

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

Financial Report

Year Ended November 30, 2020

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Parks and Recreation Commission of Carencro, Inc. (PARC), a component unit of the City of Carencro, Louisiana, as of and for the year ended November 30, 2020, and the related notes to the financial statements, which collectively comprise the PARC's basic financial statements as listed in the table of contents.

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

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

#### *Auditor's Responsibility*

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Parks and Recreation Commission of Carencro, Inc., as of November 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

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

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

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

### ***Other Information***

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

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

The prior year comparative information on these statements was derived from the PARC's 2019 financial statements, which were subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, were fairly presented in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated April 30, 2021, on our consideration of the PARC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the PARC's internal control over financial reporting and compliance.

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

Lafayette, Louisiana  
April 30, 2021

**BASIC FINANCIAL STATEMENTS**

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

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

Statement of Net Position  
November 30, 2020

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and interest-bearing deposits	\$ 405,075	\$ 12,061	\$ 417,136
Receivables, net	11	914	925
Inventory	-	24,282	24,282
Total current assets	405,086	37,257	442,343
Noncurrent assets:			
Capital assets -			
Land and construction in progress	-	1,167,388	1,167,388
Other capital assets, net of accumulated depreciation	-	4,275,516	4,275,516
Total noncurrent assets	-	5,442,904	5,442,904
Total assets	405,086	5,480,161	5,885,247
<b>LIABILITIES</b>			
Accounts and other payables	-	7,697	7,697
Unearned revenues	-	5,421	5,421
Total liabilities	-	13,118	13,118
<b>NET POSITION</b>			
Net investment in capital assets	-	5,442,904	5,442,904
Restricted for recreation	405,086	-	405,086
Unrestricted	-	24,139	24,139
Total net position	\$ 405,086	\$ 5,467,043	\$ 5,872,129

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



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

Statement of Activities  
For the Year Ended November 30, 2020

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		Total
		Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Governmental activities:</b>							
General government	\$ 26,975	\$ -	\$ -	\$ -	\$ (26,975)	\$ -	\$ (26,975)
Recreation	452,781	6,050	975,266	-	528,535	-	528,535
Total governmental activities	479,756	6,050	975,266	-	501,560	-	501,560
<b>Business-type activities:</b>							
Pelican Park	615,989	355,256	-	-	-	(260,733)	(260,733)
Carencro Sports Complex	346,769	167,177	-	-	-	(179,592)	(179,592)
Total business-type activities	962,758	522,433	-	-	-	(440,325)	(440,325)
Total	\$ 1,442,514	\$ 528,483	\$ 975,266	\$ -	501,560	(440,325)	61,235
<b>General revenues:</b>							
Interest and investment earnings					701	64	765
Transfers					(322,454)	322,454	-
Total general revenues and transfers					(321,753)	322,518	765
Change in net position					179,807	(117,807)	62,000
Net position - December 1, 2019					225,279	5,584,850	5,810,129
Net position - November 30, 2020					\$ 405,086	\$ 5,467,043	\$ 5,872,129

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

**FUND FINANCIAL STATEMENTS (FFS)**

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

Balance Sheet  
Governmental Fund  
November 30, 2020

	<u>General Fund</u>
<b>ASSETS</b>	
Interest-bearing deposits	\$ 405,075
Receivables:	
Accrued interest	<u>11</u>
 Total assets	 <u>\$ 405,086</u>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities	\$ -
Fund balance:	
Restricted for recreation	<u>405,086</u>
 Total liabilities and fund balance	 <u>\$ 405,086</u>

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

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

Statement of Revenues, Expenditures, and Change in Fund Balance -  
Governmental Fund  
For the Year Ended November 30, 2020

	<u>General Fund</u>
<b>Revenues:</b>	
Charges for services	\$ 6,050
Intergovernmental - Local contribution	972,766
Miscellaneous	<u>3,201</u>
Total revenues	<u>982,017</u>
<b>Expenditures:</b>	
Current -	
General government	26,975
Recreation	<u>452,781</u>
Total expenditures	<u>479,756</u>
Excess of revenues over expenditures	502,261
<b>Other financing uses:</b>	
Transfers to Park Operating Fund	<u>(322,454)</u>
Net change in fund balance	179,807
Fund balance, beginning	<u>225,279</u>
Fund balance, ending	<u>\$ 405,086</u>

