
Statement of Cash Flows	C	8
Notes to the Financial Statements		9 – 16
Supplementary Information:		
Schedule of Compensation, Benefits, and Other Payments to Agency Head	1	17
Summary of Independent Accountant’s Results.....		18
Independent Accountant’s Report on Applying Agreed-Upon Procedures		19 – 22

Hienz Macaluso LLC

Certified Public Accountants

Independent Accountant's Review Report

**Carter Plantation Community Development District
P.O. Box 1402
Springfield, LA 70462**

We have reviewed the accompanying financial statements of the business-type activities of the Carter Plantation Community Development District (the District), a component unit of the Livingston Parish Council, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the following supplementary information on page 3 through page 5 be presented to supplement the basic financial statements:

Management's Discussion and Analysis

Such information, although not a required 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. The information is the responsibility of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and accordingly, do not express an opinion on such information.

Supplementary Information

The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is 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 financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Hienz & Macaluso, LLC

Metairie, Louisiana
December 30, 2019

Required Supplementary Information

Management's Discussion and Analysis

**CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

Our discussion and analysis of the Carter Plantation Community Development District's (the "District") financial performance provides an overview of the District's financial activity for the year ended June 30, 2019. It should be read in conjunction with the basic financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the year ending June 30, 2019 include the following:

- The assets of the District exceeded its liabilities at June 30, 2019 by \$12,630,033 (positive net position). The majority of this positive net position is related capital assets/infrastructure.
- The District's total net position decreased \$333,834; with operating revenues of the District of \$303,645 and operating expenses of \$178,732 for the year ended June 30, 2019.

OVERVIEW OF THE FINANCIAL STATEMENTS

MD&A. The MD&A is intended to serve as an introduction to the District's basic financial statements which consist of the financial statements and the notes to the financial statements.

Proprietary Fund Financial Statements. The Statement of Net Position presents information on all of the District's assets less its liabilities, which results in net position. The statement is designed to display the financial position of the District. Over time, increases or decreases in net position help determine whether financial position is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Fund Net Position provides information that shows how the District's net position changed as a result of the year's activities. The statement uses accrual basis of accounting, similar to private-sector businesses. All changes in net position are reported as soon as the underlying event giving rise to the revenue or expense occurs, regardless of when the cash is received or paid.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only one fund and it is categorized as a proprietary fund.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the information provided in the financial statements.

FINANCIAL ANALYSIS OF THE DISTRICT

Statement of Net Position: The following table reflects a condensed Statement of Net Position as of June 30, 2019 and June 30, 2018.

**CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Assets		
Current Assets	\$ 386,665	\$ 325,347
Capital Assets, Net	12,287,493	12,664,365
Other Noncurrent Assets	150	150
Total Assets	<u>\$ 12,674,308</u>	<u>\$ 12,989,862</u>
Liabilities		
Current Liabilities	44,275	25,995
Noncurrent Liabilities	-	-
Total Liabilities	<u>44,275</u>	<u>25,995</u>
Net Position		
Invested in Capital Assets	12,287,493	12,664,365
Restricted for Debt Service	-	-
Restricted for Capital Projects	-	-
Unrestricted	342,540	299,502
	<u>\$ 12,630,033</u>	<u>\$ 12,963,867</u>

Current liabilities increased primarily due to an increase in accounts payable.

Statement of Revenues, Expenses, and Changes in Fund Net Position: The following table reflects a condensed Statement of Revenues, Expenses and Changes in Fund Net Position for the years ended June 30, 2019 and June 30, 2018.