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

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

Statement of Net Position  
Proprietary Fund  
November 30, 2020

	<u>Park Operating Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 6,000
Interest-bearing deposits	6,061
Receivables, net	914
Inventory	<u>24,282</u>
Total current assets	<u>37,257</u>
Noncurrent assets:	
Capital assets -	
Land and construction in progress	1,167,388
Other capital assets, net of accumulated depreciation	<u>4,275,516</u>
Total noncurrent assets	<u>5,442,904</u>
Total assets	<u>5,480,161</u>
<b>LIABILITIES</b>	
Accrued liabilities	7,697
Unearned revenues	<u>5,421</u>
Total liabilities	<u>13,118</u>
<b>NET POSITION</b>	
Net investment in capital assets	5,442,904
Unrestricted	<u>24,139</u>
Total net position	<u>\$ 5,467,043</u>

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

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

Statement of Revenues, Expenses and Change in Fund Net Position -  
Proprietary Fund  
For the Year Ended November 30, 2020

	Park Operating Fund		
	Carencro		
	Pelican Park	Sports Complex	Total
Operating revenues:			
Charges for services -			
Concession sales	\$ 183,672	\$ 11,519	\$ 195,191
Lounge sales	54,951	-	54,951
League, entry and sponsorship fees	27,397	47,122	74,519
Gate receipts	69,587	6,340	75,927
Membership dues	11,355	-	11,355
Pro-shop sales	2	-	2
Softball sales	1,562	-	1,562
Park rental income	6,209	-	6,209
Events	-	32,708	32,708
Other	521	69,488	70,009
Total operating revenues	355,256	167,177	522,433
Costs of revenues:			
Purchases -			
Food	71,979	5,249	77,228
Liquor	9,979	-	9,979
Beer	11,034	-	11,034
Softballs	2,119	-	2,119
Uniforms	351	-	351
Total cost of revenues	95,462	5,249	100,711
Gross profit	259,794	161,928	421,722

(continued)

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

Statement of Revenues, Expenses and Change in Fund Net Position -  
Proprietary Fund (Continued)  
For the Year Ended November 30, 2020

	Park Operating Fund		
	Pelican Park	Carencro Sports Complex	Total
Operating expenses:			
Salaries	\$ 167,393	\$ 120,717	\$ 288,110
Payroll taxes	17,962	9,213	27,175
Workman's compensation	11,043	2,811	13,854
Advertising	2,031	1,388	3,419
Awards	3,111	288	3,399
Depreciation expense	148,948	106,562	255,510
Legal and accounting	7,663	7,663	15,326
Office and postage expenses	2,461	2,185	4,646
Service contracts	24,365	21,227	45,592
Sponsorship fees	2,215	-	2,215
Umpire fees	24,384	11,525	35,909
Utilities and telephone	30,850	21,291	52,141
Repairs, maintenance and supplies	18,839	24,594	43,433
Miscellaneous	2,491	12,056	14,547
Total operating expenses	<u>463,756</u>	<u>341,520</u>	<u>805,276</u>
Operating loss	<u>\$ (203,962)</u>	<u>\$ (179,592)</u>	<u>(383,554)</u>
Non-operating revenues (expenses):			
Interest income			64
PARC expenses paid by Pelican Park			<u>(56,771)</u>
Total non-operating revenue (expenses)			<u>(56,707)</u>
Loss before transfers			(440,261)
Transfers from General Fund			<u>322,454</u>
Change in net position			(117,807)
Net position, beginning			<u>5,584,850</u>
Net position, ending			<u>\$5,467,043</u>

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

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

Statement of Cash Flows  
Proprietary Fund  
For the Year Ended November 30, 2020

	<u>Park Operating Fund</u>
<b>Cash flows from operating activities:</b>	
Receipts from customers	\$ 526,030
Payments to suppliers	(331,463)
Payments to employees	<u>(316,203)</u>
Net cash used by operating activities	<u>(121,636)</u>
<b>Cash flows from noncapital financing activities:</b>	
Cash received from General Fund	325,054
PARC expenses paid by Pelican Park	<u>(56,771)</u>
Net cash provided by noncapital financing activities	<u>268,283</u>
<b>Cash flows from capital and related financing activities:</b>	
Acquisition of property, plant and equipment	<u>(153,639)</u>
<b>Cash flows from investing activities:</b>	
Interest income	<u>64</u>
Net decrease in cash and cash equivalents	(6,928)
Cash and cash equivalents, beginning of period	<u>18,989</u>
Cash and cash equivalents, end of period	<u>\$ 12,061</u>
<b>Reconciliation of operating loss to net cash used by operating activities:</b>	
Operating loss	\$ (383,554)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	255,510
Increase in receivables	(246)
Decrease in inventory	3,729
Decrease in accrued liabilities	(918)
Increase in unearned revenues	<u>3,843</u>
Net cash used by operating activities	<u>\$ (121,636)</u>

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



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

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

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

Notes to Basic Financial Statements (Continued)

Fund Accounting

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

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

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

The major funds of the PARC are described below:

Governmental Fund -

General Fund

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

Proprietary Fund -

Enterprise fund

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

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

Notes to Basic Financial Statements (Continued)

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

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

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

Basis of Accounting

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

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

Notes to Basic Financial Statements (Continued)

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

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

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

Cash and interest-bearing deposits

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

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

Interfund receivables and payables

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

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

Inventories

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

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires an entity to delay recognition of decreases in net position as expenditures until a future period. In other instances, entities are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There were no deferred outflows of resources and deferred inflows of resources as of November 30, 2020.

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

Notes to Basic Financial Statements (Continued)

Capital Assets

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

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

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

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

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

Compensated Absences

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

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

Thirty days of sick leave and one week of vacation may be carried over to a subsequent year. Upon termination of employment, employees are to be paid for accumulated vacation leave only. The PARC had no material accumulated leave benefits required to be reported at November 30, 2020.

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

Notes to Basic Financial Statements (Continued)

Equity Classifications

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

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

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

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

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

Notes to Basic Financial Statements (Continued)

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

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

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

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

Interfund Transfers

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

F. Revenue Restrictions

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

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

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

Notes to Basic Financial Statements (Continued)

G. Income Taxes

The PARC qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service (IRS) as other than a private foundation. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2017, 2018, and 2019 are subject to examination by the IRS, generally for three years after they were filed.

H. Capitalization of Interest Expense

It is the policy of the PARC to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the Proprietary Fund. At November 30, 2020, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

I. Use of Estimates

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

J. Prior Year Reclassifications

For comparative purposes, certain accounts in the prior year financial statements have been reclassified in order to conform to the presentation of the current year statements.

(2) Cash and Interest-Bearing Deposits

At November 30, 2020, the PARC had cash balances (book balances) totaling \$417,136 as follows:

Cash	\$ 6,000
Interest-bearing deposits	<u>411,136</u>
	<u>\$ 417,136</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the PARC's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) in the amount of \$424,922 were fully secured by federal deposit insurance at November 30, 2020.



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

Notes to Basic Financial Statements (Continued)

(3) Capital Assets

Capital asset activity for the year ended November 30, 2020 was as follows:

	Balance 12/01/19	Additions	Deletions	Balance 11/30/20
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 889,044	\$ 15,849	\$ -	\$ 904,893
Construction in progress	224,745	37,750	-	262,495
Other capital assets:				
Building and improvements	4,842,838	25,779	-	4,868,617
Furniture, fixtures and equipment	932,626	74,261	-	1,006,887
Total	6,889,253	153,639	-	7,042,892
Less: accumulated depreciation				
Building and improvements	910,382	179,550	-	1,089,932
Furniture, fixtures and equipment	434,096	75,960	-	510,056
Total accumulated depreciation	1,344,478	255,510	-	1,599,988
Capital assets, net	\$ 5,544,775	\$ (101,871)	\$ -	\$ 5,442,904

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

Pelican Park	\$ 148,948
Carencro Sports Complex	106,562
Total depreciation expense	\$ 255,510

(4) External Transactions

Most of the revenues from PARC's General Fund are derived from transfers from the City of Carencro, the primary government. The transfers are made from one-third (1/3) of the 1993 sales and use tax levied by the City. The funds are dedicated for recreational purposes. These transactions are classified as external transactions on the government-wide statement of activities. During the fiscal year ended November 30, 2020, external transactions consisted of \$972,766 of contributions received from the City for operating and capital expenditures, and \$372,000 paid to the City for debt service payments. The amount paid to the City is included in recreation expenditures.