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Operating Revenues		
Water	\$ 80,602	\$ 54,862
Sewer	121,897	80,347
Late Fees	682	677
Maintenance and Benefit Assessments	100,383	100,906
Interest on Maintenance Assessments	81	266
Total Operating Revenues	<u>303,645</u>	<u>237,058</u>
Operating Expenses		
Utility Services - Water	63,491	16,721
Utility Services - Sewer	60,766	44,851
Depreciation Expense - Water	26,998	26,998
Depreciation Expense - Sewer	27,477	27,477
Total Operating Expenses	<u>178,732</u>	<u>116,047</u>
Total Operating Income (Loss)	<u>124,913</u>	<u>121,011</u>
Non-Operating Revenues (Expenses)		
Non-Operating Revenues	-	27,180,819
Depreciation Expense - Infrastructure	(322,395)	(322,400)
Debt Service - Interest	-	(986,045)
Other Non-Operating Expenses	(136,352)	(171,169)
Total Non-Operating Revenues (Expenses)	<u>(458,747)</u>	<u>25,701,205</u>
Change in Net Position	<u>\$ (333,834)</u>	<u>\$ 25,822,216</u>

**CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

Capital Assets: At June 30, 2019, the District's investment in capital assets, net of depreciation was \$12,287,493. There were no additions and no disposals of capital assets in the current year and the decrease in net capital assets from the prior year relates to the current year depreciation expense of the capital assets.

Long Term Debt: As of June 30, 2019, the District has no long term debt. For the year ended June 30, 2018, the District reached an agreement with the holders of its bonds. The agreement resulted in forgiveness of the District's bonded debt.

CURRENT AND EXPECTED CONDITIONS

At June 30, 2019, the District had positive net position of \$12,630,033. The District had \$366,453 in unrestricted cash and \$20,212 in restricted cash as of June 30, 2019. In future years the District will continue to evaluate the costs of providing services and maintaining its infrastructure against the fees charged to its customers.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the District at P. O. Box 1402, Springfield, LA 70462.

Basic Financial Statements

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019

	Statement A
ASSETS	Business - Type Activities
CURRENT ASSETS:	
Cash and cash equivalents	\$ 366,453
Cash and cash equivalents - restricted	20,212
Total Current Assets	<u>386,665</u>
NONCURRENT ASSETS:	
Capital assets, net	12,287,493
Utility deposits	150
Total Noncurrent Assets	<u>12,287,643</u>
Total Assets	<u><u>12,674,308</u></u>
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable and accruals	24,063
Customer deposits	20,212
Total Current Liabilities	<u>44,275</u>
Total Liabilities	<u><u>44,275</u></u>
NET POSITION	
NET POSITION:	
Net investment in capital assets	12,287,493
Unrestricted	342,540
Total Net Position	<u>12,630,033</u>
Total Liabilities and Net Position	<u><u>\$ 12,674,308</u></u>

The accompanying notes are an integral part of these financial statements.

**CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019**

	Statement B
	Enterprise Fund
OPERATING REVENUES:	
Charges for services - water service	\$ 80,602
Charges for services - sewer service	121,897
Charges for services - late fees	682
Maintenance and benefit assessments	100,383
Interest on maintenance assessments	81
Total Operating Revenues	<u>303,645</u>
OPERATING EXPENSES:	
Utility service operating expense - water	63,491
Utility service operating expense - sewer	60,766
Depreciation expense - water	26,998
Depreciation expense - sewer	27,477
Total Operating Expenses	<u>178,732</u>
Operating Income (Loss)	<u>124,913</u>
NON-OPERATING (REVENUES) EXPENSES:	
Assessor and tax collector fees	12,158
Insurance	10,284
Miscellaneous	704
Legal and accounting	50,930
Licenses and permits	785
Office expense	210
Per diem	3,300
Utilities	13,531
Infrastructure maintenance	31,327
Carter house expenses	7,123
Other - flood repairs	6,000
Depreciation expense - infrastructure	322,395
Total Non-Operating (Revenues) Expenses	<u>458,747</u>
Decrease in Net Position	<u>(333,834)</u>
Total Net Position - Beginning of Year	12,963,867
Total Net Position - End of Year	<u>\$ 12,630,033</u>