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

Notes to Basic Financial Statements (Continued)

(5) Risk Management

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

(6) Litigation

There was no litigation pending against PARC at November 30, 2020.

(7) Interfund Transactions

Transfers of \$322,454 were made from the General Fund to the Park Operating Fund in order to properly charge the expenditures of the monies to the fund to which they were applicable in accordance with budgetary authorizations and to properly transfer capital assets to the Park Operating Fund.

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

The schedule of compensation, benefits, and other payments to Tom Meyers, Parks and Recreation Chairman from December 1, 2019 through November 30, 2020 follows:

	<u>Tom Meyers</u>
Salary	\$ 15,600
Travel	491
Meals	<u>314</u>
	<u>\$ 16,405</u>

(9) Subsequent Event

As a result of the spread of the Covid-19 coronavirus, economic uncertainties have arisen which may have and may continue to impact PARC's ongoing operations. The extent and severity of the potential impact on future operations is unknown at this time.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

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

General Fund  
Budgetary Comparison Schedule  
For the Year Ended November 30, 2020

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services -				
Registration fees	\$ 4,500	\$ -	\$ 6,050	\$ 6,050
Intergovernmental -				
Local contribution	920,000	951,750	972,766	21,016
Miscellaneous -				
Sponsor income	13,250	2,500	2,500	-
Interest income	870	423	701	278
Total revenues	<u>938,620</u>	<u>954,673</u>	<u>982,017</u>	<u>27,344</u>
<b>Expenditures:</b>				
Current -				
General government:				
Parc per diem	<u>27,600</u>	<u>26,570</u>	<u>26,975</u>	<u>(405)</u>
Recreation:				
Salaries	23,000	-	-	-
CAYSI appropriation	12,000	900	814	86
Appropriation to City - for bond payments	372,000	372,000	372,000	-
Other park appropriations - boxing	-	1,050	1,043	7
Summer recreation program expenditures	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>409,500</u>	<u>373,950</u>	<u>373,857</u>	<u>93</u>
Pelican Park North expenditures				
Legal and accounting	9,566	17,427	20,907	(3,480)
Office expenditures and supplies	500	188	308	(120)
Park insurance	25,844	19,091	18,801	290
Utilities	8,000	8,157	8,089	68
Park concert program	-	2,068	2,434	(366)
Repairs and maintenance	51,050	19,381	18,845	536
Maintenance - inmates	15,000	984	984	-
Travel and meetings	5,000	1,994	2,364	(370)
Outside service contracts	4,958	4,181	4,056	125
Miscellaneous	<u>815</u>	<u>2,260</u>	<u>2,136</u>	<u>124</u>
Total Pelican Park North expenditures	<u>120,733</u>	<u>75,731</u>	<u>78,924</u>	<u>(3,193)</u>
Total recreation	<u>530,233</u>	<u>449,681</u>	<u>452,781</u>	<u>(3,100)</u>
Total expenditures	<u>557,833</u>	<u>476,251</u>	<u>479,756</u>	<u>(3,505)</u>
Excess of revenues over expenditures	380,787	478,422	502,261	23,839

(continued)

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

General Fund  
Budgetary Comparison Schedule (Continued)  
For the Year Ended November 30, 2020

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Other financing uses:				
Transfers to Park Operating Fund	(389,000)	(268,985)	(322,454)	(53,469)
Change in fund balance	(8,213)	209,437	179,807	(29,630)
Fund balance, beginning	225,279	225,279	225,279	-
Fund balance, ending	\$217,066	\$434,716	\$405,086	\$ (29,630)

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

Notes to the Required Supplementary Information

(1) Budgets and Budgetary Accounting

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

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

**OTHER SUPPLEMENTARY  
INFORMATION**

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

Statement of Net Position  
November 30, 2020  
With Comparative Totals for November 30, 2019