The accompanying notes are an integral part of these financial statements.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	Statement C
	Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Received from customers	\$ 303,645
Customer deposits refunded	(1,881)
Paid to vendors	(104,657)
Net Cash Provided by Operating Activities	<u>197,107</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Paid for infrastructure maintenance	(31,327)
Paid for other noncapital expenses	(101,162)
Paid for per diem	(3,300)
Net Cash (Used) by Non-Capital Financing Activities	<u>(135,789)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Paid for trustee fees	-
Net Cash (Used) by Capital and Related Financing Activities	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest on cash equivalents	-
Net Cash Provided by Investing Activities	<u>-</u>
Net Decrease in Cash and Cash Equivalents	<u>61,318</u>
Cash and Cash Equivalents at Beginning of Year	<u>325,347</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 386,665</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	\$ 124,913
Depreciation expense-operating	54,475
Changes in Assets and Liabilities:	
Increase/(Decrease) in customer deposits	(1,881)
Increase/(Decrease) in accounts payable	19,600
Total Adjustments	<u>17,719</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 197,107</u></u>

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

“Community Development District” or “District” means a special district as provided in Article VI, Section 19 of the Constitution of Louisiana, which is created pursuant to Chapter 27-B of Title 33 of the Louisiana Revised Statutes of 1950, as amended, specifically, La. R.S. 33:9039.11 through 33:9039.37, inclusive (the “Act”) and limited to the performance of those specialized functions authorized by the Act, the boundaries of which are contained wholly within a single parish; the governing head of which is a body created, organized and constituted and authorized to function specifically as prescribed in the Act for the delivery of community development services; and the formation, powers, governing body, operation, duration, accountability, requirements for disclosure and termination of which are governed pursuant to the provisions of the Act.

A. Reporting Entity

Carter Plantation Community Development District, Parish of Livingston, State of Louisiana (the “District”) is a public corporation and a community development district organized and existing under the provisions of the Act, and pursuant to an Ordinance duly adopted by the Council Members of the Livingston Parish Council (primary government), State of Louisiana, effective on January 9, 2003 (the “Ordinance”). The District is comprised of and includes all of the immovable property situated within the described boundaries of the District.

Pursuant to the provisions of the Act, the District is authorized to finance, fund, plan, establish, acquire construct or reconstruct, enlarge, extend, equip, operate and maintain systems, facilities and basic infrastructure for the following: 1) water management and control for the lands on the District, including the connection of some or any of such facilities with road and bridges; 2) water supply, sewer and wastewater management, reclamation and refuse or any combination thereof; 3) bridges or culverts that may be needed across any drain, ditch, canal, floodway, holding basin, excavation, public highway, tract, grade, fill or cut and roadways over levees and embankment; and 4) roads and streets in the District (the “Project”).

The District is authorized by the Act to levy and collect non-ad valorem special assessments against all immovable property situated in the District that is subject to assessment as a result of the project. The Board of Supervisors of the District (the “Board”) exercise the powers granted to the District pursuant to the Act. The Board consists of five members; except as otherwise provided by the Act, each member holds the position for a term of four years and until a successor is chosen and qualifies. Two of the supervisors are elected officers of the District: Chairman and Secretary. The initial members of the Board were to be residents of the State of Louisiana, and at least one of the initial members was to be a resident of the area immediately adjacent to the District. Additionally, the initial members of the Board served terms of six years after the initial appointment of members. The positions of each member whose term has expired is filled by a qualified elector of the District, or if there are no qualified electors of the District, a qualified elector of Livingston Parish who will be elected by the qualified electors of the District in accordance with Title 18 of the Louisiana Revised Statutes of 1950. However, if the District consists of a population of less than six hundred persons, the governing authority of the Livingston Parish Council will appoint members of the Board.

Members of the Board are known as supervisors and, upon entering into office, take an oath of office. The supervisors hold office for the term for which they were elected or appointed and until their successors are chosen and qualified. If, during the term of office, a vacancy occurs, the remaining members of the

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Board will fill the vacancy by an appointment for the remainder of the unexpired term. Each supervisor is entitled to receive for his or her services, a per diem not to exceed seventy-five dollars per meeting, and such travel expenses as may be authorized in the bylaws of the District. A majority of the members of the Board constitutes a quorum for the purposes of conducting its business, exercising its powers and for all other purposes. Actions taken by the District are upon vote of a majority of the members present, unless general law or a rule of the District requires a greater number.

Government Accounting Standards Board (GASB) Statement 14, The Financial Reporting Entity, as amended by GASB 61 The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34, established criteria for determining reporting entity and component units that should be included within the reporting entity. Under the provisions of this Statement, the District is considered a component unit of the Livingston Parish Council. As a component unit, the accompanying financial statements should be included within the reporting of the primary government, either blended into those financial statements or separately reported as a discrete component unit.

B. Government-Wide and Fund Financial Statements

The basic financial statements (i.e., the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position and Statement of Cash Flows) are presented as the government-wide financial statements as they include all of the activity for the District (business type activities). The basic financial statements also include the sole fund (proprietary fund) of the District and they report information on all of the activities of the District.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Accounting

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District uses a single proprietary fund to maintain its financial records during the year.

The District reports the following proprietary fund:

Enterprise Fund - The Enterprise Fund accounts for transactions relating to infrastructure development, contracting, debt, assessments and other matters requiring commitment for more than one fiscal year. This fund also accounts for financial resources associated with the utility operations of the District.

Operating and Non-operating Revenues and Expenses

Operating revenues in the enterprise funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Expenses

On an accrual basis of accounting, expenses are recognized at the time they are incurred.

D. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash received by the District is deposited into demand deposits and daily investment accounts. The District utilizes a financial institution to pay principal and interest on the Bonds as they become due and payable. For presentation in the financial statements, investments in money market accounts are considered to be cash equivalents.

E. Restricted Assets

At June 30, 2019, restricted cash of \$20,212 was held as customer meter deposits.

F. Capital Assets

General capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Improvements are capitalized while the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. All capital assets, other than land, right of ways, lakes and ponds, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Life</u>
Land, right of ways, lakes and ponds	N/A
Roads, streets, drainage and buildings	40
Utility plants and systems	25
Fire hydrants	25
Pool	20

G. Intergovernmental Revenues

For proprietary funds, intergovernmental revenues, such as contributions awarded on a non-reimbursement basis, are recorded as receivables and revenues using the accrual basis of accounting.

H. Net Position

Net position presents the difference between assets and liabilities in the statement of net position. Net position invested in capital assets is reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

are legal limitations imposed on their use by the Act, bond indentures or external restrictions by creditors, grantors or laws or regulations of other governments.

I. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates.

J. Assessment Methodology

The District used an Assessment Methodology Consultant to determine and establish the special assessment (or benefit special assessment) levied against all assessable property in the District (also see Note 4). The consultant determined that the assessments would be an amount sufficient to provide for the cost of all infrastructure and common improvements, capitalized and accrued interest, on-going district management and legal counsel and issuance costs on the Bonds issued to finance the infrastructure and common improvements to be acquired. All assessable property in the District benefits in the same manner from the use of the infrastructure and common improvements, and as such, all such property was assessed utilizing the same method.

The benefitted assessment cost allocation was derived by calculating the value of the infrastructure and common improvements throughout the District, based on estimated (appraised) value of lots, for all assessable properties in the District, and applying a factor weighted to each lot's appraised value in an amount sufficient to cover the costs outlined above. This methodology, which was used to establish and determine the benefit special assessments that pay the cost of the project, has been presented to and approved by the Board of the District and is set forth in the Allocation of Infrastructure Cost & Assessment Methodology Report prepared by King, Bossier, Nosacka & Holley and District Manager, Inc., the Assessment Methodology Consultants to the District.

K. Prepaid Items

Prepaid items reflect items that have been paid that benefit future periods.