	2020			2019 Total
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Current assets:				
Cash and interest-bearing deposits	\$ 405,075	\$ 12,061	\$ 417,136	\$ 246,857
Receivables, net	11	914	925	679
Inventory	-	24,282	24,282	28,011
Due from General Fund	-	-	-	2,600
Total current assets	<u>405,086</u>	<u>37,257</u>	<u>442,343</u>	<u>278,147</u>
Noncurrent assets:				
Capital assets -				
Land and construction in progress	-	1,167,388	1,167,388	1,113,789
Other capital assets, net	-	4,275,516	4,275,516	4,430,986
Total noncurrent assets	<u>-</u>	<u>5,442,904</u>	<u>5,442,904</u>	<u>5,544,775</u>
Total assets	<u>405,086</u>	<u>5,480,161</u>	<u>5,885,247</u>	<u>5,822,922</u>
<b>LIABILITIES</b>				
Accounts and other payables	-	7,697	7,697	8,615
Unearned revenues	-	5,421	5,421	1,578
Due to Park Operating Fund	-	-	-	2,600
Total liabilities	<u>-</u>	<u>13,118</u>	<u>13,118</u>	<u>12,793</u>
<b>NET POSITION</b>				
Net investment in capital assets	-	5,442,904	5,442,904	5,544,775
Restricted for recreation	405,086	-	405,086	225,279
Unrestricted	-	24,139	24,139	40,075
Total net position	<u>\$ 405,086</u>	<u>\$ 5,467,043</u>	<u>\$ 5,872,129</u>	<u>\$ 5,810,129</u>



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

General Fund  
Comparative Balance Sheet  
November 30, 2020 and 2019

	2020	2019
<b>ASSETS</b>		
Interest-bearing deposits	\$ 405,075	\$ 227,868
Receivables:		
Accrued interest	11	11
Total assets	\$ 405,086	\$ 227,879
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Due to Park Operating Fund	\$ -	\$ 2,600
Fund balance:		
Restricted for recreation	405,086	225,279
Total liabilities and fund balance	\$ 405,086	\$ 227,879

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

General Fund  
Budgetary Comparison Schedule  
For the Year Ended November 30, 2020  
With Comparative Actual Amounts for the Year Ended November 30, 2019

	2020			Variance - Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
Charges for services -					
Registration fees	\$ 4,500	\$ -	\$ 6,050	\$ 6,050	\$ 3,260
Intergovernmental -					
Local contribution	920,000	951,750	972,766	21,016	890,044
Miscellaneous -					
Sponsor income	13,250	2,500	2,500	-	13,250
Interest income	870	423	701	278	1,033
Other	-	-	-	-	41
Total revenues	<u>938,620</u>	<u>954,673</u>	<u>982,017</u>	<u>27,344</u>	<u>907,628</u>
<b>Expenditures:</b>					
Current -					
General government:					
Parc per diem	<u>27,600</u>	<u>26,570</u>	<u>26,975</u>	<u>(405)</u>	<u>26,350</u>
Recreation:					
Salaries	23,000	-	-	-	22,240
CAYSI appropriation	12,000	900	814	86	7,283
Appropriation to City - for bond payments	372,000	372,000	372,000	-	346,780
Other park appropriations - boxing	-	1,050	1,043	7	(582)
Summer recreation program	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,979</u>
Total	<u>409,500</u>	<u>373,950</u>	<u>373,857</u>	<u>93</u>	<u>377,700</u>
Pelican Park North expenditures:					
Legal and accounting	9,566	17,427	20,907	(3,480)	27,511
Office expenditures and supplies	500	188	308	(120)	2,474
Park insurance	25,844	19,091	18,801	290	20,671
Utilities	8,000	8,157	8,089	68	5,833
Park concert program	-	2,068	2,434	(366)	-
Repairs and maintenance	51,050	19,381	18,845	536	48,866
Maintenance - inmates	15,000	984	984	-	17,709
Travel and meetings	5,000	1,994	2,364	(370)	4,566
Outside service contracts	4,958	4,181	4,056	125	5,060
Miscellaneous	<u>815</u>	<u>2,260</u>	<u>2,136</u>	<u>124</u>	<u>522</u>
Total Pelican Park North expenditures	<u>120,733</u>	<u>75,731</u>	<u>78,924</u>	<u>(3,193)</u>	<u>133,212</u>
Total recreation	<u>530,233</u>	<u>449,681</u>	<u>452,781</u>	<u>(3,100)</u>	<u>510,912</u>
Total expenditures	<u>557,833</u>	<u>476,251</u>	<u>479,756</u>	<u>(3,505)</u>	<u>537,262</u>
Excess of revenues over expenditures	380,787	478,422	502,261	23,839	370,366