2. CASH AND CASH EQUIVALENTS

The District is authorized to make direct investments of money within funds and accounts established by the bond indentures in United States government bonds, treasury notes, treasury bills or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the state of Louisiana or any other federally insured investment, or guaranteed investment contracts issued by a financial institution having one of the two highest rating categories or in mutual or trust fund institutions which are registered with the SEC and which have underlying investments consisting solely of and limited to securities of the government or its agencies. The types of permitted investments for a special district constituting a political subdivision of the State of Louisiana are more fully set forth in the Louisiana Revised Statutes.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

2. CASH AND CASH EQUIVALENTS (CONTINUED)

The District's deposits at June 30, 2019 are all classified as cash and cash equivalents as described in Note 1. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit. These securities are held by and in the name of the pledging fiscal agent bank or in a holding or custodial bank that is mutually acceptable to both parties. Under state law, deposits held in a separate trust account are not required to have pledged securities in the name of the government; however the bank must deposit with an unaffiliated bank pledged securities to cover the deposits held in trust.

Custodial credit risk, as it relates to cash deposits, is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2019, none of the District's deposits (bank balances) of \$432,005 were exposed to custodial credit risk because they were either insured by the Federal Deposit Insurance Corporation or they were held in a bank trust department where state law requires the bank trust department to deposit securities with an unaffiliated bank that is equal to the amount held in trust.

3. BENEFIT SPECIAL ASSESSMENTS AND MAINTENANCE SPECIAL ASSESSMENTS

A. Benefit Special Assessments

The District's Special Assessments are a type of non-ad valorem benefit special assessments levied against assessable property within the boundaries of the District's lands based upon the special benefit to accrue to such property as a result of the implementation of the Project (See Note 1). Non-ad valorem assessments are not based upon millage and can become a lien against homestead property as permitted under the provisions of the Act.

The term "Special Assessment" means the net proceeds derived from the levy and collection of "benefit special assessments", as provided for in La. R.S. 33:9039.29 (A) of the Act (except for any such special assessments levied and collected for maintenance purposes), against the lands located within the District that are subject to assessments regarding the project or any portion thereof. These assessments may be due and collected during each year that parish taxes are due and collected, in which case, such annual installment and levy shall be evidenced and certified to the assessor by the Board not later than August 31st of each year. Such assessment shall be entered by the assessor on the parish tax rolls, and shall be collected and enforced by the tax collector in the same manner and at the same time as parish taxes; the proceeds thereof shall be paid to the District. Additionally, at the time of the sale of land located in the District that is subject to assessments, the owner of the property shall prepay the special assessment and extinguish the lien upon the property to be acquired by paying, on the date of the sale, the entire amount of the assessment plus accrued interest to the Trustee. The amount of the assessment will be deposited by the Trustee into the appropriate Debt Service or Prepayment Account.

The benefit special assessments include:

a) Acquisition Prepayments (Assessments on Lots) - Payment, made by the owner of land in the District subject to assessment, from the proceeds of the land sales in the amount of the special assessments imposed to pay principal of the Bonds (plus accrued interest as outlined in the Indentures);

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

**3. BENEFIT SPECIAL ASSESSMENTS AND MAINTENANCE SPECIAL ASSESSMENTS
(CONTINUED)**

- b) Annual Benefit Special Assessments - Net proceeds derived from levying, imposing and collecting benefit special assessments against assessable property annually, if necessary, with respect to the project;
- c) Periodic Benefit Special Assessments - Assessments levied, imposed and collected by the District semi-annually to pay the interest or principal on the Bonds, based on the next debt service payment date; and
- d) Other Benefit Special Assessments - Any other assessments levied, imposed and collected by the District related to the project or Bonds.

Acquisition Prepayments collected totaled \$-0- for the year ended June 30, 2019.

During fiscal year 2012, the Board of Supervisors of the District approved an ordinance levying periodic benefit special assessments in an amount sufficient to pay debt obligations due and replenish debt service reserves; however, the ordinance levying such assessments was subsequently rescinded in accordance with the conditions of a forbearance agreement entered into on August 26, 2011.

Annual, Periodic and Other Benefit Special Assessments totaled \$-0- for the year ended June 30, 2019.

B. Maintenance Special Assessment

Maintenance Special Assessments are assessments levied, ordered and collected for maintenance purposes. Maintenance Special Assessments levied for the year ended June 30, 2019 totaled \$100,350. Of this amount, \$100,350 was collected by the tax collector and \$92,774 was remitted to the District (\$100,350 collected less \$7,576 collection fees retained by tax collector). Current year Maintenance Assessments Revenue has been recorded at the amount collected, since the District does not expect to receive any of the additional assessments levied for the year and based on what has happened historically with these assessments.