(continued)

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

General Fund  
Budgetary Comparison Schedule (Continued)  
For the Year Ended November 30, 2020  
With Comparative Actual Amounts for the Year Ended November 30, 2019

	2020			Variance - Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
Other financing uses:					
Transfers to Park Operating Fund	<u>(389,000)</u>	<u>(268,985)</u>	<u>(322,454)</u>	<u>(53,469)</u>	<u>(468,816)</u>
Change in fund balance	(8,213)	209,437	179,807	(29,630)	(98,450)
Fund balance, beginning	<u>225,279</u>	<u>225,279</u>	<u>225,279</u>	-	<u>323,729</u>
Fund balance, ending	<u>\$ 217,066</u>	<u>\$ 434,716</u>	<u>\$ 405,086</u>	<u>\$ (29,630)</u>	<u>\$ 225,279</u>

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

Park Operating Fund  
Comparative Statement of Net Position  
November 30, 2020 and 2019

	2020	2019
<b>ASSETS</b>		
Current assets:		
Cash	\$ 6,000	\$ 6,000
Interest-bearing deposits	6,061	12,989
Receivables, net	914	668
Inventory	24,282	28,011
Due from General Fund	-	2,600
Total current assets	37,257	50,268
Noncurrent assets:		
Capital assets -		
Land and construction in progress	1,167,388	1,113,789
Other capital assets, net of accumulated depreciation	4,275,516	4,430,986
Total noncurrent assets	5,442,904	5,544,775
Total assets	5,480,161	5,595,043
<b>LIABILITIES</b>		
Accrued liabilities	7,697	8,615
Unearned revenues	5,421	1,578
Total liabilities	13,118	10,193
<b>NET POSITION</b>		
Net investment in capital assets	5,442,904	5,544,775
Unrestricted	24,139	40,075
Total net position	\$ 5,467,043	\$ 5,584,850

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

Park Operating Fund  
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Years Ended November 30, 2020 and 2019

	Carencro					
	Pelican Park		Sports Complex		Total	
	2020	2019	2020	2019	2020	2019
<b>Operating revenues:</b>						
<b>Charges for services -</b>						
Concession sales	\$ 183,672	\$ 247,386	\$ 11,519	\$ 17,405	\$ 195,191	\$ 264,791
Lounge sales	54,951	123,493	-	-	54,951	123,493
League, entry and sponsorship fees	27,397	72,609	47,122	88,226	74,519	160,835
Gate receipts	69,587	111,627	6,340	12,675	75,927	124,302
Membership dues	11,355	20,552	-	-	11,355	20,552
Pro-shop sales	2	86	-	-	2	86
Softball sales	1,562	5,047	-	-	1,562	5,047
Park rental income	6,209	16,186	-	-	6,209	16,186
Events	-	42,769	32,708	77,568	32,708	120,337
Other	521	2,838	69,488	71,043	70,009	73,881
<b>Total operating revenues</b>	<u>355,256</u>	<u>642,593</u>	<u>167,177</u>	<u>266,917</u>	<u>522,433</u>	<u>909,510</u>
<b>Costs of revenues:</b>						
<b>Purchases -</b>						
Food	71,979	105,322	5,249	10,208	77,228	115,530
Liquor	9,979	25,186	-	-	9,979	25,186
Beer	11,034	33,935	-	-	11,034	33,935
Softballs	2,119	5,624	-	-	2,119	5,624
Uniforms	351	242	-	-	351	242
<b>Total cost of revenues</b>	<u>95,462</u>	<u>170,309</u>	<u>5,249</u>	<u>10,208</u>	<u>100,711</u>	<u>180,517</u>
<b>Gross profit</b>	<u>259,794</u>	<u>472,284</u>	<u>161,928</u>	<u>256,709</u>	<u>421,722</u>	<u>728,993</u>

(continued)

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

Park Operating Fund  
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position (Continued)  
For the Years Ended November 30, 2020 and 2019