C. Enforcement of Lien Nonpayment

Collection of Special Assessments levied is enforceable in the manner provided by law, particularly the provisions of Sections 9039.29 and 9039.30 of the Act. Special Assessments constitute a lien on the property until such Special Assessments are paid and shall be on parity with the lien of state, parish, municipal and school board taxes.

Such Special Assessments are a lien in favor of the District arising under RS 33:9039.30 and may be enforced by the District in a court of competent jurisdiction as provided in the Act and other laws of the State. Such proceedings may be brought at any time after the expiration of one year from the date of any tax, or installment thereof, becomes delinquent. No such proceedings have yet been undertaken.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

4. CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Capital Assets Not Being Depreciated:				
Right of Ways	\$ 1,948,858	\$ -	\$ -	\$ 1,948,858
Land for Sewer Plant	75,479	-	-	75,479
Land for Water Well	13,832	-	-	13,832
Ponds and Lakes	393,778	-	-	393,778
Carter House - Land	680,000	-	-	680,000
Carter House - Historical Portion	228,696	-	-	228,696
Total Capital Assets Not Being Depreciated	<u>3,340,643</u>	<u>-</u>	<u>-</u>	<u>3,340,643</u>
Capital Assets Being Depreciated:				
Carter House and Renovations	96,064	-	-	96,064
Pool	178,000	-	-	178,000
Roads and Storm Water Systems	12,443,591	-	-	12,443,591
Sewer System	686,774	-	-	686,774
Water System	675,262	-	-	675,262
Total Capital Assets Being Depreciated	<u>14,079,691</u>	<u>-</u>	<u>-</u>	<u>14,079,691</u>
Less Accumulated Depreciation For:				
Carter House and Renovations	(31,205)	(2,401)	-	(33,606)
Pool	(106,784)	(8,902)	-	(115,686)
Roads and Storm Water Systems	(3,881,469)	(311,092)	-	(4,192,561)
Sewer System	(378,875)	(27,477)	-	(406,352)
Water System	(357,638)	(26,998)	-	(384,636)
Total Accumulated Depreciation	<u>(4,755,971)</u>	<u>(376,870)</u>	<u>-</u>	<u>(5,132,841)</u>
Capital Assets Being Depreciated, Net	<u>9,323,720</u>	<u>(376,870)</u>	<u>-</u>	<u>8,946,850</u>
Total Capital Assets, Net	<u>\$ 12,664,363</u>	<u>\$ (376,870)</u>	<u>\$ -</u>	<u>\$ 12,287,493</u>

For the year ended June 30, 2019, depreciation expense was \$376,870.

5. CONSTRUCTION COMMITMENTS

At June 30, 2019, the District has no outstanding contracts for professional and contract services.

6. CONTINGENCIES

At June 30, 2019, the District did not have any pending litigation or potential non-disclosed liabilities that management believes would have a material effect on the financial statements.

CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

7. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, damage to and theft or destruction of assets, errors and omissions and natural disaster.

In January, 2019 the District purchased a commercial liability policy underwritten by the Maxim Indemnity Company with the following coverage:

Commercial General Liability	\$ 2,000,000
Damage to Rented Premises	100,000
Personal Injury	1,000,000
Property	422,000
Personal Property	20,000
Special Property (Building)	108,000

8. PER DIEM PAID TO BOARD MEMBERS

The following Board Members received per diem in the amounts listed:

Gillis Windham	\$ 600
Ricky Juban	750
Maurice Welsh	675
Dale Condra	450
Mike Simoneaux	<u>825</u>
	<u><u>\$ 3,300</u></u>

SUPPLEMENTARY INFORMATION

Schedule of Compensation, Benefits, and Other Payments to Agency Head

**CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT
SCHEDULE OF COMPENSATION, BENEFITS
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR END JUNE 30, 2019**

This schedule is not applicable as the District does not have any employees.