	Pelican Park		Carencro Sports Complex		Total	
	2020	2019	2020	2019	2020	2019
Operating expenses:						
Salaries	\$ 167,393	\$ 218,566	\$ 120,717	\$ 149,771	\$ 288,110	\$ 368,337
Payroll taxes	17,962	22,155	9,213	10,608	27,175	32,763
Workman's compensation	11,043	8,450	2,811	8,300	13,854	16,750
Advertising	2,031	4,809	1,388	239	3,419	5,048
Awards	3,111	4,019	288	713	3,399	4,732
Depreciation expense	148,948	132,562	106,562	102,682	255,510	235,244
Legal and accounting	7,663	1,313	7,663	13,253	15,326	14,566
Office and postage expenses	2,461	7,592	2,185	1,003	4,646	8,595
Service contracts	24,365	24,768	21,227	19,363	45,592	44,131
Sponsorship fees	2,215	99,308	-	58	2,215	99,366
Umpire fees	24,384	29,327	11,525	17,824	35,909	47,151
Utilities and telephone	30,850	45,745	21,291	21,524	52,141	67,269
Repairs, maintenance and supplies	18,839	44,215	24,594	20,828	43,433	65,043
Miscellaneous	2,491	14,054	12,056	9,477	14,547	23,531
Total operating expenses	<u>463,756</u>	<u>656,883</u>	<u>341,520</u>	<u>375,643</u>	<u>805,276</u>	<u>1,032,526</u>
Operating loss	<u>\$ (203,962)</u>	<u>\$ (184,599)</u>	<u>\$ (179,592)</u>	<u>\$ (118,934)</u>	<u>(383,554)</u>	<u>(303,533)</u>
Non-operating income (expenses):						
Interest income					64	194
PARC expenses paid by Pelican Park					<u>(56,771)</u>	<u>(118,367)</u>
Total non-operating expenses					<u>(56,707)</u>	<u>(118,173)</u>
Loss before transfers					(440,261)	(421,706)
Transfers from General Fund					<u>322,454</u>	<u>468,816</u>
Change in net position					(117,807)	47,110
Net position, beginning					<u>5,584,850</u>	<u>5,537,740</u>
Net position, ending					<u>\$ 5,467,043</u>	<u>\$ 5,584,850</u>

**INTERNAL CONTROL,  
COMPLIANCE  
AND  
OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

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Victor R. Slaven, CPA\* - retired 2020

\* A Professional Accounting Corporation

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the governmental activities, the business-type activities, and each major fund of the Parks and Recreation Commission of Carencro, Inc. (PARC), a component unit of the City of Carencro, Louisiana, as of and for the year ended November 30, 2020, and the related notes to the financial statements, which collectively comprise the PARC's basic financial statements and have issued our report thereon dated April 30, 2021.

### Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2020-001 to be a material weakness.



## **Compliance and Other Matters**

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

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

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

## **Purpose of this Report**

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

***Kolder, Slaven & Company, LLC***

Certified Public Accountants

Lafayette, Louisiana  
April 30, 2021

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

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended November 30, 2020

Part I. Current Year Findings and Management's Corrective Action Plan

A. Internal Control Over Financial Reporting

**2020-001 Inadequate Segregation of Accounting Functions**

Fiscal year finding initially occurred: 1994

CONDITION: The Commission did not have adequate segregation of functions within the accounting system.

CRITERIA: The Commission should have a control policy according to which no person should be given responsibility for more than one related function.

CAUSE: Due to the small number of employees, the bookkeeper handles accounts payable, disbursements, and performs bank reconciliations.

EFFECT: Failure to adequately segregate these duties increases the risk that errors and/or irregularities, including fraud and/or defalcations, may occur and not be prevented and/or detected.

RECOMMENDATION: Based upon the size of the operation and the cost benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

MANAGEMENT'S CORRECTIVE ACTION PLAN: No response is considered necessary.

Part II. Prior Year Findings

A. Internal Control Over Financial Reporting

**2019-001 Inadequate Segregation of Accounting Functions**

Fiscal year finding initially occurred: 1994

CONDITION: Due to the small number of employees, the Commission did not have adequate segregation of functions withing the accounting system.

RECOMMENDATION: Based upon the size of the operation and the cost benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

CURRENT STATUS: Unresolved. See finding 2020-001.