See Notes 1 and 8 for discussion of compensation to board members.

**CARTER PLANTATION COMMUNITY DEVELOPMENT DISTRICT
SUMMARY OF INDEPENDENT ACCOUNTANT'S RESULTS
FOR THE YEAR ENDED JUNE 30, 2019**

Section I – Internal Control and Compliance Material to the Financial Statements

Not applicable

Section II – Internal Control and Compliance Material to Federal Awards

Not applicable

Section III - Management Letter

A management letter was not issued in connection with the review for the year ended June 30, 2019.

Section IV – Other Matters- Agreed-Upon Procedures

No exceptions were noted.

Hienz Macaluso LLC

Certified Public Accountants

Independent Accountant's Report on Applying Agreed-Upon Procedures

Carter Plantation Community Development District
P.O. Box 1402
Springfield, LA 70462

We have performed the procedures enumerated below, which were agreed to by Carter Plantation Community Development District (the "District") and the Louisiana Legislative Auditor (the specified parties), on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2019, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The District's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$157,700. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

There were no expenditures that met the above criteria for the year ended June 30, 2019.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided us with the requested information.

3. Obtain a listing of all employees paid during the fiscal year.

Per management, there were no employees during the year ended June 30, 2019.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

There were no employees during the year ended June 30, 2019.

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Management provided the requested information. None of the businesses of board members, board members' immediate families appeared as vendors on the list of disbursements.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and all amendments.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

We traced the adoption of the original budget to the minutes of a meeting held on June 25, 2018 which indicated that the budget had been adopted by the commissioners of the District. We traced the adoption of the amended budget to the minutes of a meeting held on June 25, 2019 which indicated that the budget had been adopted by the commissioners of the District.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceed budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures to determine if actual expenditures exceed budgeted amounts by 10% or more per category or 5% or more in total).

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5% or more as per the criteria in 8, above.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

(a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.

Each of the six selected disbursements agreed with the amount and payee in the supporting documentation.

(b) Determine if payments were properly coded to the correct fund and general ledger account.

All six of the payments were properly coded to the correct fund and general ledger account.

(c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

The District has no employees - all vendor invoices are reviewed by the board of directors and vendor checks require board signature(s).

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

The District posts a notice of each meeting and the accompanying agenda at the location of the meeting 48 hours in advance. We reviewed notices that listed the date the notice was posted and that included agendas and listed the date the meeting would be held and its location.

Debt

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We scanned copies of all bank deposit slips for the fiscal year, and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

There were no employees during the year ended June 30, 2019.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The District's report for the year ended June 30, 2019 was timely filed.

14. Inquire of management and report whether the District entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

This is not applicable because the District provided for a timely filed audit report in accordance with R.S. 24:513.

Prior-Year Comments and Recommendations

15. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.

Our prior year report, dated December 27, 2018, included a comment on management failing to maintain written policies and procedures over the required categories and subcategories and that the board did not review budget to actual comparisons monthly for its major proprietary fund. These comments were not resolved in the current year and have been repeated.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, 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 Louisiana Legislative Auditor as a public document.

Hienz & Macaluso, LLC

Metairie, Louisiana
December 30, 2019

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

_____ (Date Transmitted)

Hienz + Macaluso, LLC (CPA Firm Name)
110 Veterans Blvd Suite 170 (CPA Firm Address)
Metairie, LA 70005 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of _____ (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [☒] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [☒] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes [☒] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [☒] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [☒] No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [☒] No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [☒] No []

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [☒] No []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [☒] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.
Yes [☒] No [☐]

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [☒] No [☐]

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [☒] No [☐]

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [☒] No [☐]

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [☒] No [☐]

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [☒] No [☐]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [☒] No [☐]

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [☒] No [☐]

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes [☒] No [☐]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [☒] No [☐]

The previous responses have been made to the best of our belief and knowledge.

Secretary _____ Date _____

Treasurer _____ Date _____
Gillis Winkler _____ President *Dec 5, 2019* Date _____
Chairman Board